Government of **Western Australia**
Department of **Treasury and Finance**

# Annual Report 2025-26

# Acknowledgement of Country

This report was prepared by the Department of Treasury and Finance on the traditional Country of the Wadjuk people of the Noongar Nation.

The Department of Treasury and Finance respectfully acknowledges the Traditional Custodians of Country throughout Western Australia and their continuing connection to Country, Culture and Community.

We pay our respects to all members of Western Australia's Aboriginal communities and their cultures and to Elders past and present.

We acknowledge and pay tribute to the strength and stewardship of Aboriginal people in sustaining the world's oldest living culture and value the contribution Aboriginal people make to Western Australia's communities and economy.

We recognise our responsibility as an organisation to work with Aboriginal people, families, communities, and organisations to make a difference and to deliver improved economic, social and cultural outcomes for Aboriginal people.

**Artwork:** *'Walking Together' by Mel Spillman (Woods), Maarakool Art*

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## Statement of compliance

**Hon Rita Saffioti MLA**
Deputy Premier; Treasurer; Minister for Transport and Major Infrastructure; Sport and Recreation

**Hon David Michael MLA**
Minister for State Development; Economic Diversification; Finance; Electoral Affairs; Goldfields-Esperance

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Treasury and Finance for the financial year ended 30 June 2026. The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006.*

Michael Court

**Acting Under Treasurer**

Department of Treasury and Finance

11 September 2026

## About our report

This annual report details the Department of Treasury and Finance's performance, services and outcomes and audited financial statements for the year ended 30 June 2026.

The report is divided into five main sections – Overview, Agency performance, Significant issues impacting the agency, Disclosures and legal compliance, and Other statutory information – designed to provide useful, easy-to-read information.

Further information relating to this report may be obtained by emailing **info@dtf.wa.gov.au** or accessed on our **website**.


Legislation, Training and Review team

# Overview

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# Acting Under Treasurer's foreword

I am pleased to present the Department of Treasury and Finance (DTF) Annual Report for 2025-26.

This year marked our first in operation following the WA Government's 2025 Public Sector Reforms, which brought together the Department of Treasury with the Procurement Policy and Strategy and RevenueWA functions from the former Department of Finance into a single Department.

We now occupy a unique position as a central government agency, supporting the Government through economic and fiscal advice, financial management, revenue administration and procurement leadership across the public sector.

Throughout the year, we worked to integrate our people, systems, governance arrangements and strategy following the reform process.

We placed significant emphasis on building a unified organisational culture and identity. Through the DTF Roadmap project, which included input from staff across the Department, we established a common strategic direction and corporate values that will guide our decisions, behaviours and service delivery into the future.

All this was achieved while meeting our statutory obligations and continuing to provide timely and trusted advice to Government.

This can be attributed to the hard work and commitment of our staff who have shown exceptional resilience and professionalism throughout this period of change.

I would like to thank former Under Treasurer Joann Wilkie for her leadership and efforts during 2025-26. I would also like to thank the Hon Rita Saffioti MLA, Treasurer and the Hon David Michael MLA, Minister for Finance for their support.

As we look ahead, we are well positioned to support the Government's priorities, safeguard the State's financial sustainability, strengthen public sector performance and contribute to the continued prosperity and wellbeing of all Western Australians.

Michael Court

**Acting Under Treasurer**

Department of Treasury and Finance

# Executive summary

In 2025-26, the Department played a central role in supporting the Government's economic and fiscal objectives during a period of change and global uncertainty.

Drawing on the combined strengths of the former agencies, we provided high-quality advice to Government, assisted in ensuring sound financial decision-making, and delivered critical services that enable agencies to serve the community effectively.

## Laying a strong foundation

In our first year of operation, we focused on putting the fundamentals in place to help bring together our people, services and activities.

Through the DTF Roadmap project, we sought the ideas and aspirations of employees and leaders from across the Department and external stakeholders to establish priorities, a shared vision and a new organisational culture. This included developing our inaugural Strategic Plan and establishing a new set of corporate values.

We also developed and implemented a comprehensive Delegations and Authorisations Framework, Integrity Framework, Risk Appetite Statement, Risk Registers and supporting corporate policies to establish robust governance and accountability arrangements for the new Department.

Additionally, we signed a new Service Level Agreement with the Department of Housing and Works, ensuring reliable and secure technology services to support our operations and performance.

## Quality, trusted forecasting and advice

We continued to strengthen our economic and revenue forecasting, financial management and strategic policy advice, ensuring the Government was well positioned to respond to emerging challenges and opportunities amid global uncertainty.

The Department successfully supported the development and delivery of the 2026-27 Budget, which outlined an eighth consecutive operating surplus, with a range of cost-of-living relief measures and record investment in infrastructure.

We also helped the State maintain its triple-A credit ratings from S&P Global and Moody's Ratings, which encourages investment into the State.

Following the outbreak of conflict in the Middle East, we established a Fuel Security Taskforce to coordinate internal advice that supported government decision-making to mitigate fuel security risks facing Western Australia.

We also led WA's response to the Productivity Commission's inquiry into the 2018 GST Distribution Reforms, preparing a comprehensive submission outlining a strong case to retain the current GST distribution arrangements.

## Revenue and grants administration

Our revenue administration activities centred on providing efficient, accessible and responsive services for taxpayers while ensuring the integrity of the State's revenue base.

We completed the transfer of mineral and petroleum royalty administration functions from the Department of Mines, Petroleum and Exploration (DMPE) to RevenueWA to support improved compliance and enhanced client services to strengthen oversight of one of the State's largest revenue streams.

We also launched a new RevenueWAConnect central hub to make it easier and more secure for people to use RevenueWA's online services, and oversaw a significant legislation program to support key Government tax concession and relief initiatives.

## Procurement policy and practice

Throughout the year, we remained focused on ensuring procurement decisions across the public sector achieved value for money while supporting broader economic and social outcomes.

We worked to improve the capability and professionalism of procurement across the public sector, including through the launch of the Western Australian Procurement Professionalisation Strategy 2026–2030 and the completion of Pathways to Procurement (P2P) Pilot program, which brought in new talent to the public sector.

We also launched an updated Aboriginal Procurement Policy, which has continued to support agencies to contract with Aboriginal businesses, helping increase employment and business opportunities for Aboriginal people.

## Our people

Following the Public Sector Reform, our workforce grew to a total headcount of 829 employees in 2025-26. Throughout the year, we continued to invest in leadership development, workforce capability, employee wellbeing and diversity and inclusion through a range of programs and activities.

We recognised and celebrated key events, including Harmony Week, International Women's Day and International Day of People with Disability, reinforcing our commitment to fostering an inclusive and respectful workplace. We also supported the implementation of sector-wide initiatives such as The Skills Academy, Leadership Expectations framework and recruitment reform, helping to strengthen capability, enhance talent attraction and retention, support professional growth, and develop future leaders across the organisation.

## Reconciliation journey

As our new Department came together, we developed our new Innovate Reconciliation Action Plan that builds on the achievements and learnings from our previous RAPs from the former Department of Treasury and former Department of Finance.

We also recognised and took part in key events such as National Reconciliation Week and NAIDOC Week as we maintain our commitment to making reconciliation a part of our core business and day-to-day work.

## Looking forward

As we continue to mature as a unified Department in 2026-27 and beyond, we will remain committed to providing trusted advice, leading best practice across government, and delivering services that help the public sector operate efficiently and effectively.

Social Procurement team

# 2025-26 snapshot

**8th consecutive**

general government operating surplus

**$1.74 billion**

of whole-of-government buying power leveraged through common use arrangements (CUAs)

Western Australia's

**Triple-A credit ratings**

maintained

**2nd**

Aboriginal Expenditure Review released

**11**

budget models updated to enhance service delivery analysis with 3 new models in development

**$209.8 million**

in housing grants, energy subsidy payments and local government rebates for pensioners and seniors were paid to support Western Australian households

**$24.5 billion**
in taxes and royalties administered on behalf of Government

**$2.8 million**
in unclaimed monies processed to 6,802 claimants (almost doubling previous record)

**2** CFO forums and 1 Public Sector Economic Forum

**1,668**
participants attended 72 procurement capability building events

**12** major financial and corporate publications released

**829**
staff headcount

# Our role

The Department of Treasury and Finance is at the centre of Government decision-making. As the principal economic and financial advisor, we provide leadership and strategic advice and influence to support the delivery of services and outcomes for the benefit of Western Australia.

What we do is integral to the Government's decision-making processes about how taxpayer's money is spent to ensure Western Australians have access to quality services on a financially sustainable basis.

We lead procurement and leverage our buying power to secure products and services for government, achieving value for money for Western Australia.

We collect revenue to fund government services and administer the payment of grants and subsidies to the WA community.



# Our key milestones

## 2025

**JUL**
- Commenced operations as Department of Treasury and Finance
- Launched updated Aboriginal Procurement Policy (**p.38**)

**AUG**
- Hosted annual Public Sector Economic Forum

**SEP**
- Completed transfer of mining and petroleum royalty collection and administration functions from DMPE (**p.39**)
- Released 2024-25 Annual Report on State Finances

**OCT**
- Released Aboriginal Procurement Policy Performance Report 2024-25

**NOV**
- Released Overview of State Taxes and Royalties 2025-26

**DEC**
- Released the 2025-26 Government Mid-year Financial Projections Statement (Mid-year Review)

## 2026

**JAN**
- Welcomed our 2026 Graduate Program cohort (**p.25**)

**FEB**
- Finalised WA's submission to Productivity Commission inquiry into 2018 GST Distribution Reforms (**p.34**)

**MAR**
- Launched RevenueWAConnect online hub (**p.39**)

**APR**
- Established internal Fuel Security Taskforce (**p.45**)

**MAY**
- Supported release of the 2026-27 State Budget (**p.33**)
- Completed Pathways to Procurement Pilot Program (**p.37**)

**JUN**
- Launched Procurement Professionalisation Strategy 2026-2030 (**p.36**)
- Finalised new Strategic Plan 2026–29 (**p.18**)

# Operational structure

As at 30 June 2026

The Under Treasurer is the head of DTF and led the following business units during 2025-26:

**Office of the Under Treasurer**

The central point of liaison between DTF and the Treasurer's and Minister for Finance's offices, overseeing correspondence and Treasury and Finance communications.

**Office of the Deputy Under Treasurer**

Leads consolidation of total State sector accounts and fiscal strategy, oversight of financial management frameworks and the public bank account, whole-of-government guidance on State Budget process and strategic infrastructure planning, investment and delivery – as well as budget advice on transport portfolio agencies. Also responsible for maintaining DTF's risk assurance and business continuity function.

**Advisory Services**

Undertakes data modelling to support agencies' data analytics, advises on the allocation of the Digital Capability Fund and assurance of ICT projects, undertakes special projects and works on complex commercial contracts.

**Economic**

Provides expert economic and financial policy advice, including economic conditions and forecasts, tax and royalty policy, the distribution of GST grants, best practice regulation, housing supply and affordability, economic diversification and wages policy.

**Agency Budgeting and Governance**

Works with Government agencies to provide analysis and advice on service delivery to inform Government decision-making. Provides oversight, governance and support to the State's Government Trading Enterprises.

**Strategic Policy and Evaluation**

Works in partnership with key service delivery agencies to provide solutions-focused advice to Government on policy settings, resource allocation, and agencies' financial and service performance. Provides a central advisory role on issues impacting delivery of Government priorities and outcomes for Aboriginal people and communities.

**RevenueWA**

Collects taxation and royalties revenue and pays grants and subsidies to Western Australians on behalf of the Government. Conducts compliance audits and investigations, provides taxpayer education, manages legislative appeals to RevenueWA decisions, and develops revenue-related legislation.

**Procurement Policy and Strategy**

Functional lead for a whole-of-government approach to procurement policy, including administration of the *Procurement Act 2020*, procurement systems and intelligence as well as whole-of-government common use arrangements and assurance functions that efficiently meets the business needs of government agencies, manages risks and delivers value for money.

**Corporate Strategy and Performance**

Provides the strategic, financial, governance, workforce and corporate support functions that underpin organisational performance. By strengthening capability, overseeing effective resource management, and driving continuous improvement, the business unit enables the organisation to achieve its priorities and deliver value to Government and the Western Australian community.

# Organisational chart

As at 30 June 2026

**Under Treasurer**
Joann Wilkie

**Office of the Under Treasurer**

## Office of the Deputy Under Treasurer
Michael Court

- **State Finances** — Director: Chris Wright
- **Infrastructure Strategy and Policy** — Director: Angela Tooker
- **Budget Coordination and Transport** — A/Director: Kurt Sibley
- **Financial Policy and Operations** — Director: Pauline Burton
- **Assurance, Risk and Business Continuity** — Director: Michael Eaton

## Advisory Services
**Assistant Under Treasurer**
Amanda Jalleh

- **Commercial Advisory** — A/Director: Andrew Cowie
- **Data Science and Special Projects** — Director: Ryan Sengara

## Economic
**A/Deputy Under Treasurer**
Michael Andrews

- **Revenue and Intergovernmental Relations** — Director: Marny Marsh
- **Economic and Revenue Forecasting** — Director: David Christmas
- **Economic Policy** — Director: Clara Cuevas-Cubria
- **Housing Supply Unit** — A/Director: David Corbellini
- **Economic Diversification** — Assistant Director: Elliot Cook
- **DTF Roadmap Project** — Project Director: Natalie Swan
- **Members of Parliament Resourcing Transparency Project** — Project Director: Kate Colleran
- **Wages Policy** — Assistant Director: Michael Harrigan

## Agency Budgeting and Governance
**Assistant Under Treasurer**
Richard Watson

- **Utilities, Transactions and Climate** — A/Director: Mathew Greene
- **Land, Ports and Financial Entities** — Director: Alexis Stevens
- **Agency Policy and Budget Analysis** — Director: Sean Cameron

## Strategic Policy and Evaluation
**Assistant Under Treasurer**
Lisa Bednarczyk

- **Performance and Evaluation Group 1** — Director: Pratthana Hunt
- **Performance and Evaluation Group 2** — Director: Herniwaty Husni
- **Performance and Evaluation Group 3** — Director: Laura Cook
- **Performance Monitoring Unit** — Director: Kylie Dalling

## RevenueWA
**Commissioner of State Revenue**
Chris McMahon

- **Office of the Commissioner** — A/Assistant Director: Ian Casey
- **Compliance** — Director: Dominick Geraghty
- **Legislation, Review and Training** — Director: Michelle Owens
- **Operations Group 1** — Director: Katie McArdle
- **Operations Group 2** — Director: Rachel Coetzee

## Procurement Policy and Strategy
**Assistant Under Treasurer**
Kate Ingham

- **Office of the Assistant Under Treasurer** — Assistant Director: Jessie Yeow
- **Government Policy and Strategy** — General Manager: Lara Connor
- **Procurement Frameworks** — General Manager: Susanne Harris
- **Procurement Assurance, Systems and Reporting** — Director: Nicholas Power
- **Enhance Public Sector Procurement Project** — Director: Angela Corbett

## Corporate Strategy and Performance
**A/Executive Director**
Kristina Gailiute-Khan

- **A/Chief Finance Officer/Chief Procurement Officer**: Noorhadi Khamzah
- **Chief Human Resource Officer**: Annabella Lamiri
- **Strategic ICT** — A/Assistant Director: Dean Twort
- **Strategy and Governance** — A/Assistant Director: Sonia Szymanski

# Responsible Ministers

**Hon Rita Saffioti MLA**

Deputy Premier; Treasurer; Minister for Transport and Major Infrastructure; Sport and Recreation

**Hon David Michael MLA**

Minister for State Development; Economic Diversification; Finance; Electoral Affairs; Goldfields-Esperance

# Enabling legislation

DTF is established under the *Public Sector Management Act 1994*. DTF also assists the Treasurer and the Minister for Finance in administering various Acts (full list in the Appendix).

# Our 2025-26 legislation

During 2025-26 the following Acts were passed in Parliament:

- *Appropriation (Recurrent 2025-26) Act 2025* – Royal Assent on 22 August 2025, effective 23 August 2025. This Act grants supply, appropriates and applies out of the Consolidated Account certain sums for the recurrent services and purposes of the year ending 30 June 2026.
- *Appropriation (Capital 2025-26) Act 2025* – Royal Assent on 22 August 2025, effective 23 August 2025. This Act grants supply, appropriates and applies out of the Consolidated Account certain sums for capital purposes of the year ending 30 June 2026.
- *Treasurer's Advance Authorisation Act 2026* – Royal Assent on 11 May 2026, effective 12 May 2026. This Act authorises expenditure in the financial year ending 30 June 2026 to make certain payments or advances for certain purposes.
- *Land Tax Assessment Amendment (Build-to-Rent) Act 2026* – Royal Assent on 25 June 2026, effective 1 July 2025. This Act amends the *Land Tax Assessment Act 2002.*
- *Pilbara Port Assets (Disposal) Repeal Act 2026* – Royal Assent on 25 June 2026, effective on 26 June 2026. This Act repeals the *Pilbara Port Assets (Disposal) Act 2016.*
- *Mining Amendment (Transfer of Royalty Administration) Act 2025* – Royal Assent on 2 July 2025, effective 1 September 2025. This Act amends the *Mining Act 1978* and *Taxation Administration Act 2003* to transfer WA's royalty administration and collection functions to DTF.
- *Help to Buy (Commonwealth Powers) Act 2025* – Royal Assent on 19 December 2025, effective 19 December 2025. This Act adopts the *Help to Buy Act 2024* (Cth) to enable home buyers to access the national shared equity scheme in supporting home ownership, and makes consequential amendments to relevant State Acts.

# Our strategy

## Strategic Plan

The DTF Strategic Plan 2026–29 sets our direction for the next three years as a unified central agency working towards a prosperous and resilient Western Australia.

Developed through extensive engagement with our people and stakeholders, and informed by the opportunities and challenges shaping our operating environment, the Strategic Plan reflects the insights and emerging priorities that will shape our future. It represents a shared commitment across DTF to the outcomes we want to achieve and the role we will play in supporting Government and the Western Australian community.

It recognises DTF's role as a central steward, providing trusted advice, leadership and services that help Government and the public sector navigate complexity, respond to change and deliver better outcomes for Western Australians.

The Strategic Plan provides a clear framework for how we will achieve our vision, deliver on our purpose and strategic priorities, and create long-term value for Western Australians.

## Our strategic priorities

**1** Provide trusted fiscal and economic stewardship

**2** Lead and partner to build sector capability and deliver high-quality services

**3** Enable our people to thrive through organisational capability and strong systems

## Our vision

A prosperous and resilient Western Australia, enabled by trusted advice and strong stewardship.

## Our purpose

We provide expert economic, financial and policy advice and services to support Government, fostering a workplace where talented people contribute to meaningful outcomes for the people of Western Australia.

## Our values

**Make a difference**

**Work together**

**Communicate with clarity**

**Learn and adapt**

# Shaping our future together

**Strategic Plan senior leadership team forum**

The development of our new Strategic Plan was truly a collective effort shaped by the experiences, insights and ideas of hundreds of our staff and stakeholders.

Following the creation of DTF, our first step was to engage staff across the entire Department to capture knowledge, understand our strengths and identify opportunities to enhance our capability and systems to support our future success.

Drawing on this, the DTF Roadmap project established a program of work that strives to continue to strengthen our people, culture and systems and become an even more connected, capable and high-performing organisation.

The first priority was to develop a new Strategic Plan and shared values, providing a clear direction and foundation for our Department's future.

It was informed by significant changes happening both outside and within DTF, with more than 360 staff and 15 external stakeholders providing input. Staff contributed through a strategic pulse survey, strategic speaker series, focus groups, and values and leadership workshops.

The Executive and senior leadership group listened, tested and refined the plan, ensuring alignment with strategic objectives and a shared understanding of the values.

Executive endorsed the Strategic Plan 2026–29 and values in June 2026.

# Our people

Our people are critical to delivering on our Department's core business objectives. We ensure our people reflect the diversity of our community, as improving outcomes for people from different backgrounds and with different needs is important to our success.

## Our staff profile

As at 30 June 2026, the Department had a total headcount of 829.

**85.5%** Permanent employees

**53.9%** Women

**26.8%** Culturally diverse

**14.5%** Fixed-term employees

**46.1%** Men

**1.0%** Aboriginal and Torres Strait Islander

**85.3%** Full-time employees

**60%** Senior Executive Service women*

**4.7%** People with disability

**14.7%** Part-time employees

**40%** Senior Executive Service men*

**5.2%** Youth (under 25)

*Issued a Senior Executive Service contract

## Completion rates

for mandatory training across DTF's workforce:

**92.9%** Accountability and Ethical Decision-Making training

**98.2%** Aboriginal and Cultural Competency Awareness training

**84.5%** Work Health and Safety Manager training

**93.9%** Disability Awareness training (for new starters only)

**92.2%** Bullying and Harassment training

# Supporting our people

During 2025-26, DTF continued to invest in our people to support the successful integration of Treasury and Finance functions following Public Sector Reform and strengthen a connected, capable and inclusive workforce.

Key priorities included building leadership capability, supporting employee learning and development, promoting health and wellbeing, advancing diversity and inclusion, strengthening cultural awareness and developing future talent through initiatives such as the Graduate Program and the Public Sector Commission's (PSC's) The Skills Academy.

Together, these efforts helped foster a positive workplace culture, enhance employee engagement and capability and support the Department's commitment to delivering outcomes for Western Australia through a high-performing and future-focused workforce.

**Exploring The Skills Academy platform**

# Developing our people

## Developing our leadership capability

Our Department implemented the PSC's Leadership Expectations framework, which articulates the behaviours and mindsets expected of leaders across different leadership contexts. The framework provides a consistent approach to leadership development and supports leaders at all levels to maximise their impact, build strong relationships, foster collaboration and deliver outcomes for the community.

To support implementation, the Department incorporated Leadership Expectations into performance and development programs, providing leaders with practical tools to strengthen self-awareness and leadership effectiveness. This work supports our commitment to developing contemporary leaders who can lead through change, cultivate inclusive and high-performing teams, and contribute to a positive organisational culture.

## Learning and collaboration

DTF continued to foster a strong culture of learning, collaboration and knowledge sharing through a range of employee engagement and capability initiatives. During the year, 16 Coffee Shop Forums provided opportunities for staff to connect with colleagues, hear from senior leaders and subject matter experts and explore emerging issues relevant to the Department's work.

We also launched our Speaker Series, featuring eight sessions with leaders from government, industry, peak bodies and the not-for-profit sector. These sessions provided employees with direct access to diverse perspectives, insights and expertise, helping to inform strategic thinking and support the development of the Department's future direction. Employees were encouraged to participate in the Department's health and wellbeing program, which delivered a range of initiatives focused on physical and mental wellbeing, resilience, healthy lifestyles and workplace wellness.

The Young Professional Program continued to support the development of early career employees by fostering collaboration, strengthening networks across the Department, and providing targeted professional development opportunities.

Together, these initiatives contributed to building a connected and informed workforce, supporting the integration of DTF and reinforcing our Department's commitment to a collaborative and high-performing culture.

## Embracing The Skills Academy

DTF has also embraced The Skills Academy, a sector-wide initiative designed to strengthen the core capabilities needed across the WA public sector now and into the future. The Skills Academy provides practical, relevant and impactful learning opportunities across a range of capability areas, including leadership, policy, procurement and contract management, financial management and budgeting, digital and data, workforce planning, change management, integrity and customer service.

To support employee development and make the most of these new learning opportunities, DTF implemented a structured learning calendar, providing employees with access to more than 40 Skills Academy courses delivered through a combination of face-to-face and online formats. The learning calendar enables staff to build capability in areas aligned to organisational priorities and individual development goals, while supporting a culture of continuous learning and professional growth across the Department. The Skills Academy forms part of a broader public sector approach to capability development, with learning pathways designed specifically for the WA Government context and accessible to employees at all stages of their careers.

**DTF RAP Working Group representatives with Noongar artist Mel Spillman (Woods)**

# Diversity and inclusion

DTF is committed to fostering an inclusive and diverse workforce that reflects the community we serve. Our diversity strategies set the framework for our diversity and inclusion practices, aiming to build a strong sense of belonging for all DTF employees.

Throughout 2025-26, we advanced our commitment to diversity and inclusion through targeted initiatives. We have continued to revitalise our employee-led Diversity Committee, enhancing its role in shaping inclusive workplace practices. The committee commenced a project to design a new Workforce Diversification and Inclusion Strategy.

Initial planning for the strategy included completing an environmental scan of workforce and diversity plans across relevant agencies and jurisdictions. The scan provided insights into contemporary approaches, priorities and opportunities, and the findings will support the next phase of activities to help shape the direction and priorities of the DTF strategy.

## Aboriginal People and Torres Strait Islander employment and cultural awareness

DTF deepened its commitment to Aboriginal and Torres Strait Islander employment and cultural awareness in 2025-26, fostering inclusion and reconciliation through meaningful initiatives.

We finalised our Innovate RAP, demonstrating our commitment to strengthening relationships with Aboriginal and Torres Strait Islander peoples, embedding cultural learning and advancing reconciliation. The Innovate RAP will guide DTF in implementing practical, sustainable actions to create a more inclusive workplace.

To further our reconciliation journey, we celebrated NAIDOC Week (6–13 July 2025) and were honoured to welcome Hazali D'Anna and Alarna Maher, young Aboriginal leaders sharing insights aligned with the 2025 theme 'The Next Generation: Strength, Vision and Legacy'.

Through their program, they are developing approaches with their collaborators to ensure that Young Aboriginal leaders in the Kimberley sit at the decision-making tables when youth issues and other matters are being discussed. Staff also participated in the National Reconciliation Week 2026 Breakfast, centred on truth-telling, leadership and connection.

To embed cultural awareness, all new starters completed Aboriginal Cultural Awareness training as part of a tailored induction program.

## Cultural and linguistic diversity

In 2025-26, DTF continued to embrace cultural and linguistic diversity, fostering an inclusive workplace that reflects Western Australia's vibrant multicultural community.

We celebrated Harmony Week 2026 with events that highlighted our commitment to cultural unity and understanding.

With 26.8% of our workforce identifying as culturally and linguistically diverse, well above the WA public sector average of 15.5%, DTF continues to champion a workplace where diverse backgrounds and perspectives thrive, enriching our culture and enhancing our work.

## LGBTQIA+ inclusion

In 2025-26, DTF championed LGBTQIA+ inclusion by actively celebrating key awareness days.

This included participating in International Day Against LGBTQIA+ Discrimination (IDAHOBIT) and Wear It Purple Day. These events underscored our commitment to fostering a safe and inclusive workplace, visibly supporting the LGBTQIA+ community, and demonstrating DTF's commitment to creating inclusive work environments.

## Supporting women in our workforce

DTF continues to advance gender equity, increasing the representation of women in senior leadership (SES contracts) from 56.5% to 60%.

DTF celebrated International Women's Day with a presentation from Assistant Director, Economic and Revenue Forecasting, Dr Suhejla Hoti, who was selected as a speaker at Perth's inaugural Women in Leadership Summit. Drawing on her experience as a female leader in a highly technical field, Suhejla shared insights into her leadership journey, the challenges and opportunities she has encountered, and the importance of diverse leadership perspectives in driving organisational success.

Additionally, 16 female employees attended the 2025 Women in Public Sector Leadership Conference, gaining valuable insights and building networks to support career development and sector-wide collaboration.

## People with disability

In 2025-26, DTF continued the focus on inclusion by supporting managers to adopt accessible recruitment practices, ensuring applicants could request reasonable adjustments.

Employees with disability represented 4.7% of DTF's workforce, remaining closely aligned with the sector target of 5%.

We marked International Day of People with Disability with staff-wide communications, featuring an article showcasing inclusive recruitment.

**Dr Suhejla Hoti**

# Program nurtures emerging talent

The Department continued to invest in future talent through our annual 18-month Graduate Program, which plays an important role in building a skilled, future-focused workforce for DTF and the public sector.

The 2026 competitive recruitment campaign attracted 175 applications, with 12 graduates from a diverse range of disciplines, including Science, Finance, International Relations and Social Justice, commencing in January 2026.

The 2026 cohort is undertaking three, six-month rotations across key business areas, including the Western Australian Treasury Corporation (WATC).

A significant milestone during the year was the completion of the 2025 program. All nine participants successfully graduated and transitioned into permanent analyst roles across the Department and at the WATC.

Notably, two graduates began their DTF careers as interns, highlighting our commitment to developing and retaining emerging talent.

Throughout the year, graduates participated in professional development activities, networking opportunities and cohort initiatives designed to build capability, strengthen connections, and support career growth.

The close-knit nature of the cohorts remains a key strength of the program, fostering collaboration, peer support and lasting professional relationships.

‘The Graduate Program has provided an exceptional introduction to the public sector. DTF has supported me to build professional relationships, enhance my analytical skills, and contribute to work that has a real impact.’

**Ellena, 2025 Graduate Officer**

# Performance management framework

We strive to achieve our agency desired outcomes to support the Government Goals: Strong and Sustainable Finances: Responsible, achievable, affordable budget management. We monitor how the services we deliver realise their intended outcomes, by evaluating and assessing key performance indicators (KPIs). The KPIs provide an overview of the critical aspects of outcome achievement (effectiveness indicators). Actual results are reported against targets to help assess the effectiveness against desired outcomes.

You will find detailed information on performance in the Audited KPI section of this report.

## Outcome-based management (OBM) framework

### Relationship to Government goals

| Government goal | Desired outcomes | Services |
|---|---|---|
| Strong and sustainable finances:<br>Responsible, achievable, affordable budget management. | Sustainable and transparent public sector finances. | Financial management and reporting |
| | A strong and competitive State economy. | Economic and revenue forecasts and policy development |
| | Value for money outcomes in service delivery and infrastructure provision. | Evaluation and planning of Government service delivery and infrastructure provision |
| | Due and payable revenue is collected and eligible grants, subsidies and rebates paid. | Revenue assessment and collection, and grants and subsidies administration |
| | Value for money from public sector procurement. | Development and management of Common Use Contract Arrangements |

Detailed information on our achieved outcomes, along with supporting footnotes, is located within the Audited KPI section of this report.

## Changes to OBM framework

As a result of the Public Sector Reform changes, the Outcomes, Services and Key Performance Information reflects the reshaping of the Department of Treasury to become the Department of Treasury and Finance from 1 July 2025. This includes the transfer of the revenue assessment and collection, grants and subsidies administration, and whole-of-government procurement policy functions (the responsibility of the previous Department of Finance) to the Department of Treasury and Finance.

The associated OBM structure for RevenueWA was transferred in its entirety to the Department of Treasury and Finance. The Procurement Policy and Strategy Key Effectiveness Indicator was removed and replaced with a new one for the 2025-26 financial year reporting period with the OBM Framework amended to reflect this change.

# Shared responsibilities with other agencies

As a central agency, the Department works closely across the sector to facilitate the efficient operation of government, informed decision-making and value-for-money outcomes for Western Australians. This is achieved by providing leadership and strategic advice to government on initiatives to improve the operations and management of services across the public sector.

## Recognition for excellence in financial reporting

In December 2025, our Department was recognised by the Office of the Auditor General (OAG) as one of 15 large public sector agencies demonstrating best practice in financial reporting.

The recognition related to the former Department of Treasury's 2024-25 financial reporting and followed the OAG's annual audit of 125 WA Government entities. Best practice status is awarded to agencies that demonstrate excellence in the quality and timeliness of financial reporting and key performance indicators, effective resolution of accounting matters, and the achievement of an unqualified audit opinion.

This recognition reflects the Department's strong commitment to financial stewardship, robust governance and accountability. It also highlights the professionalism and expertise of our Finance and Procurement Services team in delivering high-quality financial management and reporting that supports transparency, informed decision-making and public confidence.

**Finance and Procurement Services team**

# Agency performance

- Actual results versus Budget targets
- Report on operations

# Actual results versus Budget targets

| Financial targets | 2026 Target [1] ($000) | 2026 Actual ($000) | Variation [2] ($000) |
|---|---|---|---|
| Total cost of services (expense limit) (sourced from Statement of comprehensive income) | 177,494 | 176,589 | (905) |
| Net cost of services (sourced from Statement of comprehensive income) | 168,467 | 168,596 | 129 |
| Total equity (sourced from Statement of financial position) | 51,951 | 77,317 | 25,366 |
| Agreed salary expense level [3] | 96,095 | 97,160 | 1,065 |
| Agreed Executive Salary Expense Limit | 10,068 | 8,099 | (1,969) |
| Number of approved full-time equivalents (FTE) [4] | 702 | 728 | 26 |

(1) As specified in the 2025-26 Budget Statements and/or 2025-26 Resource Agreement for the Department of Treasury and Finance.

(2) Further explanations are contained in the Notes to the Financial Statements, including Note 9.1 ‘Explanatory statement for controlled operations’.

(3) Includes agreed Executive Salary Expense Limit reported separately below.

(4) Actual FTE is derived by averaging the total FTE for each of the pay periods in 2025-26.

## Total cost of services

The Department commenced 2025-26 with an initial expense limit of $177.5 million. During the year this grew by $14.8 million, to a final approved expense limit of $192.3 million. The increase was predominantly attributed to the Public Sector Reform, reflows of expense limit from 2024-25 to 2025-26, and additional funding approved for Commercial Advisory projects during the year.

Actual total cost of services for 2025-26 ($176.6 million) was $15.7 million below the final approved expense limit of $192.3 million. The variance was mainly associated with delays in filling vacant positions, the timing of expenditure on Public Sector Reform related funding and Commercial Advisory projects and an underspend in land tax enquiry fees expenditure.

## Net cost of services

Actual net cost of services for 2025-26 ($168.6 million) was a relatively minor $0.1 million less than initially budgeted.

## Equity

The actual equity balance for 2025-26 was $25.4 million above the original budget, mainly due to a higher-than-anticipated operating surplus for the period and equity adjustments associated with the Public Sector Reform.

## Cash held

Cash increased by almost $30.0 million during 2025-26, from $20.5 million on 1 July 2025 to $50.5 million on 30 June 2026.

As outlined in the table below, the closing cash balance of $50.5 million exceeded the final agreed working cash limit by $43.3 million. Around $29.0 million of the year-end balance relates to funds reserved to cover current and future estimated employee leave entitlements. The remaining $21.5 million surplus cash was mainly driven by underspends in employee benefits and supplies and services during the year.

| Working cash targets | 2026 Agreed limit ($000) | 2026 Target/ Actual ($000) | Variation ($000) |
|---|---|---|---|
| Agreed working cash limit (at Budget) | 6,481 | 6,481 | N/A |
| Agreed working cash limit (at Actuals) | 7,231 | 50,522 | 43,291 |

## Salary expenditure and FTEs

The budgeted salary expense level increased from $96.1 million to $102.6 million during 2025-26 (with a corresponding increase in FTEs). This increase was mainly driven by the transfer of corporate FTEs from the Department of Housing and Works as part of Phase 2 of the Public Sector Reform, as well as the reflow of 2024-25 salary underspends and the re-purposing of non-salary expenditure for RevenueWA and the Performance Monitoring Unit during the 2025-26 Mid-year Review process. Actual salary expenditure for 2025-26 ($97.2 million) was $1.1 million higher than initially budgeted as a result of these budget increases, and was offset by vacancies during the year.

**Budget Coordination team**

# Report on operations

## Supporting Government's economic and fiscal decision-making to ensure Western Australians have access to quality services on a financially sustainable basis.

### Delivering another successful State Budget

The 2026-27 State Budget was one of DTF's most significant deliverables for the year, requiring extensive analysis, forecasting and coordination to inform and support Government decision-making.

Concluding with the Treasurer's Budget speech to Parliament on 7 May 2026, the successful delivery of the Budget was the result of the commitment and expertise of staff across the Department.

Over about nine months, and supported and informed by our economic and fiscal forecasts, DTF assessed and provided advice on hundreds of agency proposals across a broad range of service delivery, infrastructure and policy matters.

This involved undertaking detailed analysis, consulting extensively and providing expert advice to Government, including to progress its priorities in jobs, health, housing and cost of living support.

Following Cabinet's approval of the Budget aggregates, DTF produced the Budget Papers, including the two-volume, 802-page Budget Paper No. 2 (which details each agency's Budget statements) and Budget Paper No. 3 (providing a comprehensive overview of the State's economic and fiscal outlook).

### Transforming Government services

DTF continued to support the staged digital transformation of Government to deliver easier-to-use, smart and secure services to the public and businesses.

Through the Digital Capability Fund (DCF), almost $1.7 billion has been allocated to 108 projects across 33 public sector agencies since 2021-22 to deliver digital transformation and ICT system and cybersecurity upgrades.

This has included enabling more services to be delivered through shared digital platforms such as WA.gov.au, the ServiceWA app and PeopleWA database. A digital driver's licence is currently in development.

In 2025-26, DTF published a range of resources for agencies to improve the planning, delivery and financial management of ICT.

DTF also continued its own digital transformation journey, with a Microsoft Copilot trial leading to policy improvements and training to help staff use the tool safely and ethically, in line with the WA Government's Artificial Intelligence Policy.

Mount Lawley Hospital

## Submitting a strong case for Western Australia's share of GST

DTF led the WA Government's submission to the Productivity Commission's inquiry into the 2018 GST Distribution Reforms to help ensure the State retains the current GST distribution arrangements.

This involved preparing a 124-page submission outlining a strong, evidence-based case that the 2018 GST Distribution Reforms are delivering fairer and more stable outcomes for Western Australia and the nation. The submission process involved undertaking policy and economic analysis, coordinating stakeholder engagement and providing advice to Government. DTF also supported public consultation and advocacy activities throughout the process.

The submission argues the 2018 GST Distribution Reforms provide a sensible balance between encouraging economic development and productivity, while supporting the smaller states and territories.

The 2018 GST Distribution Reforms were introduced to address significant shortfalls in the GST system. Currently the reforms deliver over $6 billion annually to Western Australia. Despite this, Western Australia still provides a GST subsidy to the other states and territories of over $2 billion per year. The Productivity Commission is expected to complete the inquiry by the end of 2026.

## Securing complex hospital transactions

During 2025-26, DTF provided commercial and financial advice to Government to help secure two major health infrastructure transactions, enhancing healthcare options for the growing Western Australian community.

They were the strategic public acquisition of the 196-bed Mount Lawley Hospital, and a structured arrangement with Bethesda Health Care to ensure the continued operation of the 170-bed Mount Hospital.

DTF collaborated with other government stakeholders and the State's broader hospital system to facilitate these landmark agreements.

Our advice focused on negotiation strategies, transaction structuring and financial risk mitigation. These targeted efforts focused on ensuring value-for-money outcomes for Western Australians.

The acquisition of Mount Lawley Hospital delivers a critical asset to boost capacity in the public health system, while the Mount Hospital arrangement prevented the potential closure of the facility, preserving vital healthcare choices.

## Maintaining Western Australia's triple-A credit ratings

Western Australia continues to be the only Australian state or territory with a triple-A credit rating from both S&P Global and Moody's Ratings.

During 2025-26, our Department and the Western Australian Treasury Corporation engaged extensively with the two credit rating agencies to strengthen their understanding of WA's economy, fiscal position and medium-term financial outlook.

An important part of these exchanges is to detail the State's strategic infrastructure investments that support economic diversification and decarbonisation. In February 2026, Moody's analysts visited critical public and private sector investments in Perth's southern outskirts, including the Australian Marine Complex, Tianqi Lithium plant and the proposed Westport freight and logistics hub site.

These engagements provide important context for the independent assessment of the State's creditworthiness by Moody's and S&P.

S&P Global confirmed WA's AAA rating (stable outlook) in September 2025, while Moody's reaffirmed the State's Aaa rating (stable outlook) in May 2026. These ratings signal to investors that WA remains among the safest places to invest, supports lower borrowing costs for the State, and recognises WA's economic and fiscal strength.

**Tour of the Tianqi Lithium plant**

## Leading procurement and leveraging our buying power to secure products and services for government, achieving value for money for Western Australia.

### New strategy puts the 'pro' in procurement

With the WA public sector spending about $25 billion annually on goods, services and works procurement, having a professional and capable procurement workforce is essential.

To help achieve this, our Department launched the Western Australian Procurement Professionalisation Strategy 2026–2030 in June 2026, which sets the direction for strengthening procurement as both a profession and a function across the sector.

The strategy includes sector-wide priorities and focus areas for capability uplift and provides a structured roadmap for implementation over its life.

Developed with input from a range of agencies, it builds on the foundations set by Western Australia's first whole-of-government Procurement Capability Strategy released in 2022 and aligns to the evolving operating environment.

The strategy is complemented by an Agency Implementation Guide to help agencies to operationalise the strategy.
The Department will launch additional resources and tools in the second half of 2026 to further assist agencies.

**The Procurement Sector Capability team developed the Procurement Professionalisation Strategy**

## Building pathways to careers in procurement

We completed our Pathways to Procurement (P2P) Pilot Program in May 2026, which has helped build procurement capability and career opportunities in the WA public sector.

The 12-month program – a first of its kind in Australia – provided a hands-on and innovative pathway into government procurement careers for six graduates from the Vocational Education and Training (VET) sector.

The aim was to address identified sector-wide capability gaps, including limited entry-level pathways and an over-reliance on a small pool of experienced practitioners.

Five WA Government agencies participated in the pilot – DTF and the Departments of Housing and Works, Communities, Transport and Major Infrastructure, and Creative Industries, Tourism and Sport.

The graduates completed accredited training, undertook rotational placements across the agencies, and participated in a structured mentoring program.

All six participants completed the program and have secured government procurement roles. The pilot successfully demonstrated the potential of the VET sector as a source of procurement talent.

**Graduates of the P2P Pilot Program with Program Manager Bonny Saunders (middle)**

## Exceeding Aboriginal procurement targets

In July 2025, our Department launched an updated Aboriginal Procurement Policy, which sets targets for WA Government agencies to procure a percentage of their contracts from Aboriginal suppliers.

During the first half of 2025-26, the number of contracts awarded by agencies exceeded the policy's 4.5% target. There were 241 contracts awarded to 113 Aboriginal suppliers. This represents 8.14% of all relevant WA Government contracts awarded and had a combined value of $211,681,169.

A performance report for the full financial year will be released in late 2026.

## Strategic approach to contracting with Aboriginal suppliers

The updated Aboriginal Procurement Policy also now requires agencies to submit an Agency Aboriginal Procurement Plan (AAPP), which helps ensure they adopt a strategic approach to contracting with Aboriginal suppliers.

Our Department will review the AAPPs to help identify and promote best practice Aboriginal supplier engagement and support agencies that struggle to meet their targets.

To support agencies in Aboriginal supplier engagement, there are more than 20 Aboriginal supplier options across 13 common use arrangements (CUAs). In 2025-26, agencies spent an estimated $3.6 million with Aboriginal businesses under CUAs for goods and services, including ICT solutions, interpreting and translating services, and recycling and waste redirection.

# Collecting revenue to fund Government services and administering payment of grants and subsidies to the Western Australian community

## Transfer of mineral and petroleum royalty administration to RevenueWA

In 2025-26, our Department successfully completed the transfer of mineral and petroleum royalty administration functions from the Department of Mines, Petroleum and Exploration (DMPE) to RevenueWA.

The transfer integrated the expertise of DMPE's royalties compliance officers with RevenueWA's established compliance and data analytics expertise and information-sharing capabilities to streamline and further strengthen administration of one of the State's largest revenue streams.

The achievement reflected close collaboration between RevenueWA and DMPE to migrate royalty administration systems and deliver amendments to the *Mining Act 1978* and *Taxation Administration Act 2003,* and the introduction of the *Mining (Royalties) Regulations 2025* to support the transfer of responsibilities. In 2025-26, RevenueWA administered $10.42 billion in royalty revenue on behalf of the Government.

## A better way to connect to RevenueWA services

Our Department launched the RevenueWAConnect portal in March 2026 as part of our commitment to improving client access to online services and the introduction of multi-factor authentication (MFA).

RevenueWAConnect allows individuals, businesses and agents to access services from a central point with user access protected by MFA to enhance our cyber security stance in line with WA Government requirements. Services available through the portal allow users to engage on taxation matters and apply for concessions and subsidies administered by RevenueWA.

As part of the implementation, more than 196,000 MFA-enabled accounts were migrated to RevenueWAConnect. As of 30 June 2026, about 35,000 individual users had accessed services through RevenueWAConnect.

RevenueWA Royalties team

RevenueWAConnect Project team

## Legislation supporting government priorities

In 2025-26, our Department supported the Government's priorities through the development and implementation of taxation and revenue legislation to support Western Australians with housing affordability, economic growth, disaster recovery and reconciliation.

Key reforms included increasing land tax concessions for eligible build-to-rent developments and progressing a broader Housing Taxation Package to improve access to home ownership and encourage new housing supply. Measures expanded eligibility for first home buyer assistance, extended off-the-plan duty concessions and introduced incentives to support residential development.

We also progressed legislation to provide land tax exemptions for land transferred under Native Title settlements, supporting reconciliation outcomes and reducing administrative burdens for landholders. In addition, targeted land tax relief was delivered following Ex-Severe Tropical Cyclone Narelle, providing certainty and financial assistance to affected homeowners, primary producers and businesses across 43 local government areas.

Together, these reforms demonstrate our role in delivering practical legislative solutions that support Western Australians, strengthen economic resilience and advance the Government's strategic objectives.

## Supplying electricity cost relief

Our Department supported delivery of the Commonwealth Government's Energy Bill Relief Fund extension, which provided a $150 electricity credit to eligible households and small businesses incurring electricity charges on 30 September 2025.

The program ensured support reached customers who were not directly billed by Synergy or Horizon Power and therefore could not receive the credit automatically through their electricity provider. This included residents of caravan parks, retirement villages, apartment buildings and communities supplied through local mining operations.

On behalf of the Commonwealth Government, the Department administered payments totalling $2.39 million to 15,941 eligible households across Western Australia.

Household Electricity Credit team

# Significant issues impacting the agency

## Public sector reform

The Department was one of nine agencies involved in the Government's targeted 2025 Public Sector Reform to better align the sector with the Government's priorities of a more resilient economy and a better way to build.

Bringing together the former Department of Treasury functions with the RevenueWA and Procurement Policy and Strategy functions from the former Department of Finance supports strong management of the State's economy and finances, as well as driving procurement and revenue collection to secure value-for-money and the funding of essential services for Western Australians.

Throughout 2025-26, the Department invested significant effort in embedding the outcomes of the Public Sector Reform and establishing the foundations of a unified central agency. Key activities focused on integrating people, systems, governance arrangements, and financial and performance reporting frameworks to support effective and efficient operations.

## Economic outlook

Despite significant global headwinds, Western Australia's economy remains the strongest in the nation.

Global conditions are increasingly uncertain. Conflict in the Middle East has disrupted commodity and financial markets, while ongoing geopolitical tensions, uncertainty around US trade policy, and slowing growth in China are weighing on the global economy.

The IMF has revised global economic growth down to 3.1% and inflation up to 4.4% in 2026, and Australia is not immune.

Despite these pressures, Western Australia's economy remains resilient. Labour market conditions remain strong, with more Western Australians in work than ever before and over 380,000 jobs created since 2017, while unemployment remains low.

The Department will continue to work to ensure Government decision-making is based on informed and robust economic, financial and policy advice, focus on getting the best possible outcomes for Western Australia's economy and its people.

## Fuel security

Following the outbreak of conflict in the Middle East, uncertainty in global fuel markets posed risks to key WA industries, supply chains and communities. With WA's reliance on fuel-intensive sectors and long-distance transport networks, understanding potential impacts was critical to Government decision-making.

DTF established the Fuel Security Taskforce in April 2026 to internally coordinate economic and financial advice on fuel security risks facing Western Australia.

The Taskforce brought together expertise from across DTF to coordinate time-critical economic, fiscal and procurement advice to Government, including economic modelling to assess the impacts of higher fuel and energy prices and potential fuel supply shortages.

Working closely with the Department of Energy and Economic Diversification, Department of the Premier and Cabinet, State and Commonwealth agencies, industry groups and community stakeholders, DTF supported the Industry Support Working Group and Security and Emergency Committee of Cabinet and provided regular briefings to the Government. The Taskforce also contributed to interjurisdictional discussions and broader fuel security planning.

This work strengthened our Government's preparedness, supported coordinated responses to fuel security risks, and helped inform essential planning, that ensured stability during a period of global unrest.

# Disclosures and legal compliance

- **Certification of financial statements**
- **Independent Auditor's Report**
- **Financial statements**
- **Administered schedules**
- **Audited key performance indicators**
- **Certification of key performance indicators**

# Certification of financial statements

## For the financial year ended 30 June 2026

The accompanying financial statements of the Department of Treasury and Finance have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2026 and the financial position as at 30 June 2026.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.

**Noorhadi Khamzah**
Acting Chief Finance Officer
11 September 2026

**Michael Court**
Acting Under Treasurer
11 September 2026

Auditor General

**INDEPENDENT AUDITOR'S REPORT**

**2026**

**Department of Treasury and Finance**

To the Parliament of Western Australia

# Report on the audit of the financial statements

## Opinion

I have audited the financial statements of the Department of Treasury and Finance (Department) which comprise:

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- administered schedules comprising the administered assets and liabilities as at 30 June 2026 and administered income and expenses by service for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department for the year ended 30 June 2026 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

## 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 responsibilities for the audit of the financial statements section of my report.



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

## Responsibilities of the Under Treasurer for the financial statements

The Under Treasurer is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Under Treasurer is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

## Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. 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/ar4.pdf.

# Report on the audit of controls

## Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department. The controls exercised by the Department are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Department are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2026, and the controls were implemented as designed as at 30 June 2026.

## The Under Treasurer's responsibilities

The Under Treasurer is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

## Auditor General's responsibilities

As required by the *Auditor General Act 2006,* my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements *ASAE 3150 Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department for the year ended 30 June 2026 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Department for the year ended 30 June 2026 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2026.

### Matter of significance

The Department received an approval from the Treasurer, in accordance with Treasurer's Instruction 3 Financial Sustainability, Requirement 5.3(i) Key Performance Indicators, that it is not required to report key performance indicators for the following Services for the year ended 30 June 2026 and the subsequent years:

- Service 1: Financial Management and Reporting
- Service 2: Economic and Revenue Forecasts and Policy Development
- Service 3: Evaluation and Planning of Government Service Delivery and Infrastructure Provision

As a result, no key performance indicators were reported for these Services for the year ended 30 June 2026.

I am required by section 24(1) of the *Auditor General Act 2006* to report on matters of such significance. My opinion is not modified in respect of this matter.

### The Under Treasurer's responsibilities for the key performance indicators

The Under Treasurer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Under Treasurer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Under Treasurer is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5 Key Performance Indicators.

### Auditor General's responsibilities

As required by the *Auditor General Act 2006,* my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the Department's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

### My independence and quality management relating to the report on financial statements, controls and key performance indicators

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.

## Other information

The Under Treasurer is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2026, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators 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 did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Department for the year ended 30 June 2026 included in the annual report on the Department'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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators 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.

Grant Robinson

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 September 2026

# Financial statements

# Statement of comprehensive income

## For the year ended 30 June 2026

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

| | Notes | 2026 ($000) | 2025 ($000) |
|---|---|---|---|
| **Cost of services** | | | |
| **Expenses** | | | |
| Employee benefits expenses | **2.1(a)** | 109,360 | 47,661 |
| Supplies and services | **2.3** | 52,454 | 10,045 |
| Depreciation and amortisation expenses | **4.1, 4.2, 4.3** | 6,793 | 505 |
| Finance costs | **6.2** | 25 | 13 |
| Accommodation expenses | **2.4** | 5,862 | 5,690 |
| Grants and subsidies | **2.2** | 243 | 129 |
| Other expenses | **2.5** | 1,852 | 1,391 |
| **Total cost of services** | | **176,589** | **65,434** |
| **Income** | | | |
| User charges and fees | **3.2** | 4,526 | - |
| Commonwealth grants | **3.3** | 189 | - |
| Other income | **3.4** | 3,278 | 48 |
| **Total income** | | **7,993** | **48** |
| **Net cost of services** | | **168,596** | **65,386** |
| **Income from State Government** | | | |
| Service appropriation | **3.1** | 143,478 | 62,772 |
| Income from other public sector entities | **3.1** | 1,292 | 851 |
| Resources received | **3.1** | 40,779 | 6,872 |
| Royalties for Regions Fund | **3.1** | 124 | 110 |
| **Total income from State Government** | | **185,673** | **70,605** |
| | | | |
| **Surplus for the period** | | **17,077** | **5,219** |
| | | | |
| **Total comprehensive income for the period** | | **17,077** | **5,219** |

# Statement of financial position

## As at 30 June 2026

| | Notes | 2026 ($000) | 2025 ($000) |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 6.3 | 50,515 | 20,535 |
| Restricted cash and cash equivalents | 6.3 | 7 | 10 |
| Receivables | 5.1 | 4,473 | 942 |
| Amounts receivable for services | 5.2 | 871 | 400 |
| Other current assets | 5.3 | 424 | 20 |
| **Total current assets** | | **56,290** | **21,907** |
| **Non-current assets** | | | |
| Receivables | 5.1 | 3,423 | 1,314 |
| Amounts receivable for services | 5.2 | 19,895 | 14,584 |
| Plant and equipment | 4.1 | 135 | 148 |
| Intangible assets | 4.2 | 32,698 | 2,966 |
| Right-of-use assets | 4.3 | 235 | 219 |
| **Total non-current assets** | | **56,386** | **19,231** |
| **Total assets** | | **112,676** | **41,138** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Payables | 5.4 | 5,902 | 1,834 |
| Lease liabilities | 6.1 | 118 | 77 |
| Employee related provisions | 2.1(b) | 23,226 | 10,666 |
| Contract liabilities | 5.5 | 20 | - |
| **Total current liabilities** | | **29,266** | **12,577** |

| | Notes | 2026 ($000) | 2025 ($000) |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Lease liabilities | 6.1 | 130 | 149 |
| Employee related provisions | 2.1(b) | 5,963 | 2,701 |
| **Total non-current liabilities** | | **6,093** | **2,850** |
| **Total liabilities** | | **35,359** | **15,427** |
| **Net assets** | | **77,317** | **25,711** |
| **Equity** | | | |
| Contributed equity | | 35,066 | 537 |
| Accumulated surplus | | 42,251 | 25,174 |
| **Total equity** | | **77,317** | **25,711** |

The Statement of financial position should be read in conjunction with the accompanying notes.

# Statement of cash flows

## For the year ended 30 June 2026

| | Notes | 2026 ($000) | 2025 ($000) |
|---|---|---|---|
| **Cash flows from the State Government** | | | |
| Service appropriation | | 136,825 | 62,344 |
| Funds from other public sector entities | | 1,464 | 573 |
| Payments to Consolidated Account | | (5,735) | - |
| Capital appropriations | | 1,811 | 537 |
| Holding account drawdown | | 871 | 400 |
| Royalties for Regions Fund | | 124 | 110 |
| **Net cash provided by the State Government** | | **135,360** | **63,964** |
| *Utilised as follows:* | | | |
| **Cash flows from operating activities** | | | |
| **Payments** | | | |
| Employee benefits | | (92,516) | (45,856) |
| Supplies and services | | (12,903) | (3,698) |
| Finance costs | | (25) | (13) |
| Accommodation | | (5,956) | (5,652) |
| Grants and subsidies | | (243) | (129) |
| GST payments on purchases | | (2,650) | (1,335) |
| Other payments | | (1,573) | (1,373) |
| **Receipts** | | | |
| User charges and fees | | 4,527 | - |
| Commonwealth grants | | 209 | - |
| GST receipts on sales | | 104 | 22 |
| GST receipts from taxation authority | | 2,322 | 1,387 |
| Other receipts | | 3,261 | 48 |
| **Net cash provided by/(used in) operating activities** | | **(105,443)** | **(56,599)** |

| | Notes | 2026 ($000) | 2025 ($000) |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| **Payments** | | | |
| Purchase of non-current assets | | (1,593) | (783) |
| **Net cash provided by/(used in) investing activities** | | **(1,593)** | **(783)** |
| **Cash flows from financing activities** | | | |
| **Payments** | | | |
| Principal elements of lease payments | | (133) | (77) |
| Payment to accrued salaries account | | (458) | (253) |
| **Net cash provided by/(used in) financing activities** | | **(591)** | **(330)** |
| Net increase/(decrease) in cash and cash equivalents | | 27,733 | 6,252 |
| Cash balance transferred in from Department of Housing and Works | | 2,244 | - |
| Cash and cash equivalents at the beginning of the period | | 20,545 | 14,293 |
| **Cash and cash equivalents at the end of the period** | 6.3 | **50,522** | **20,545** |

The Statement of cash flows should be read in conjunction with the accompanying notes.

# Statement of changes in equity

## For the year ended 30 June 2026

| | Notes | Contributed equity ($000) | Accumulated surplus/ (deficit) ($000) | Total equity ($000) |
|---|---|---|---|---|
| **Balance at 1 July 2024** | | - | 19,955 | 19,955 |
| Surplus | | - | 5,219 | 5,219 |
| **Total comprehensive income for the period** | | **-** | **5,219** | **5,219** |
| Transactions with owners in their capacity as owners: | | | | |
| Capital appropriations | | 537 | - | 537 |
| **Total** | | **537** | **-** | **537** |
| **Balance at 30 June 2025** | | **537** | **25,174** | **25,711** |
| | | | | |
| **Balance at 1 July 2025** | | **537** | **25,174** | **25,711** |
| Surplus | | - | 17,077 | 17,077 |
| **Total comprehensive income for the period** | | **-** | **17,077** | **17,077** |
| Transactions with owners in their capacity as owners: | | | | |
| Capital appropriations | | 1,811 | - | 1,811 |
| Other contributions by owners | | - | - | - |
| Funds paid to Consolidated Account | | (5,735) | - | (5,735) |
| *Restructure of administrative arrangements:* | | | | |
| Net assets received | 10.1 | 38,453 | - | 38,453 |
| **Total** | | **34,529** | **-** | **34,529** |
| **Balance at 30 June 2026** | | **35,066** | **42,251** | **77,317** |

The Statement of changes in equity should be read in conjunction with the accompanying notes.

# Administered schedules

# Administered income and expenses

## For the year ended 30 June 2026

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Income** | | |
| Taxation[a] | 14,172,771 | - |
| Royalties[a] | 10,581,771 | - |
| Commonwealth grants | 9,762,099 | 11,689,158 |
| Government enterprises: | | |
| Dividends | 1,571,176 | 518,079 |
| Income tax equivalent regime | 1,410,197 | 880,729 |
| Local Government rates equivalent regime | 34,220 | 29,203 |
| Consolidated Account revenue received from agencies | 2,228,145 | 24,279,052 |
| Gold State superannuation reimbursement | 47,469 | 50,263 |
| Interest income | 241,265 | 281,686 |
| Loan guarantee fees | 146,299 | 136,134 |
| Pension recoups | 11,041 | 11,590 |
| Other revenue | 120,597 | 37,987 |
| **Total administered income** | **40,327,050** | **37,913,881** |

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Expenses** | | |
| Superannuation | (342,763) | 364,942 |
| Interest expense | 1,143,404 | 1,060,075 |
| Appropriations for: | | |
| Operating subsidies | 3,143,294 | 3,390,534 |
| Services | 26,584,213 | 24,838,447 |
| Salaries and allowances | 144,819 | 138,932 |
| Other appropriations | 4,616,109 | 4,693,804 |
| Grants and subsidies | 209,931 | - |
| Royalties for Regions[b] | 908,215 | 914,619 |
| Other expenses | 329,272 | 393,600 |
| **Total administered expenses** | **36,736,494** | **35,794,953** |

The administered income and expenses should be read in conjunction with Note 9.2 explanatory statement for administered items.

(a) The recognition of income from these activities is a combination of when payments are received or when an assessment notice or licence is issued by the Department. This relates to all Taxation and Royalties Income.

(b) Represents the expensing of Royalties for Regions moneys to agencies. As well as these expenses, there are also capital payments made by the Royalties for Regions program.

# Administered assets and liabilities

## As at 30 June 2026

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 4,839,890 | 4,019,409 |
| Taxation receivable | 1,768,283 | - |
| Royalties receivable | 2,830,077 | - |
| Treasurer's Advances | 25,574 | 24,358 |
| Government enterprises: | | |
| Tax equivalent receivable | 517,826 | 163,953 |
| Other receivables | 99,029 | 144,534 |
| **Total administered current assets** | **10,080,679** | **4,352,254** |
| | | |
| **Non-current assets** | | |
| Investments | - | 132 |
| Recoverable advances | 960 | 960 |
| Other receivables | - | 9,737 |
| **Total administered non-current assets** | **960** | **10,829** |
| **TOTAL ADMINISTERED ASSETS** | **10,081,639** | **4,363,083** |
| | | |
| **Current liabilities** | | |
| Superannuation | 36,469 | 35,014 |
| Interest payables | 205,177 | 215,236 |
| Appropriations payables | 108,387 | 126,359 |
| Special purpose account liabilities | 9,650,501 | 8,337,850 |
| Tax equivalent payable | 3,195 | 22,262 |
| Other payables | 66,743 | 59,663 |
| **Total administered current liabilities** | **10,070,472** | **8,796,384** |
| **Non-current liabilities** | | |
| Borrowings | 26,886,945 | 22,886,945 |
| Superannuation | 3,126,169 | 3,951,752 |
| Appropriations payable | 23,698,748 | 21,741,741 |
| Other payables | 638,475 | 534,309 |
| **Total administered non-current liabilities** | **54,350,337** | **49,114,747** |
| **TOTAL ADMINISTERED LIABILITIES** | **64,420,809** | **57,911,131** |

## Contingent Liabilities – Administered

### 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 the split of royalty income.

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.

### Taxation matters

As part of its normal business, the Department 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.

# Notes to the financial statements

## 1. Basis of preparation

The Department is a government not-for-profit entity controlled by the State of Western Australia, which is the ultimate parent.

A description of the nature of its operations and its principal activities have been included in the **'Overview'** which does not form part of these financial statements.

These annual financial statements were authorised for issue by the accountable authority of the Department on 11 September 2026.

### Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Conceptual Framework and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) as modified by Treasurer's Instructions. Some of these pronouncements are modified to vary their application and disclosure.

The *Financial Management Act 2006* and Treasurer's instructions, which are legislative provisions governing the preparation of financial statements for agencies, take precedence over AASB pronouncements. Where an AASB pronouncement is modified and has had a significant financial effect on the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars ($'000).

### Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

a) amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, as designated as contributions by owners (at the time of, or prior to, transfer) be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 8 – Requirement 8.1(i) and have been credited directly to Contributed Equity.

### Administered items

The Department administers, but does not control, certain activities and functions for and on behalf of government that do not contribute to the Department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

# Notes to the financial statements

Transactions relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable Australian Accounting Standards have been adopted.

### Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

### Impact of March 2025 Public Sector Reform on comparative information

The Western Australian Government announced the Public Sector Reform (PSR) in March 2025 to enhance economic resilience and improve service delivery across Western Australia by restructuring government departments and focusing on key priorities. As a result, the former Department of Treasury was renamed on 1 July 2025 as the Department of Treasury and Finance, with the following functions transferred from Department of Housing and Works:

- RevenueWA
- Procurement Policy and Strategy

The 2025 comparative represents the published financial results from the former Department of Treasury. However, the 2026 financial results are for the Department of Treasury and Finance. Due to significantly increased full-time equivalent employees and additional service deliveries, the PSR had a significant impact on the 2026 financials compared to 2025. The impacted financial notes are:

1. Administered income and expenses
2. Administered assets and liabilities
3. Note 2 Use of our funding
4. Note 3 Our funding sources
5. Summary of consolidated account appropriations (Delivery of services and Capital)
6. Note 4 Key assets
7. Note 5 Other assets and liabilities
8. Note 6 Financing
9. Note 7 Financial instruments and contingencies
10. Note 8 Other disclosures
11. Note 9 Explanatory statements

Please refer to Note 10 Restructuring of administrative arrangements for a summary of all adjustments.

### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

# Notes to the financial statements

## 2. Use of our funding

### Expenses incurred in the delivery of services

This section provides additional information about how the Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

| | Notes |
|---|---|
| Employee benefits expenses | 2.1(a) |
| Employee related provisions | 2.1(b) |
| Grants and subsidies | 2.2 |
| Supplies and services | 2.3 |
| Accommodation expenses | 2.4 |
| Other expenses | 2.5 |

### 2.1(a) Employee benefits expenses

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Employee benefits | 97,697 | 42,959 |
| Termination benefits | - | - |
| Superannuation – defined contribution plans[(a)] | 11,663 | 4,702 |
| **Employee benefits expenses** | 109,360 | 47,661 |
| Add: AASB 16 non-monetary benefit (not included in employee benefits expense) | 164 | 92 |
| Less: employee contributions (per note 3.2 Other income) | (76) | (48) |
| **Total employee benefits provided** | **109,448** | **47,705** |

(a) Includes payments of superannuation to Government Employees Superannuation Board (GESB) amounting to $7,737,385.

**Employee benefits** include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**Termination benefits** are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Superannuation** is the amount recognised in profit or loss of the Statement of comprehensive income comprising employer contributions paid to the Gold State Super (concurrent contributions), West State Super, GESB Super or other superannuation funds.

**AASB 16 non-monetary benefits** are non-monetary employee benefits, predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

**Employee contributions** are contributions made to the Department by employees towards employee benefits that have been provided by the Department. This includes both AASB 16 and non AASB 16 employee contributions.

# Notes to the financial statements

## 2.1(b) Employee related provisions

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Current** | | |
| **Employee benefits provisions** | | |
| Annual leave | 11,041 | 5,266 |
| Long service leave | 11,942 | 5,380 |
| Deferred salary scheme | 149 | - |
| **Other provisions** | | |
| Employment on-costs | 94 | 20 |
| **Total current employee related provisions** | 23,226 | 10,666 |
| **Non-current** | | |
| **Employee benefits provisions** | | |
| Long service leave | 5,941 | 2,696 |
| **Other provisions** | | |
| Employment on-costs | 22 | 5 |
| **Total non-current employee related provisions** | 5,963 | 2,701 |
| **Total employee related provisions** | **29,189** | **13,367** |

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

**Annual leave liabilities** are classified as current as there is no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

**Long service leave liabilities** are unconditional long service leave provisions and are classified as current liabilities as the Department does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Department has the right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and 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, to the estimated future cash outflows.

**Deferred salary scheme liabilities** are classified as current where there is no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

**Employment on-costs** involve settlements of annual and long service leave liabilities giving rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

# Notes to the financial statements

Employment on-costs, including workers' compensation insurance premium, 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 included as part of note 2.5 Other expenses (apart from the unwinding of the discount (finance cost))' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

| Employment on-costs provision | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Carrying amount at start of period | 25 | 26 |
| Additional/(reversals of) provisions recognised | 91 | 3 |
| Payments/other sacrifices of economic benefits | - | (4) |
| **Carrying amount at end of period** | **116** | **25** |

### Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

## 2.2 Grants and subsidies

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Recurrent** | | |
| Contributions to the Australian Accounting Standards Board | 52 | 52 |
| Contributions to the Board of Treasurers Secretariat | 118 | 77 |
| Various sponsorship | 73 | - |
| **Total grants and subsidies** | **243** | **129** |

Transactions in which the Department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

The Department is not responsible for administering a government subsidy scheme.

# Notes to the financial statements

## 2.3 Supplies and services

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Supplies and services** | | |
| Communications | 70 | 51 |
| Consultants | 539 | 86 |
| Contractors | 7,289 | 1,363 |
| Services provided by State Government agencies | 40,779 | 6,872 |
| Repairs and maintenance | 97 | 32 |
| Consumables | 435 | 307 |
| Travel | 113 | 117 |
| Legal costs | 927 | 195 |
| Other supplies and services expenses | 2,205 | 1,022 |
| **Total supplies and services expenses** | **52,454** | **10,045** |

**Supplies and services expenses** are recognised as an expense in the reporting period in which they are incurred.

## 2.4 Accommodation expenses

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Accommodation expenses** | | |
| Office rental | 5,860 | 5,682 |
| Repairs and maintenance | 2 | 8 |
| **Total accommodation expenses** | **5,862** | **5,690** |

**Office rental** is expensed as incurred as the Memorandum of Understanding Agreement between the Department and the Department of Housing and Works for the leasing of office accommodation contains significant substitution rights.

## 2.5 Other expenses

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Other expenses** | | |
| Insurance expenses[(a)] | 390 | 175 |
| Minor purchases | 390 | 238 |
| Audit fees | 966 | 953 |
| Expected credit losses expense | - | 2 |
| Other operating expenses | 106 | 23 |
| **Total other expenses** | **1,852** | **1,391** |

(a) Includes insurance payments made to the Insurance Commission of Western Australia.

**Minor purchases** includes purchases of minor equipment with a value of less than $5,000.

**Audit fees** includes payment to the Office of the Auditor General for the Department's financial audit and Annual Report on State Finances Audit.

**Expected credit losses** is recognised for movement in allowance for impairment of trade receivables. Please refer to note 5.1 Receivables for more details.

**Other operating expenses** generally represent the day-to-day running costs incurred in normal operations.

# Notes to the financial statements

## 3. Our funding sources

### How we obtain our funding

This section provides additional information about how the Department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

| | Notes |
|---|---|
| Income from State Government | 3.1 |
| User charges and fees | 3.2 |
| Commonwealth grants | 3.3 |
| Other income | 3.4 |

## 3.1 Income from State Government

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Appropriation received during the period: | | |
| Service appropriation | 143,478 | 62,772 |
| **Total service appropriation** | **143,478** | **62,772** |
| Income received from other public sector entities during the period: | | |
| Funding from other State Government agencies | 208 | 514 |
| Strategic Alliance Fund | 425 | 280 |
| Gains on disposal of non-current assets | - | 1 |
| Recoups | 607 | - |
| Other | 52 | 56 |
| **Total income from other public sector entities** | **1,292** | **851** |
| Resources received from other public sector entities during the period: | | |
| Department of Housing and Works | 24,535 | 6,218 |
| Department of Justice | 1,434 | 159 |
| Landgate | 14,807 | 491 |
| Other | 3 | 4 |
| **Total resources received** | **40,779** | **6,872** |
| Royalties for Regions Fund: | | |
| Governance of the Royalties for Regions Program | 124 | 110 |
| **Total Royalties for Regions Fund** | **124** | **110** |
| **Total income from State Government** | **185,673** | **70,605** |

# Notes to the financial statements

**Service appropriations** are recognised as income at the fair value of consideration received in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury and Finance.

**Income from other public sector entities** is recognised as income when the Department has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Department receives the funds.

**Resources received from other public sector entities** is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

**Royalties for Regions Fund** is the recurrent funding which is committed to projects and programs in WA regional areas and is recognised as income when the Department receives the funds.

## 3.2 User charges and fees

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Land Tax Enquiry | 4,294 | - |
| Other | 232 | - |
| **Total user charges and fees** | **4,526** | **-** |

## 3.3 Commonwealth grants

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Recurrent grants[a] | 189 | - |
| **Total Commonwealth grants** | **189** | **-** |

(a) Commonwealth funding is received for administering taxes on Christmas Island and Cocos (Keeling) Islands.

## 3.4 Other income

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Recoups | 476 | - |
| Senior Officer Vehicle Scheme (SOVS) | 76 | 48 |
| Whole of sector credit card incentive | 2,687 | - |
| Other | 39 | - |
| **Total other income** | **3,278** | **48** |

# Summary of consolidated account appropriations

## For the year ended 30 June 2026

| | 2026 Estimate ($000) Budget Paper 2 | 2026 Estimate ($000) Supplementary Funding | 2026 Estimate ($000) S25 Transfers In/(Out) | 2026 Estimate ($000) Amendments to Standing Appropriations | 2026 Estimate ($000) Revised Budget | 2026 Actual ($000) Actual | 2026 Variance ($000) Variance to Revised Budget |
|---|---|---|---|---|---|---|---|
| **Delivery of services** | | | | | | | |
| Item 14 Net amount appropriated to deliver services | 123,076 | 9,985 | 7,236 | - | 140,297 | 140,297 | - |
| Amount authorised by other statutes | | | | | | | |
| - *Salaries and Allowances Act 1975* | 3,129 | - | - | 52 | 3,181 | 3,181 | - |
| **Total appropriations provided to deliver services** | **126,205** | **9,985** | **7,236** | **52** | **143,478** | **143,478** | **-** |
| | | | | | | | |
| **Capital** | | | | | | | |
| Item 106 Capital appropriation | 1,081 | 730 | - | - | 1,811 | 1,811 | - |
| | | | | | | | |
| **Administered transactions** | | | | | | | |
| | | | | | | | |
| Recurrent administered | | | | | | | |
| **Operating subsidy payments** | | | | | | | |
| Item 15 Bunbury Water Corporation | 9,168 | 619 | - | - | 9,787 | 9,787 | - |
| Item 16 Busselton Water Corporation | 4,359 | 64 | - | - | 4,423 | 4,423 | - |
| Item 17 Electricity Generation and Retail Corporation (Synergy) | 778,483 | - | - | - | 778,483 | 758,914 | (19,569) |
| Item 18 Gold Corporation | 6,078 | - | - | - | 6,078 | 6,078 | - |
| Item 19 Southern Ports Authority | 2,851 | - | - | - | 2,851 | 2,321 | (530) |
| Item 20 Mid West Ports Authority | 6,029 | - | - | - | 6,029 | 4,695 | (1,334) |
| Item 21 Public Transport Authority of Western Australia | 1,412,781 | 71,914 | 7,065 | - | 1,491,760 | 1,491,760 | - |
| Item 22 Regional Power Corporation (Horizon Power) | 25,707 | 2,589 | - | - | 28,296 | 28,296 | - |
| Item 23 Water Corporation | 756,244 | - | - | - | 756,244 | 668,228 | (88,016) |
| Item 24 Western Australian Land Authority (DevelopmentWA) | 217,073 | - | - | - | 217,073 | 190,280 | (26,793) |
| Item 25 Western Australian Land Authority (DevelopmentWA) - Provision for lease incentives (Strategic Industrial Areas) | 1,700 | - | - | - | 1,700 | - | (1,700) |
| **Total operating subsidy payments** | **3,220,473** | **75,186** | **7,065** | **-** | **3,302,724** | **3,164,782** | **(137,942)** |

# Summary of consolidated account appropriations (continued)

| | 2026 Estimate ($000) Budget Paper 2 | 2026 Estimate ($000) Supplementary Funding | 2026 Estimate ($000) S25 Transfers In/(Out) | 2026 Estimate ($000) Amendments to Standing Appropriations | 2026 Estimate ($000) Revised Budget | 2026 Actual ($000) Actual | 2026 Variance ($000) Variance to Revised Budget |
|---|---|---|---|---|---|---|---|
| **Grants, subsidies and transfer payments** | | | | | | | |
| Item 26 Department of Creative Industries, Tourism and Sport | 50,257 | - | (31,144) | - | 19,113 | - | (19,113) |
| Item 27 Department of Energy and Economic Diversification | 10,139 | - | (4,001) | - | 6,138 | - | (6,138) |
| Item 28 Department of Housing and Works | 86,298 | - | (59,475) | - | 26,823 | - | (26,823) |
| Item 29 Department of Premier and Cabinet | 19,000 | - | (19,000) | - | - | - | - |
| Item 30 Department of Transport and Major Infrastructure | 4,900 | - | - | - | 4,900 | - | (4,900) |
| Item 31 Goods and Services Tax (GST) Administration Costs | 76,200 | 3,600 | - | - | 79,800 | 79,760 | (40) |
| Item 32 National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account | 82,001 | - | - | - | 82,001 | 82,001 | - |
| Item 33 Noongar Land Fund | 5,600 | - | - | - | 5,600 | 5,600 | - |
| Item 34 Provision for Government Wages Policy | 149,940 | - | (15,832) | - | 134,108 | - | (134,108) |
| Item 35 Provision for National Disability Insurance Scheme additional contributions | 163,100 | - | - | - | 163,100 | - | (163,100) |
| Item 36 Royalties for Regions | 953,824 | - | - | - | 953,824 | 834,058 | (119,766) |
| Item 37 State Property - Emergency Services Levy | 23,361 | - | - | - | 23,361 | 23,361 | - |
| Item 38 WA Health | 12,266 | 57,992 | (11,135) | - | 59,123 | - | (59,123) |
| Item 39 Western Australian Land Authority (DevelopmentWA) - Provision for Housing | 61,631 | - | - | - | 61,631 | - | (61,631) |
| Item 40 All Other Grants, Subsidies and Transfer Payments, comprising: | | | | | | | |
| Acts of Grace / Ex Gratia Payments | 200 | - | - | - | 200 | - | (200) |
| Administration Costs-National Tax Equivalent Regime Scheme | 125 | - | - | - | 125 | 63 | (62) |
| Building Bonus Homebuyers Grant | 500 | - | - | - | 500 | 20 | (480) |
| Energy Concession Extension Scheme | 3,514 | - | - | - | 3,514 | 2,425 | (1,089) |
| Electricity Credits (State and Commonwealth) | 1,354 | - | - | - | 1,354 | 2,392 | 1,038 |
| Incidentals | 200 | - | - | - | 200 | 160 | (40) |
| Interest on Public Moneys held in Participating Trust Fund Accounts | 11,500 | 1,131 | - | - | 12,631 | 12,914 | 283 |
| Life Support Equipment Subsidy Scheme | 1,596 | - | - | - | 1,596 | 1,662 | 66 |
| National Partnership on Homebuilder | 660 | - | - | - | 660 | 215 | (445) |
| Off-the-Plan Duty Rebate Scheme | 500 | - | - | - | 500 | 89 | (411) |
| Payroll Tax Rebates Scheme | 50 | - | - | - | 50 | 14 | (36) |

# Summary of consolidated account appropriations (continued)

| | 2026 Estimate ($000) Budget Paper 2 | 2026 Estimate ($000) Supplementary Funding | 2026 Estimate ($000) S25 Transfers In/(Out) | 2026 Estimate ($000) Amendments to Standing Appropriations | 2026 Estimate ($000) Revised Budget | 2026 Actual ($000) Actual | 2026 Variance ($000) Variance to Revised Budget |
|---|---|---|---|---|---|---|---|
| Pensioner Concessions - Emergency Services Levy | 28,500 | - | - | - | 28,500 | 28,574 | 74 |
| Pensioner Concessions - Local Government Rates | 139,908 | - | - | - | 139,908 | 131,613 | (8,295) |
| Refund of Past Years Revenue Collections - Public Corporations | 10,000 | - | - | - | 10,000 | 37,582 | 27,582 |
| Refund of Past Years Revenue Collections - Royalties | 2,000 | - | - | - | 2,000 | 412 | (1,588) |
| Refund of Past Years Revenue Collections - Taxes | 55,500 | - | - | - | 55,500 | 31,262 | (24,238) |
| Thermoregulatory Dysfunction Energy Subsidy | 2,068 | - | - | - | 2,068 | 2,003 | (65) |
| Western Australian Land Information Authority - Valuation Services | 190 | - | - | - | 190 | 357 | 167 |
| Western Australian Treasury Corporation Management Fees | 922 | - | - | - | 922 | 855 | (67) |
| WorkCover WA Authority | 2,919 | - | - | - | 2,919 | 2,900 | (19) |
| **Total grants, subsidies and transfer payments** | **1,960,723** | **62,723** | **(140,587)** | **-** | **1,882,859** | **1,280,292** | **(602,567)** |
| | | | | | | | |
| **Authorised by Other Statutes** | | | | | | | |
| *Judges' Salaries and Pensions Act 1950* | 21,182 | - | - | 3,370 | 24,552 | 24,508 | (44) |
| *Parliamentary Superannuation Act 1970* | 10,155 | - | - | 1,078 | 11,233 | 11,213 | (20) |
| *State Superannuation Act 2000* | 435,532 | - | - | 17,243 | 452,775 | 445,644 | (7,131) |
| *First Home Owner Grant Act 2000* | 53,182 | - | - | - | 53,182 | 40,924 | (12,258) |
| *Loan Acts - Interest* | 867,000 | - | - | 41,700 | 908,700 | 901,788 | (6,912) |
| *Racing and Wagering Western Australia Act 2003* | 38,651 | - | - | 3,115 | 41,766 | 41,765 | (1) |
| *Unclaimed Money Act 1990* | 3,000 | - | - | - | 3,000 | 2,801 | (199) |
| *Western Australian Health Promotion Foundation Act 2016* | 25,992 | - | - | 3 | 25,995 | 25,995 | - |
| *Western Australian Future Health Research and Innovation Fund Act 2012* | 82,500 | - | - | - | 82,500 | 82,500 | - |
| **Total amounts authorised by Other Statutes** | **1,537,194** | **-** | **-** | **66,509** | **1,603,703** | **1,577,138** | **(26,565)** |
| **TOTAL RECURRENT ADMINISTERED** | **6,718,390** | **137,909** | **(133,522)** | **66,509** | **6,789,286** | **6,022,212** | **(767,074)** |
| | | | | | | | |
| Administered Capital | | | | | | | |
| **Government equity contributions** | | | | | | | |
| Item 107 Busselton Water Corporation | 437 | - | - | - | 437 | 437 | - |
| Item 108 Bunbury Water Corporation | 5,325 | - | - | - | 5,325 | 5,325 | - |

# Summary of consolidated account appropriations (continued)

| | 2026 Estimate ($000) Budget Paper 2 | 2026 Estimate ($000) Supplementary Funding | 2026 Estimate ($000) S25 Transfers In/(Out) | 2026 Estimate ($000) Amendments to Standing Appropriations | 2026 Estimate ($000) Revised Budget | 2026 Actual ($000) Actual | 2026 Variance ($000) Variance to Revised Budget |
|---|---|---|---|---|---|---|---|
| Item 109 Department of Biodiversity, Conservation and Attractions | 350 | - | - | - | 350 | - | (350) |
| Item 110 Department of Creative Industries, Tourism and Sport | 20,000 | - | (20,000) | - | - | - | - |
| Item 111 Department of Housing and Works | 11,000 | - | (11,000) | - | - | - | - |
| Item 112 Department of Transport and Major Infrastructure | 6,150 | - | - | - | 6,150 | - | (6,150) |
| Item 113 Electricity Generation and Retail Corporation (Synergy) | 419,538 | 66,693 | - | - | 486,231 | 333,790 | (152,441) |
| Item 114 Electricity Networks Corporation (Western Power) | 599,001 | 48,040 | - | - | 647,041 | 642,538 | (4,503) |
| Item 115 Fremantle Ports Authority | 3,635 | - | - | - | 3,635 | 1,035 | (2,600) |
| Item 116 Kimberley Ports Authority | 7,130 | - | - | - | 7,130 | 3,330 | (3,800) |
| Item 117 Mid West Ports Authority | 212 | - | - | - | 212 | - | (212) |
| Item 118 Pilbara Ports Authority | 341,274 | - | - | - | 341,274 | 148,107 | (193,167) |
| Item 119 Provision for Aluminium Composite Panel Cladding | 10,352 | - | (10,352) | - | - | - | - |
| Item 120 Provision for Public Transport Authority of Western Australia | 50,000 | - | - | - | 50,000 | - | (50,000) |
| Item 121 Royalties for Regions | 320,657 | - | - | - | 320,657 | 253,261 | (67,396) |
| Item 122 WA Health | 144,348 | - | (99,901) | - | 44,447 | - | (44,447) |
| Item 123 Water Corporation | 49,196 | - | - | - | 49,196 | 20,194 | (29,002) |
| Item 124 Western Australian Meat Industry Authority | 2,673 | 486 | - | - | 3,159 | 3,159 | - |
| Item 125 Western Australia Police Force | 13,088 | - | (13,088) | - | - | - | - |
| Item 126 Digital Capability Fund | 15,964 | - | - | - | 15,964 | 15,964 | - |
| Item 127 Social and Affordable Housing Investment Fund | 79,500 | - | - | - | 79,500 | 79,500 | - |
| Item 128 Strategic Industries Fund | 455,000 | - | - | - | 455,000 | 455,000 | - |
| New Item - Building Hospitals fund | - | 54,170 | - | - | 54,170 | 54,170 | - |
| **Total Government equity contributions** | **2,554,830** | **169,389** | **(154,341)** | **-** | **2,569,878** | **2,015,810** | **(554,068)** |
| | | | | | | | |
| **Authorised by Other Statutes** | | | | | | | |
| *Loan (Co-operative Companies) Act 2004* | - | - | - | 12,000 | 12,000 | - | (12,000) |
| **Total authorised by Other Statutes** | **-** | **-** | **-** | **12,000** | **12,000** | **-** | **(12,000)** |
| **TOTAL CAPITAL ADMINISTERED** | **2,554,830** | **169,389** | **(154,341)** | **12,000** | **2,581,878** | **2,015,810** | **(566,068)** |
| | | | | | | | |
| **GRAND TOTAL** | **9,400,506** | **318,013** | **(280,627)** | **78,561** | **9,516,453** | **8,183,311** | **(1,333,142)** |

# Notes to the financial statements

## 4. Key assets

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

| | Notes |
|---|---|
| Plant and equipment | 4.1 |
| Intangible assets | 4.2 |
| Right-of-use assets | 4.3 |

## 4.1 Plant and equipment

**Year ended 30 June 2026**

| | Office equipment ($000) | Computer equipment ($000) | Total ($000) |
|---|---|---|---|
| **1 July 2025** | | | |
| Gross carrying amount | 200 | - | 200 |
| Accumulated depreciation | (52) | - | (52) |
| **Carrying amount at start of period** | **148** | **-** | **148** |
| | | | |
| Additions | 6 | 6 | 12 |
| Transfers[(a)] | 31 | - | 31 |
| Depreciation | (55) | (1) | (56) |
| **Carrying amount at end of period** | **130** | **5** | **135** |
| Gross carrying amount | 316 | 6 | 322 |
| Accumulated depreciation | (186) | (1) | (187) |

(a) Office and Computer equipment transferred from Department of Housing and Works on 1 July 2025 as part of the Public Sector Reform.

### Initial recognition

Items of plant and equipment costing $5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of plant and equipment costing less than $5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

### Subsequent measurement

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

### Useful lives

All plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

| Asset | Useful life |
|---|---|
| Office equipment | 3 to 5 years |
| Computer equipment | 3 to 5 years |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

# Notes to the financial statements

### Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost and is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

## 4.2 Intangible assets

### Year ended 30 June 2026

| | Computer software ($000) | Website cost ($000) | Work in progress ($000) | Total ($000) |
|---|---|---|---|---|
| **1 July 2025** | | | | |
| Gross carrying amount | 14,154 | 100 | 4 | 14,258 |
| Accumulated amortisation | (11,192) | (100) | - | (11,292) |
| **Carrying amount at start of period** | **2,962** | **-** | **4** | **2,966** |
| Additions | 13 | - | 1,791 | 1,804 |
| Transfer from Work in progress to Computer software | 5,170 | - | (5,170) | - |
| Transfers[(a)] | 30,233 | - | 4,293 | 34,526 |
| Amortisation expense | (6,598) | - | - | (6,598) |
| **Carrying amount at end of period** | **31,780** | **-** | **918** | **32,698** |

(a) Computer software and work in progress transferred from Department of Housing and Works on 1 July 2025 as part of the Public Sector Reform.

### Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquired and internally generated intangible assets costing $5,000 or more that comply with the recognition criteria of AASB 138 Intangible Assets (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

# Notes to the financial statements

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so it will be available for use or sale;

(b) an intention to complete the intangible asset, and use or sell it;

(c) the ability to use or sell the intangible asset;

(d) the intangible asset will generate probable future economic benefit;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

### Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost, less any accumulated amortisation and accumulated impairment losses.

### Useful lives

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

| Asset | Useful life |
|---|---|
| Computer software[(a)] | 3 to 15 years |
| Website costs | 10 years |

(a) Software that is not integral to the operation of any related hardware.

### Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified. As at 30 June 2026 there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in note 4.1.

## 4.3 Right-of-use assets

### Year ended 30 June 2026

| | Vehicles ($000) |
|---|---|
| **Carry amount at beginning of period** | **219** |
| Additions[(a)] | 157 |
| Disposals | (2) |
| Depreciation | (139) |
| **Net carrying amount as at end of period** | **235** |

(a) Right-of-use (motor vehicles) amounting to $58,336 was transferred from Department of Housing and Works on 1 July 2025 as part of the Public Sector Reform.

The Department has leases for vehicles. The lease contracts are typically made for fixed periods of 1-5 years with an option to renew the lease after that date.

The Department has also entered into a Memorandum of Understanding Agreement with the Department of Housing and Works for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Housing and Works and are accounted for as an expense as incurred.

### Initial recognition

At the commencement date of the lease, the Department recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- 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.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

The Department has elected not to 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 re-measurement 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 the Department 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 4.1.

# Notes to the financial statements

## 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

| | Notes |
|---|---|
| Receivables | 5.1 |
| Amounts receivable for services (Holding Account) | 5.2 |
| Other assets | 5.3 |
| Payables | 5.4 |
| Contract liabilities | 5.5 |

### 5.1 Receivables

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Current** | | |
| Trade receivables | 1,945 | 646 |
| Allowance for impairment of trade receivables | - | (1) |
| GST receivable | 420 | 141 |
| Accrued revenue | 2,108 | 156 |
| **Total current** | **4,473** | **942** |
| **Non-current** | | |
| Accrued salaries account[(a)] | 3,423 | 1,314 |
| **Total non-current** | **3,423** | **1,314** |
| **Total receivables at end of the period** | **7,896** | **2,256** |

(a) Funds transferred to the Accrued Salaries Account for the purpose of meeting the 27th pay in a reporting period that generally occurs every 11 years. This account is classified as non-current except for the year before the 27th pay year.

**Trade receivables** are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Department holds the receivables with the objective to collect the contractual cash flows and are therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Department recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Department has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Department recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 2.5 for the amount of ECLs expensed in this financial year.

**Accrued salaries account** contains amounts paid annually into the Treasurer's special purpose account. It is restricted for meeting the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

# Notes to the financial statements

## 5.2 Amounts receivable for services (Holding Account)

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Current | 871 | 400 |
| Non-current | 19,895 | 14,584 |
| **Total amounts receivable for services at end of period** | **20,766** | **14,984** |

**Amounts receivable for services** represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no expected credit loss of the holding accounts).

## 5.3 Other assets

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Current** | | |
| Purchased leave - debit position | 70 | 20 |
| Prepayments | 354 | - |
| **Total current** | **424** | **20** |
| **Total other assets at end of period** | **424** | **20** |

## 5.4 Payables

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Current** | | |
| Trade payables | 410 | 107 |
| Other tax payables | - | 32 |
| Accrued salaries | 2,915 | 1,105 |
| Accrued expenses | 2,569 | 586 |
| **Other payables** | 8 | 4 |
| **Total payables at end of period** | **5,902** | **1,834** |

**Payables** are recognised at the amounts payable when the Department 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 settlement for the Department is generally within 15-20 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

## 5.5 Contract liabilities

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Current | 20 | - |
| Non-current | - | - |
| **Total contract liabilities** | **20** | **-** |

Contract liabilities, classified as amounts due to customers for services yet to be provided, primarily relate to when the Department has received consideration in advance of satisfying the performance obligation. Refer to note 3.1 for details of the revenue recognition policy.

The Department expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

# Notes to the financial statements

## 6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Department.

| | Notes |
|---|---|
| Lease liabilities | 6.1 |
| Finance costs | 6.2 |
| Cash and cash equivalents | 6.3 |
| Capital commitments | 6.4 |

### 6.1 Lease liabilities

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Not later than one year | 118 | 77 |
| Later than one year and not later than five years | 130 | 145 |
| Later than five years | - | 4 |
| | **248** | **226** |
| | | |
| Current | 118 | 77 |
| Non-current | 130 | 149 |
| | **248** | **226** |

**Initial measurement**

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Department uses the incremental borrowing rate provided by Western Australian Treasury Corporation.

Lease payments included by the Department as part of the present value calculation of lease liability 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 price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the Department exercising an option to terminate the lease; and
- periods covered by extension or termination options are only included in the lease term by the Department if the lease is reasonably certain to be extended (or not terminated).

# Notes to the financial statements

The interest on the lease liability is recognised in profit or loss 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.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Department in profit or loss 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.

This section should be read in conjunction with note 4.3.

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Lease expenses recognised in the Statement of comprehensive income** | | |
| Lease interest expense | 25 | 13 |
| Expenses relating to variable lease payments not included in lease liabilities | - | - |
| Short-term leases | - | - |
| Low-value leases | - | - |
| Losses/(gains) arising from sale and leaseback transactions | - | - |
| | **25** | **13** |

**Short-term leases** with a lease term of 12 months or less are recognised on a straight-line basis unless the lessor is a public sector entity.

**Low-value leases** with an underlying value of $5,000 or less are recognised on a straight-line basis.

**Variable lease payments** that are not included in the measurement of the lease liability are recognised in the period in which the event or condition that triggers those payments occurs.

# Notes to the financial statements

## 6.2 Finance costs

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Interest expense** | | |
| Interest expense on lease liabilities | 25 | 13 |
| **Total interest expense** | **25** | **13** |
| **Total finance costs expensed** | **25** | **13** |

Finance cost refers to the interest component of lease liability repayments.

## 6.3 Cash and cash equivalents

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Cash and cash equivalents | 50,513 | 20,535 |
| Cash on hand | 2 | - |
| Restricted cash and cash equivalents | 7 | 10 |
| **Balance at end of period** | **50,522** | **20,545** |

| Restricted cash and cash equivalents | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Current** | | |
| Indian Ocean Territories Trust fund[(a)] | 7 | - |
| Royalties for Regions | - | 10 |

(a) Funds held for administering taxes on Christmas Island and Cocos (Keeling) Islands.

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand which are subject to insignificant risk of changes in value.

## 6.4 Capital commitments

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: | | |
| Within 1 year | 487 | - |
| Later than 1 year and not later than 5 years | 25 | - |
| Later than 5 years | - | - |
| **Total capital commitments** | **512** | **-** |

# Notes to the financial statements

## 7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Department.

| | Notes |
|---|---|
| Financial instruments | 7.1 |
| Contingent assets and liabilities | 7.2 |

### 7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 50,522 | 20,545 |
| Financial assets at amortised cost[(a)] | 28,242 | 17,099 |
| **Total financial assets** | **78,764** | **37,644** |
| | | |
| **Financial liabilities** | | |
| Financial liabilities at amortised cost[(b)] | 6,150 | 2,060 |
| **Total financial liabilities** | **6,150** | **2,060** |

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

### 7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

The Department does not have any contingent assets and liabilities.

# Notes to the financial statements

## 8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

| | Notes |
|---|---|
| Events occurring after the end of the reporting period | 8.1 |
| Key management personnel | 8.2 |
| Related party transactions | 8.3 |
| Related bodies | 8.4 |
| Affiliated bodies | 8.4 |
| Remuneration of auditors | 8.5 |
| Service delivery arrangements Indian Ocean Territories | 8.6 |
| Supplementary financial information | 8.7 |

## 8.1 Events occurring after the end of the reporting period

There are no events occurring after the end of the reporting period.

## 8.2 Key management personnel

The Department has determined key management personnel to include cabinet ministers and senior officers of the Department. The Department does not incur expenditures to compensate ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Department for the reporting period are presented within the following bands:

| Compensation band ($) | 2026 | 2025 |
|---|---|---|
| 600,001 - 650,000 | 1 | - |
| 550,001 - 600,000 | - | 1 |
| 450,001 - 500,000 | 1 | 1 |
| 400,001 - 450,000 | 1 | - |
| 350,001 - 400,000 | 4 | 4 |
| 300,001 - 350,000 | 1 | - |
| 150,001 - 200,000 | - | - |
| 100,000 - 150,000 | - | - |
| 50,000 - 100,000 | 2 | - |

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Total compensation of senior officers** | **3,455** | **2,535** |

# Notes to the financial statements

## 8.3 Related parties

The Department is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Department include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole-of-government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

**Material transactions with related parties**

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

## 8.4 Related and affiliated bodies

The Department has no related or affiliated bodies.

## 8.5 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Auditing the accounts, financial statements, controls and key performance indicators:[(a)] | | |
| Department of Treasury and Finance | 825 | 385 |
| Annual Report on State Finances | 548 | 532 |
| | **1,373** | **917** |

(a) Represents indicative fee payable in respective years.

# Notes to the financial statements

## 8.6 Service delivery arrangements Indian Ocean Territories

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Receipts** | | |
| Commonwealth receipts | 209 | - |
| | **209** | **-** |
| | | |
| **Payments** | | |
| Administration and other costs | 23 | - |
| Payroll tax and business franchise | 32 | - |
| Duties | 1 | - |
| Land Tax | 2 | - |
| Compliance | 132 | - |
| | **190** | **-** |
| Surplus/(deficit) for the period | 19 | - |
| Balance brought forward[(a)] | (12) | - |
| **Balance carried forward** | **7** | **-** |

(a) Balance brought forward from Department of Housing and Works on 1 July 2025 due to the Public Sector Reform.

## 8.7 Supplementary financial information

### (a) Write-offs

During the financial year, there was $16,493,000 (2025 $1,416.36), written off the Department's books under the authority of:

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| The accountable authority | 4,404 | 1 |
| The Minister | 871 | - |
| Executive Council | 11,218 | - |
| | **16,493** | **1** |

(b) Write-offs by category

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| Public assets | - | - |
| Debts due to the State | 16,493 | 1 |
| | **16,493** | **1** |

# Notes to the financial statements

## 9. Explanatory statements

This section explains variations in the financial performance of the Department.

| | Notes |
|---|---|
| Explanatory statement for controlled operations | 9.1 |
| Explanatory statement for administered items | 9.2 |
| Supplementary funding for administered | 9.3 |
| Special purpose accounts for administered | 9.4 |

## 9.1 Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2026, and between the actual results for 2026 and 2025 are shown below. Narratives are provided for major variances which are more than 10% of the comparative and which are more than 1% of the following (as appropriate):

1. Estimate and actual results for the current year

- Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows (1% of $177,494,000); and
- Total Assets of the annual estimates for the Statement of financial position (1% of $76,229,000).

2. Actual results between the current year and the previous year:

- Total Cost of Services of the previous year for the Statement of comprehensive income and Statement of cash flows (1% of $65,434,000); and
- Total Assets of the previous year for the Statement of financial position (1% of $41,138,000).

# Notes to the financial statements

## 9.1.1 Statement of comprehensive income variances

| | Variance notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025 ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **Expenses** | | | | | | |
| Employee benefits expenses | A | 108,916 | 109,360 | 47,661 | 444 | 61,699 |
| Supplies and services | B | 52,785 | 52,454 | 10,045 | (331) | 42,409 |
| Depreciation and amortisation expenses | C | 6,597 | 6,793 | 505 | 196 | 6,288 |
| Finance costs | | 12 | 25 | 13 | 13 | 12 |
| Accommodation expenses | | 6,015 | 5,862 | 5,690 | (153) | 172 |
| Grants and subsidies | | 167 | 243 | 129 | 76 | 114 |
| Other expenses | | 3,002 | 1,852 | 1,391 | (1,150) | 461 |
| **Total cost of services** | | **177,494** | **176,589** | **65,434** | **(905)** | **111,155** |
| | | | | | | |
| **Income** | | | | | | |
| User charges and fees | 1, D | 8,605 | 4,526 | - | (4,079) | 4,526 |
| Commonwealth grants | | - | 189 | - | 189 | 189 |
| Other income | 2, E | 422 | 3,278 | 48 | 2,856 | 3,230 |
| **Total income other than income from State Government** | | **9,027** | **7,993** | **48** | **(1,034)** | **7,945** |
| **Net cost of services** | | **168,467** | **168,596** | **65,386** | **129** | **103,210** |
| | | | | | | |
| **Income from State Government** | | | | | | |
| Service appropriation | 3, F | 126,205 | 143,478 | 62,772 | 17,273 | 80,706 |
| Income from other public sector entities | | 1,061 | 1,292 | 851 | 231 | 441 |
| Resources received | G | 41,486 | 40,779 | 6,872 | (707) | 33,907 |
| Royalties for Regions Fund | | 134 | 124 | 110 | (10) | 14 |
| **Total income from State Government** | | **168,886** | **185,673** | **70,605** | **16,787** | **115,068** |
| **Surplus/(deficit) for the period** | | **419** | **17,077** | **5,219** | **16,658** | **11,858** |
| **Total comprehensive income for the period** | | **419** | **17,077** | **5,219** | **16,658** | **11,858** |

(1) These are annual estimates published for the financial year ended 30 June 2026.

# Notes to the financial statements

**Major estimate and actual (2026) variance narratives**

1. The variance primarily reflects a mapping misalignment between the User charges and fees and Other income budget as a result of the Public Sector Reform and will be corrected to enhance reporting consistency in subsequent financial years.
2. The variance primarily reflects a mapping misalignment between the User charges and fees and Other income budget as a result of the Public Sector Reform and will be corrected to enhance reporting consistency in subsequent financial years.
3. The variance is primarily associated with the transfer of Public Sector Reform-related appropriations from the Department of Housing and Works. The variance was also impacted by additional funding to support Government priorities and a reflow of appropriation to meet resourcing requirements.

**Major actual (2026) and comparative (2025) variance narratives**

A. The variance primarily relates to the transfer of RevenueWA and Procurement Policy and Strategy FTEs on 1 July 2025, and the subsequent transfer of Corporate Services FTEs on 1 January 2026, as part of the Public Sector Reform. The variance was also impacted by the 4% escalation in salary rates under the Public Sector CSA Agreement.

B. The variance was mainly driven by an increase in service delivery and associated expenditure in 2025-26, following the Public Sector Reform.

C. The variance predominantly reflects the transfer in of asset for RevenueWA and Procurement Policy and Strategy, as part of the Public Sector Reform and the completion of software upgrades during the year.

D. The variance relates to the recognition of RevenueWA land tax enquiry fees and Electronic Lodgement Network Operator fees in 2025-26, following implementation of the Public Sector Reform.

E. The variance is mostly attributed to the whole-of-government purchasing card contract managed by Procurement Policy and Strategy, following implementation of the Public Sector Reform.

F. The variance mainly relates to an increase in service appropriations in 2025-26, following implementation of the Public Sector Reform.

G. The variance relates to an increase in corporate support services received free of charge from the Department of Housing and Works, legal services received free of charge from the State Solicitor's Office, and valuation services received free of charge from Landgate, following the Public Sector Reform.

# Notes to the financial statements

## 9.1.2 Statement of financial position variances

| | Variance notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025 ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| Cash and cash equivalents | | 21,367 | 50,515 | 20,535 | 29,148 | 29,980 |
| Restricted cash and cash equivalents | | 24 | 7 | 10 | (17) | (3) |
| Receivables | | 1,266 | 4,473 | 942 | 3,207 | 3,531 |
| Amounts receivable for services | A | 400 | 871 | 400 | 471 | 471 |
| Other current assets | | 109 | 424 | 20 | 315 | 404 |
| **Total current assets** | | **23,166** | **56,290** | **21,907** | **33,124** | **34,383** |
| | | | | | | |
| **Non-current assets** | | | | | | |
| Receivables | | 1,317 | 3,423 | 1,314 | 2,106 | 2,109 |
| Amounts receivable for services | A | 18,901 | 19,895 | 14,584 | 994 | 5,311 |
| Plant and equipment | | 304 | 135 | 148 | (169) | (13) |
| Intangible assets | B | 32,408 | 32,698 | 2,966 | 290 | 29,732 |
| Right-of-use assets | | 133 | 235 | 219 | 102 | 16 |
| **Total non-current assets** | | **53,063** | **56,386** | **19,231** | **3,323** | **37,155** |
| **Total assets** | | **76,229** | **112,676** | **41,138** | **36,447** | **71,538** |
| | | | | | | |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Payables | | 550 | 5,902 | 1,834 | 5,352 | 4,068 |
| Lease liabilities | | 72 | 118 | 77 | 46 | 41 |
| Employee related provisions | 1, C | 19,102 | 23,226 | 10,666 | 4,124 | 12,560 |
| Contract liabilities | | - | 20 | - | 20 | 20 |
| **Total current liabilities** | | **19,724** | **29,266** | **12,577** | **9,542** | **16,689** |

# Notes to the financial statements

| | Variance notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025 ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | |
| Lease liabilities | | 69 | 130 | 149 | 61 | (19) |
| Employee related provisions | 1, C | 4,485 | 5,963 | 2,701 | 1,478 | 3,262 |
| **Total non-current liabilities** | | **4,554** | **6,093** | **2,850** | **1,539** | **3,243** |
| **Total liabilities** | | **24,278** | **35,359** | **15,427** | **11,081** | **19,932** |
| **Net assets** | | **51,951** | **77,317** | **25,711** | **25,366** | **51,606** |
| | | | | | | |
| **EQUITY** | | | | | | |
| Contributed equity | | 31,185 | 35,066 | 537 | 3,881 | 34,529 |
| Accumulated surplus | | 20,766 | 42,251 | 25,174 | 21,485 | 17,077 |
| **Total equity** | | **51,951** | **77,317** | **25,711** | **25,366** | **51,606** |

(1) These are annual estimates published for the financial year ended 30 June 2026.

### Major estimate and actual (2026) variance narratives

1. The variance is attributed to higher than anticipated leave liability, as well as the transfer of leave entitlements for Corporate Services FTEs (Phase 2 of the Public Sector Reform) that was not reflected in the original budget for 2025-26.

### Major actual (2026) and comparative (2025) variance narratives

A. The variance relates to an increase in drawdowns from the Holding Account to support more substantial asset replacement requirements, following the Public Sector Reform.

B. The variance largely reflects the transfer in of RevenueWA and Procurement Policy and Strategy intangible assets as part of the Public Sector Reform, offset by an increase in amortisation expense during the year.

C. The variance represents an increase in leave liability following the transition of RevenueWA and Procurement Policy and Strategy FTEs on 1 July 2025, and the subsequent transition of Corporate Services FTEs on 1 January 2026, as part of the Public Sector Reform. The variance was also impacted by the 4% escalation in salary rates under the Public Sector CSA Agreement.

# Notes to the financial statements

## 9.1.3 Statement of cash flows variances

| | Variance Notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025 ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **CASH FLOWS FROM STATE GOVERNMENT** | | | | | | |
| Service appropriation | | 121,017 | 136,825 | 62,344 | 15,808 | 74,481 |
| Funds from other public sector entities | A | 644 | 1,464 | 573 | 820 | 891 |
| Payments to Consolidated Account | 1, B | - | (5,735) | - | (5,735) | (5,735) |
| Capital appropriations | C | 1,081 | 1,811 | 537 | 730 | 1,274 |
| Holding account drawdown | | 871 | 871 | 400 | - | 471 |
| Royalties for Regions Fund | | 134 | 124 | 110 | (10) | 14 |
| Special Purpose Accounts | | | | | | |
| Digital Capability Fund | | - | - | - | - | - |
| Strategic Alliance Fund | | 417 | - | - | (417) | - |
| **Net cash provided by State Government** | | **124,164** | **135,360** | **63,964** | **11,196** | **71,396** |
| | | | | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | |
| **Payments** | | | | | | |
| Employee benefits | 2, D | (108,916) | (92,516) | (45,856) | 16,400 | (46,660) |
| Supplies and services | E | (11,431) | (12,903) | (3,698) | (1,472) | (9,205) |
| Finance costs | | (12) | (25) | (13) | (13) | (12) |
| Accommodation | | (6,015) | (5,956) | (5,652) | 59 | (304) |
| Grants and subsidies | | (167) | (243) | (129) | (76) | (114) |
| GST payments on purchases | F | (2,541) | (2,650) | (1,335) | (109) | (1,315) |
| Other payments | | (3,002) | (1,573) | (1,373) | 1,429 | (200) |

# Notes to the financial statements

| | Variance Notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025 ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **Receipts** | | | | | | |
| User charges and fees | | 7,246 | 4,527 | - | (2,719) | 4,527 |
| Commonwealth grants | | - | 209 | - | 209 | 209 |
| GST receipts on sales | | - | 104 | 22 | 104 | 82 |
| GST receipts from taxation authority | G | 2,541 | 2,322 | 1,387 | (219) | 935 |
| Other receipts | | 504 | 3,261 | 48 | 2,757 | 3,213 |
| **Net cash provided by/(used in) operating activities** | | **(121,793)** | **(105,443)** | **(56,599)** | **16,350** | **(48,844)** |
| | | | | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| **Payments** | | | | | | |
| Purchase of non-current assets | H | (1,877) | (1,593) | (783) | 284 | (810) |
| **Net cash provided by/(used in) investing activities** | | **(1,877)** | **(1,593)** | **(783)** | **284** | **(810)** |
| | | | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | |
| **Payments** | | | | | | |
| Principal elements of lease payments | | (75) | (133) | (77) | (58) | (56) |
| Payment to accrued salaries account | | - | (458) | (253) | (458) | (205) |
| **Net cash provided by/(used in) financing activities** | | **(75)** | **(591)** | **(330)** | **(516)** | **(261)** |
| | | | | | | |
| Net increase/(decrease) in cash and cash equivalents | | 419 | 27,733 | 6,252 | 27,314 | 21,481 |
| Cash balance transferred in from Department of Housing and Works | 3, I | - | 2,244 | - | 2,244 | 2,244 |
| Cash and cash equivalents at the beginning of the period | | 21,228 | 20,545 | 14,293 | (683) | 6,252 |
| **Cash and cash equivalents at the end of the period** | | **21,647** | **50,522** | **20,545** | **28,875** | **29,977** |

(1) These are annual estimates published for the financial year ended 30 June 2026.

# Notes to the financial statements

**Major estimate and actual (2026) variance narratives**

1. The variance reflects a return of $5.7 million in surplus cash to the Consolidated Account to fund appropriation requirements for 2025-26.
2. The variance mostly reflects delays in filling vacant positions during the year, including vacant positions arising from the Public Sector Reform.
3. The variance reflects cash received from the Department of Housing and Works following the transfer of functions associated with the Public Sector Reform.

**Major actual (2026) and comparative (2025) variance narratives**

A. The variance was mostly driven by the recognition of RevenueWA and Procurement Policy and Strategy receipts (including Emergency Services Levy recoups, Perth Parking licensing fees, Biosecurity and Agriculture Management Act rates and Pathway to Procurement Program recoups), following implementation of the Public Sector Reform.

B. The variance reflects the one-off return of $5.7 million surplus cash to the Consolidated Account in June 2026, following underspends recognised in 2024-25.

C. The variance is attributed to Public Sector Reform related capital appropriations transferred from the Department of Housing and Works, as well as additional capital appropriations approved during the 2026-27 Budget process to implement changes to the First Home Owner Rate of Duty and First Home Owner Grant schemes.

D. The variance primarily relates to the transfer of RevenueWA and Procurement Policy and Strategy FTEs on 1 July 2025, and the subsequent transfer of Corporate Services FTEs on 1 January 2026, as part of the Public Sector Reform. The variance was also impacted by the 4% escalation in salary rates under the Public Sector CSA Agreement.

E. The variance was mainly driven by an increase in service delivery and associated supplies and services payments in 2025-26, following the Public Sector Reform.

F. The variance is mainly due to higher payments to suppliers, and associated GST payments to the ATO, following the Public Sector Reform.

G. The variance relates to higher payments to suppliers (and therefore higher reimbursements from the ATO) in 2025-26, following the Public Sector Reform.

H. The variance relates to Asset Investment Programs for RevenueWA and Procurement Policy and Strategy, as part of the Public Sector Reform, including the Housing Package Program, Royalties Management System and Procurement Systems.

I. The variance reflects cash received from the Department of Housing and Works as part of the transfer of functions associated with the Public Sector Reform.

# Notes to the financial statements

## 9.2. Explanatory statement for administered items

This explanatory section explains variations in the financial performance of the Department undertaking transactions that it does not control but has responsibility to the government for, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2026, and between the actual results for 2026 and 2025 are shown below.

Narratives are provided for major variances which vary by more than 10% from their comparative and that the variation is more than 1% of total administered income for the following variance analyses for the:

1. Estimate and Actuals for the current year (i.e $379,964,710)
2. Actual results for the current year and prior year actual (i.e $379,138,810)

| | Variance notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025[2] ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **Income from administered items** | | | | | | |
| **Income** | | | | | | |
| Taxation | A, 1 | 12,454,701 | 14,172,771 | - | 1,718,070 | 14,172,771 |
| Royalties | B, 2 | 8,245,296 | 10,581,771 | - | 2,336,475 | 10,581,771 |
| Commonwealth grants | C | 10,836,806 | 9,762,099 | 11,689,158 | (1,074,707) | (1,927,059) |
| Government enterprises: | | | | | | |
| Dividends | D, 3 | 2,787,840 | 1,571,176 | 518,079 | (1,216,664) | 1,053,097 |
| Income tax equivalent regime | E, 4 | 858,075 | 1,410,197 | 880,729 | 552,122 | 529,468 |
| Local government rates equivalent regime | | 39,636 | 34,220 | 29,203 | (5,416) | 5,017 |
| Consolidated Account revenue received from agencies | F | 2,180,656 | 2,228,145 | 24,279,052 | 47,489 | (22,050,907) |
| Gold State superannuation reimbursement | | 48,882 | 47,469 | 50,263 | (1,413) | (2,794) |
| Interest income | | 243,625 | 241,265 | 281,686 | (2,360) | (40,421) |
| Loan guarantee fees | | 158,383 | 146,299 | 136,134 | (12,084) | 10,165 |
| Pension recoups | | 8,931 | 11,041 | 11,590 | 2,110 | (549) |
| Other revenue | | 133,640 | 120,597 | 37,987 | (13,043) | 82,610 |
| **Total administered income** | | **37,996,471** | **40,327,050** | **37,913,881** | **2,330,579** | **2,413,169** |

# Notes to the financial statements

| | Variance notes | Estimate 2026[1] ($000) | Actual 2026 ($000) | Actual 2025[2] ($000) | Variance between actual and estimate ($000) | Variance between actual results for 2026 and 2025 ($000) |
|---|---|---|---|---|---|---|
| **Expenses** | | | | | | |
| Superannuation | G, 5 | 358,390 | (342,763) | 364,942 | (701,153) | (707,705) |
| Interest expense | | 1,094,250 | 1,143,404 | 1,060,075 | 49,154 | 83,329 |
| Appropriations for: | | | | | | |
| Operating subsidies | | 3,150,267 | 3,143,294 | 3,390,534 | (6,973) | (247,240) |
| Services | | 25,615,492 | 26,584,213 | 24,838,447 | 968,721 | 1,745,766 |
| Salaries and allowances | | 144,864 | 144,819 | 138,932 | (45) | 5,887 |
| Other appropriations | | 4,842,557 | 4,616,109 | 4,693,804 | (226,448) | (77,695) |
| Grants and Subsidies | | 231,832 | 209,931 | - | (21,901) | 209,931 |
| Royalties for Regions | | 894,896 | 908,215 | 914,619 | 13,319 | (6,404) |
| Other expenses | | 457,732 | 329,272 | 393,600 | (128,460) | (64,328) |
| **Total administered expenses** | | **36,790,280** | **36,736,494** | **35,794,953** | **(53,786)** | **941,541** |

(1) These are annual estimates published for the financial year ended 30 June 2026.

(2) Income relating to Taxation of $12,299.6 million and Royalties of $9,806.2 million was reported under the Department of Housing and Works in 2024-25. The cash payments received in respect of this income was reported as Consolidated Account revenue received from agencies. Expenses relating to Grants and Subsidies of $248.3 million was reported under the Department of Housing and Works in 2024-25.

### Major estimate and actual (2026) variance narratives

**Income**

1. Taxation
   The higher than expected outcome (up $1.7 billion) primarily reflects stronger than anticipated demand in the property and vehicle markets in Western Australia, which has flowed through to higher than forecast revenue from total duty on transfers and vehicle licence duty.
2. Royalties
   The higher mining royalty receipts (up $2.3 billion), primarily reflects higher iron ore royalty receipts (up $2.1 billion), largely due to the impact of higher iron ore prices than assumed in the 2025-26 Budget.
3. Government Enterprises: Dividends
   The lower than budgeted outcome (down $1.2 billion) is primarily due to the Government's 2025-26 Mid year Review decision to defer interim dividends for the Water Corporation and Western Power to 2026-27, and the 2026-27 Budget decision to also defer a special dividend for the Pilbara Ports Authority to 2026-27. These decisions were taken to better match the receipt of revenue with the timing of recurrent expenditure and to balance associated liquidity requirements. Higher than expected dividends were also received from DevelopmentWA (up $80.4 million), largely driven by the receipt in 2025-26 of $38.2 million in dividend payments delayed from previous year, and stronger operating performance following increased land sales.

# Notes to the financial statements

4. Government Enterprises: Income tax equivalent regime (TER)

   The higher than budgeted outcome (up $552.1 million) is primarily due to higher net profit for:

   - the Insurance Commission of Western Australia (with TER revenue up $412 million), mainly reflecting lower than expected claim costs due to favourable actuarial valuation movements across the motor injury insurance funds, particularly in the Catastrophic Injuries Fund, and stronger than forecast investment performance); and
   - DevelopmentWA (with TER revenue up $60 million), largely due to the impact of stronger than expected land sales during 2025-26.

**Expenses**

5. Superannuation

   Expenses for unfunded superannuation schemes assumed by the Treasurer were $701.2 million lower than forecast in the 2025-26 Budget. This largely reflects the impact of remeasurements in the actuarial valuation of unfunded schemes at 30 June 2026 and associated scheme assets (see 2025-26 actual compared with 2024-25 actual in the next section), and lower than forecast superannuation interest costs.

## Major actual (2026) and comparative (2025) variance narratives

**Income**

A. Taxation

   The higher than prior year outcome is primarily due to:

   - the Government's Public Sector Reform (PSR) changes which took effect from 1 July 2025, including the transfer of the taxation collection function from the Department of Housing and Works to the Department of Treasury and Finance ($12.3 billion); and
   - increases in total duty on transfers and payroll tax due to strong demand in the property market and higher employment (up $1.7 billion).

B. Royalties

   The year-on-year variance primarily reflects PSR changes from 1 July 2025, which includes the transfer of the mining royalties collection function from the Department of Housing and Works to the Department of Treasury and Finance ($9.8 billion).

C. Commonwealth Grants

   The lower outcome for Commonwealth grants (down $1.9 billion) primarily reflects the combined impact of:

   - lower capital transport infrastructure grants (down $1.4 billion), primarily reflecting reduced Commonwealth payments for the METRONET program of works following the completion of a number of major projects in 2024-25;
   - the receipt of DisabilityCare Australia Fund revenue in 2024-25 (down $1 billion);
   - higher GST grants (up $793 million), largely reflecting Western Australia's share of a higher pool of estimated national GST collections in 2025-26;
   - lower Energy Bill Relief Fund payments to the State (down $183.4 million), reflecting a $150 per household and eligible small business Commonwealth contribution in 2025-26, compared to $300 and $325 per household and eligible small business respectively in 2024-25; and
   - lower North West Shelf grant (down $181.6 million), mainly due to lower LNG prices, a decline in production volumes (as an increasing share of gas is sourced from areas outside the revenue-sharing arrangements) and the impact of a higher $A/$US exchange rate.

# Notes to the financial statements

D. Government Enterprises: Dividends

The increase in 2025-26 (up $1.1 billion) primarily reflects higher dividend payments from:

- the Water Corporation (up $818.1 million) and Western Power (up $132.6 million), largely due to the receipt of interim dividend payments deferred from the previous year for the entities, in line with the Government's 2025-26 Budget decision to better match the timing of revenue with recurrent spending; and
- DevelopmentWA (up $97.4 million), mainly due to the later receipt of dividend payments from the previous year ($38.2 million), and stronger operating performance in 2025-26 driven by increased land sales.

E. Government Enterprises: Income tax equivalent regime

The higher outcome (up $529.5 million) is primarily due to higher net profit in 2025-26 for:

- the Insurance Commission of Western Australia (up $347.1 million), mainly due to lower claims costs as a result of favourable actuarial valuation movements across the motor injury insurance funds, particularly Catastrophic Injuries Fund, and the impact of prior year investment returns realised in 2025-26; and
- DevelopmentWA (up $60.2 million), largely reflecting the impact of stronger land sales during 2025-26.

F. Consolidated Account Revenue Received from Agencies

The lower than previous year outcome is primarily due to PSR changes from 1 July 2025, including the transfer of taxation ($12.2 billion) and royalties ($9.9 billion) collection functions from the Department of Housing and Works to the Department of Treasury and Finance. As a result, taxation and royalties revenue that was previously reported as Consolidated Account revenue received from agencies is now recognised within taxation and royalties income categories (detailed above).

**Expenses**

G. Superannuation

The accrual cost of unfunded superannuation obligations assumed by the Treasurer in 2025-26 was $707.7 million lower than in 2024-25. This mainly reflects the impact of the actuarial valuation of unfunded public sector schemes at 30 June 2026, including:

- remeasurement of defined benefit obligations (with a $277 million downward valuation in 2025-26, a $635.8 million turnaround on the $358.8 million upward valuation in 2024-25, mainly due to an increase in the discount rate assumption used to value defined benefit obligations (which decreases the value of defined benefit obligations) which increased from 3.8% applicable in the 30 June 2025 valuation to 4.8% per annum applicable in the 30 June 2026 valuation, partially offset by the impact of other valuation assumptions including increases in assumed salary rates and the Perth Consumer Price Index);
- a $52.4 million increase in gains on unfunded scheme assets in 2025-26 (which increased by $286.2 million in 2025-26, compared with a $233.8 million gain recorded in 2024-25); and
- a $15.9 million reduction in net superannuation interest costs.

# Notes to the financial statements

## 9.3 Supplementary funding

Supplementary funding approved and expended during 2025-26 was as follows:

| | 2026 Amount approved ($000) | 2026 Amount expended ($000) |
|---|---|---|
| **Item 15 Bunbury Water Corporation** | 619 | 619 |
| | **619** | **619** |
| An additional $619,000 was approved during 2025-26 to fund higher subsidies 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). The $619,000 was fully drawn by 30 June 2026. | | |
| **Item 16: Busselton Water Corporation** | 64 | 64 |
| | **64** | **64** |
| A $64,000 increase in the operating subsidy supported higher than expected numbers of concessions provided to pensioner and seniors customers. | | |
| **Item 21: Public Transport Authority** | 71,914 | 71,914 |
| | **71,914** | **71,914** |
| An additional $71.9 million was approved to meet higher than expected contract costs, primarily for bus services, increases in insurance premiums and other recurrent spending. The funding was fully drawn by 30 June 2026. | | |
| **Item 22: Regional Power corporation (Horizon Power)** | 2,589 | 2,589 |
| | **2,589** | **2,589** |
| An additional $2.6 million was approved to meet costs associated with servicing remote Aboriginal communities ($2.2 million) and to provide resourcing to extend the Energy Ahead program ($389,000). The additional funding was fully drawn by 30 June 2026. | | |
| **Item 31: Goods and Services Tax (GST) Administration Costs** | 3,600 | 3,560 |
| | **3,600** | **3,560** |
| Funding of $3.6 million for the estimated reimbursement of the Australian Taxation Office for Western Australia's share of additional administration costs for the national GST system was approved in 2025-26, with $3.56 million drawn by 30 June 2026. | | |
| **Item 38: WA Health** | 57,992 | - |
| | **57,992** | **-** |
| A $58 million allowance was approved for higher than anticipated hospital activity costs, ambulance, patient transport and other contract cost pressures. The conditions for the release of these funds to WA Health were not met and remained undrawn at 30 June 2026. | | |

# Notes to the financial statements

| | 2026 Amount approved ($000) | 2026 Amount expended ($000) |
|---|---|---|
| **Item 40: All Other Grants, Subsidies and Transfer Payments** | 1,131 | - |
| | **1,131** | **-** |
| Supplementary funding of $1.1 million was approved to meet higher interest payments for public monies held in participating trusts. 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 113: Electricity Generation and Retail Corporation (Synergy)** | 66,693 | - |
| | **66,693** | **-** |
| A $66.7 million equity contribution was approved for investment in the Collie Battery ($51.3 million), Kwinana Battery Stage 2 ($10.2 million) and King Rocks Wind Farm ($5.2 million) projects during 2024-25. While this funding was carried over to 2025-26, no drawdown was required by 30 June 2026 due to lower than expected project costs. | | |
| **Item 114: Electricity Networks Corporation (Western Power)** | 48,040 | 43,537 |
| | **48,040** | **43,537** |
| An additional equity contribution of $48 million was approved to fund costs of relocating and upgrading 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). Largely reflecting the completion of network asset upgrades and customer-driven works, $43.5 million of the approved increase was drawn by 30 June 2026. | | |
| **Item 124: Western Australian Meat Industry Authority** | 486 | 486 |
| | **486** | **486** |
| An equity contribution of $486,000 was provided in 2025-26 to undertake carpark and western embankment remediation works at the Muchea Livestock Centre. | | |
| **New Item: Building Hospitals Fund** | 54,170 | 54,170 |
| | **54,170** | **54,170** |
| Supplementary funding of $54.2 million was approved to establish the Building Hospitals Fund and to meet project payments in 2025-26. This funding supported planning and development of the expansion of the Emergency Department at Royal Perth Hospital, the New Mandurah Hospital, the Albany Health Campus expansion and construction of the oncology service at Geraldton Health Campus. | | |

# Notes to the financial statements

## 9.4 Special purpose accounts

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Special Purpose Account Section 10(a), (e) and (f) of the *Financial Management Act 2006*** | | |
| **Accrued Salaries Account[(a)]** | | |
| The purpose of this special purpose account is to receive moneys from agencies in relation to the 27th pay that occurs approximately every 11 years. | | |
| Balance at the start of the period | 527,307 | 416,290 |
| Receipts | 108,102 | 111,017 |
| Payments | - | - |
| **Balance at the end of the period** | **635,409** | **527,307** |
| | | |
| **Commonwealth Payments For Specific Purposes Account[(a)]** | | |
| The purpose of this special purpose account is to receive moneys from the Commonwealth Government (directly or indirectly) including:<br>* National Specific Purpose Payments and National Partnership Payments pursuant to the Intergovernmental Agreement on Federal Financial Relations, and associated National Agreements and National Partnerships;<br>* payments of financial assistance to non-government schools pursuant to the *Australian Education Act 2013* (Commonwealth); and<br>* payments of financial assistance to local governments pursuant to the *Local Government (Financial Assistance) Grants Act 1995* (Commonwealth); for disbursement to relevant government agencies, other persons and the Consolidated Account. | | |
| Balance at the start of the period | 19,727 | 42,150 |
| Receipts | 7,589,359 | 9,818,393 |
| Payments | (7,596,208) | (9,840,816) |
| **Balance at the end of the period** | **12,878** | **19,727** |
| | | |
| **Receipts in Suspense/Clearing Account[(a)]** | | |
| The purpose of this special purpose account is to receive and hold moneys for disbursement in accordance with relevant agreements, and/or to receive and hold moneys pending proper identification/classification and subsequent transfer. | | |
| Balance at the start of the period | 16,363 | 233 |
| Receipts | 88,969 | 90,651 |
| Payments | (81,213) | (74,521) |
| **Balance at the end of the period** | **24,119** | **16,363** |

# Notes to the financial statements

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Jervoise Bay Infrastructure Development Account[a]** | | |
| The purpose of this special purpose account is to receive moneys from the Commonwealth Government pursuant to the provisions of the 'Grant of Financial Assistance in relation to the provision of the Federal Funds for the Construction of the Jervoise Bay Facility' and other receipts. | | |
| Balance at the start of the period | 12,359 | 11,813 |
| Receipts | 545 | 546 |
| Payments | - | - |
| **Balance at the end of the period** | **12,904** | **12,359** |
| | | |
| **Mortgage Moneys under the *Transfer of Land Act 1893*[b]** | | |
| The purpose of this special purpose account is to hold funds paid to the Treasurer in accordance with section 126 of the *Transfer of Land Act 1893*. | | |
| Balance at the start of the period | 103 | 99 |
| Receipts | 16 | 4 |
| Payments | - | - |
| **Balance at the end of the period** | **119** | **103** |
| | | |
| **Perry Lakes Maintenance Account[a]** | | |
| The purpose of this special purpose account is to contribute to the costs of maintaining, operating and managing the athletics facilities at the AK Reserve. | | |
| Balance at the start of the period | 1,856 | 2,861 |
| Receipts | 198 | 195 |
| Payments | - | (1,200) |
| **Balance at the end of the period** | **2,054** | **1,856** |
| | | |
| **Royalties For Regions Fund[b]** | | |
| The purpose of this special purpose account is to facilitate investment in regional Western Australia in the areas of infrastructure and headworks, local government and community services. | | |
| Balance at the start of the period | 1,000,000 | 1,000,000 |
| Receipts | 1,134,608 | 1,178,847 |
| Payments | (1,134,608) | (1,178,847) |
| **Balance at the end of the period** | **1,000,000** | **1,000,000** |

# Notes to the financial statements

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Tariff Equalisation Fund[b]** | | |
| The purpose of this special purpose account is to allow the transparent transfer of appropriate funds from the Electricity Networks Corporation to the Regional Power Corporation to enable it to maintain uniform tariff protection in its areas of operation in accordance with the provisions of the *Electricity Industry Act 2004*. | | |
| Balance at the start of the period | - | - |
| Receipts | 242,000 | 230,000 |
| Payments | (242,000) | (230,000) |
| **Balance at the end of the period** | **-** | **-** |
| | | |
| **Western Australian Future Health Research and Innovation Fund[b]** | | |
| The purpose of this special purpose account is to assist with improving health outcomes for Western Australia by providing funding for the Future Health Research and Innovation Account, in accordance with the provisions of the *Western Australian Future Health Research and Innovation Fund Act 2012.* | | |
| Balance at the start of the period | 1,846,382 | 1,764,200 |
| Receipts | 134,647 | 134,582 |
| Payments | (49,300) | (52,400) |
| **Balance at the end of the period** | **1,931,729** | **1,846,382** |
| | | |
| **Debt Reduction Account[a]** | | |
| The purpose of this special purpose account is to apply approved appropriation funds to the repayment of Western Australian State borrowings (as borrowed by the Treasurer under various Loan Acts from the Western Australian Treasury Corporation or elsewhere, as applicable), and/or credited to the Consolidated Account to serve as an alternative source of funding to new borrowings. The application of funds to either the repayment of State borrowings or to finance the Consolidated Account is to be based on the optimisation of the financing benefit to the Consolidated Account obtained by either debt repayment, debt avoidance or a combination of these actions. | | |
| Balance at the start of the period | - | - |
| Receipts | - | - |
| Payments | - | - |
| **Balance at the end of the period** | **-** | **-** |

# Notes to the financial statements

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse**[(a)] | | |
| The purpose of this special purpose account is to hold money for meeting payments and related costs associated with the National Redress Scheme for Institutional Child Sexual Abuse established under the Intergovernmental Agreement and the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Commonwealth) and costs of civil litigation. | | |
| Balance at the start of the period | 53,725 | 86,816 |
| Receipts | 82,001 | 10,000 |
| Payments | (39,316) | (43,091) |
| **Balance at the end of the period** | **96,410** | **53,725** |
| | | |
| **Noongar Land Fund**[(a)] | | |
| The purpose of this special purpose account is to establish a Noongar Land Fund in line with the terms of the Indigenous Land Use Agreements which comprise the South West Native Title Settlement. | | |
| Balance at the start of the period | 10,012 | 4,818 |
| Receipts | 5,600 | 5,600 |
| Payments | (6,648) | (406) |
| **Balance at the end of the period** | **8,964** | **10,012** |
| | | |
| **WA Government Strategic Alliance Fund Account**[(a)] | | |
| The purpose of this special purpose account is to hold moneys that the State of Western Australia (the State) received under the Common Use Arrangement 140807: Transactional Banking and Merchant Services with the Commonwealth Bank of Australia dated 1 December 2008 and as amended from time to time (previous State Banking Contract), for the purpose of initiating, planning and implementing improvements to the State's banking and related processes. | | |
| Balance at the start of the period | 1,445 | 1,748 |
| Receipts | - | - |
| Payments | (425) | (303) |
| **Balance at the end of the period** | **1,020** | **1,445** |
| | | |
| **Climate Action Fund**[(a)] | | |
| The purpose of this special purpose account is to hold funding for a broad range of climate action and decarbonisation initiatives to support the Government's emissions reduction target and the implementation of the Western Australian Climate Policy. | | |
| Balance at the start of the period | 453,073 | 679,047 |
| Receipts | - | - |
| Payments | (173,284) | (225,974) |
| **Balance at the end of the period** | **279,789** | **453,073** |

# Notes to the financial statements

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Digital Capability Fund**[a] | | |
| The purpose of this special purpose account is to hold funding for the purpose of strategic and targeted investments in digital transformation that improve digital service delivery, upgrade legacy ICT that presents significant risk to service delivery, and reduce regulatory burden for households, business, and government, and are aligned to whole-of-government objectives and policies. | | |
| Balance at the start of the period | 593,441 | 433,638 |
| Receipts | 16,449 | 458,151 |
| Payments | (243,501) | (298,348) |
| **Balance at the end of the period** | **366,389** | **593,441** |
| | | |
| **Social and Affordable Housing Investment Fund** [a] | | |
| The purpose of this special purpose account is to hold funding for the purpose of investments in social and affordable housing and other initiatives that contribute to increasing social and affordable housing stock and are aligned to whole of government objectives and policies. | | |
| Balance at the start of the period | 672,328 | 693,022 |
| Receipts | 79,500 | 400,000 |
| Payments | (423,908) | (420,694) |
| **Balance at the end of the period** | **327,920** | **672,328** |
| | | |
| **Softwood Plantation Expansion Account**[a] | | |
| The purpose of this special purpose account is to fund the expansion of the first rotation plantation beyond the existing softwood plantation estate managed by the Forest Products Commission to support the industry as approved by the Government. | | |
| Balance at the start of the period | 220,496 | 254,431 |
| Receipts | - | - |
| Payments | (45,882) | (33,935) |
| **Balance at the end of the period** | **174,614** | **220,496** |
| | | |
| **Temporary Access Contribution**[b] | | |
| The purpose of this special purpose account is to contribute towards maintaining the financial viability of the Regional Power Corporation by allowing it to recover all or part of its historical generation costs in accordance with the provisions of the *Electricity Industry Act 2004*. | | |
| Balance at the start of the period | - | - |
| Receipts | - | 4,250 |
| Payments | - | (4,250) |
| **Balance at the end of the period** | **-** | **-** |

# Notes to the financial statements

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Remote Communities Fund**[(a)] | | |
| The purpose of this special purpose account is to meet the costs associated with the delivery of housing, essential and municipal services and other asset investment programs to deliver better services, more opportunities and economic participation in remote Aboriginal communities. | | |
| Balance at the start of the period | 215,148 | 295,055 |
| Receipts | - | - |
| Payments | (86,223) | (79,907) |
| **Balance at the end of the period** | **128,925** | **215,148** |
| | | |
| **Asset Maintenance Fund**[(a)] | | |
| To hold funding to support targeted investment in maintenance works for general government sector assets, including schools, hospitals, police stations, courts, and cultural and entertainment venues, in order to address risks to service delivery. | | |
| Balance at the start of the period | 137,507 | 240,576 |
| Receipts | - | 148 |
| Payments | (66,254) | (103,217) |
| **Balance at the end of the period** | **71,253** | **137,507** |
| | | |
| **Ecological Thinning Program Account**[(a)] | | |
| To fund and receive associated revenues for ecological thinning activities, under the Forest Management Plan 2024-33, which are to be conducted by the Forest Products Commission, to reduce moisture stress and support forest health outcomes. | | |
| Balance at the start of the period | 119,249 | 12,353 |
| Receipts | 11,946 | 134,798 |
| Payments | (34,329) | (27,902) |
| **Balance at the end of the period** | **96,866** | **119,249** |
| | | |
| **Strategic Industries Fund**[(a)] | | |
| To hold funding for a range of initiatives that de-constrain and develop Western Australia's industrial areas, encouraging new and emerging industries to establish and to achieve economic diversification and development outcomes for the State. | | |
| Balance at the start of the period | 498,340 | - |
| Receipts | 455,000 | 500,000 |
| Payments | (76,259) | (1,660) |
| **Balance at the end of the period** | **877,081** | **498,340** |

(a) Established under section 10(a) of the *Financial Management Act 2006.*

(b) Established under section 10(e) of the *Financial Management Act 2006.*

# Notes to the financial statements

## Note 9.4.1 Special purpose accounts opened during the financial period

| | 2026 ($000) | 2025 ($000) |
|---|---:|---:|
| **Building Hospitals Fund**[(a)] | | |
| To receive and hold moneys for the purposes of acquisition, planning and construction in relation to the expansion and redevelopment of the State's public health infrastructure. | | |
| Balance at the start of the period | - | - |
| Receipts | 54,170 | - |
| Transfer from New Women and Babies Hospital Account | 1,475,303 | - |
| Payments | (50,350) | - |
| **Balance at the end of the period** | **1,479,123** | **-** |
| | | |
| **State Administrative Tribunal Orders Account**[(b)] | | |
| To receive and hold moneys paid to the Treasurer under orders made by the State Administrative Tribunal (SAT) under section 98(1)(b) of the *Real Estate and Business Agents Act 1978* and section 79(1)(b) of the *Settlement Agents Act 1981* for credit to a TSPA prior to being distributed in accordance with SAT directions. | | |
| Balance at the start of the period | - | - |
| Receipts | 27 | - |
| Payments | - | - |
| **Balance at the end of the period** | **27** | **-** |

(a) Established under section 10(a) of the *Financial Management Act 2006*.

(b) Established under section 10(f) of the *Financial Management Act 2006*.

# Notes to the financial statements

## Note 9.4.2 Special purpose accounts transferred during the financial period

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **Barrow Island Royalty Trust Account** [(a)] | | |
| To hold such moneys as are received by the Department of Treasury and Finance in accordance with section 5 of the *Barrow Island Royalty Trust Account Act* | | |
| Balance at the start of the period | - | - |
| Receipts | 6,300 | - |
| Payments | (6,300) | - |
| **Balance at the end of the period** | **-** | **-** |

(a) Established under section 5 of the *Barrow Island Royalty Trust Account Act.*

# Notes to the financial statements

## Note 9.4.3 Special purpose accounts closed during the financial period

| | 2026 ($000) | 2025 ($000) |
|---|---|---|
| **New Women and Babies Hospital Account** [(a)] | | |
| The purpose of this special purpose account is to meet the costs associated with relocating (including constructing) the new Women and Babies Hospital to the Fiona Stanley Hospital site and the related expansion of maternity services at the Osborne Park Hospital and neonatal capacity at Perth Children's Hospital. | | |
| Balance at the start of the period | 1,754,639 | 1,764,113 |
| Receipts | - | - |
| Payments | (279,336) | (9,474) |
| Transfer to Building Hospitals Fund | (1,475,303) | |
| **Balance at the end of the period** | **-** | **1,754,639** |
| | | |
| **Bankwest Pension Account**[(a)] | | |
| The purpose of this special purpose account is to receive moneys from Treasury Corporation of Victoria Inflation Indexed Annuities in relation to the GESB Pension Scheme Superannuation liability of Bankwest employees. | | |
| Balance at the start of the period | 132 | 384 |
| Receipts | 334 | 653 |
| Payments | (466) | (905) |
| **Balance at the end of the period** | **-** | **132** |

(a) Established under section 10(a) of the *Financial Management Act 2006.*

# Notes to the financial statements

## 10. Restructuring of administrative arrangements

This section summarises the assets and liabilities transferred during restructures of administrative arrangements during the reporting period in accordance with AASB 1004.

| | Notes |
|---|---|
| Restructuring of administrative arrangements (controlled) as at transfer date | 10.1 |
| Restructuring of administrative arrangements (administered) as at transfer date | 10.2 |

## 10.1 Restructuring of administrative arrangements (controlled) as at transfer date and an effective date of 1 July 2025

Any net assets received by, or transferred from, the Department of Housing of Works as a result of the administrative restructure are recognised in the financial statements as a contribution by owners or distribution to owners, respectively.

| | Transfers in Department of Housing and Works ($000) |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 15,600 |
| Other current assets | 43 |
| Receivables | 2,282 |
| Plant and equipment | 32 |
| Intangible assets | 34,526 |
| **Total Assets** | **52,483** |
| **Liabilities** | |
| Payables | 1,422 |
| Employee related provisions | 12,608 |
| **Total Liabilities** | **14,030** |
| **Net transfers in** | **38,453** |

## 10.2 Restructuring of administrative arrangements (administered) as at transfer date and an effective date of 1 July 2025 for Department of Treasury and Finance

These balances are not reflected in the Department's financial statements but are provided for information purpose.

| | Transfers in Department of Housing and Works ($000) |
|---|---|
| **Assets** | |
| Taxation receivable | 1,044,290 |
| Royalties receivable | 2,572,464 |
| Other receivables | 399 |
| Other current assets | 13,015 |
| **Total Assets** | **3,630,168** |
| | |
| **Liabilities** | |
| Other payables | 13,414 |
| **Total Liabilities** | **13,414** |
| **Net transfers in** | **3,616,754** |

# Audited key performance indicators

## Performance assessment

**Outcomes**

| Outcomes | Services |
|---|---|
| **Outcome one:** Sustainable and transparent public sector finances | **Service one:** Financial management and reporting |
| **Outcome two:** A strong and competitive State economy | **Service two:** Economic and revenue forecasts and policy development |
| **Outcome three:** Value for money outcomes in service delivery and infrastructure provision | **Service three:** Evaluation and planning of government service delivery and infrastructure provision |
| **Outcome four:** Due and payable revenue is collected and eligible grants, subsidies and rebates paid | **Service four:** Revenue assessment and collection, and grants and subsidies administration |
| **Outcome five:** Value for money from public sector procurement | **Service five:** Development and management of common use contract arrangements |

# Certification of key performance indicators

## For the year ended 30 June 2026

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Treasury and Finance's performance, and fairly represent the performance of the Department for the financial year ended 30 June 2026.

**Noorhadi Khamzah**
Acting Chief Finance Officer
11 September 2026

**Michael Court**
Acting Under Treasurer
11 September 2026

## Public Sector Reform and Extension of the Treasurer's Direction

On 1 July 2025, the former Department of Treasury became the Department of Treasury and Finance (DTF). This included the transfer of the revenue assessment and collection, grants and subsidies administration, and whole-of-government procurement policy functions (the responsibility of the former Department of Finance) to DTF. As a consequence of the Public Sector Reform (PSR), the DTF Outcome Based Management Framework was amended to reflect the functional transfers of RevenueWA and Procurement Policy and Strategy.

In June 2026, DTF received a Treasurer's Direction under section 61(1)(b) of the *Financial Management Act 2006 (*the Act) that the accountable authority is not required to report key performance indicators for the following services in the annual report with respect to the 2025-26 financial year and subsequent financial years:

- Service: Financial Management and Reporting
- Service: Economic and Revenue Forecasts and Policy Development
- Service: Evaluation and Planning of Government Service Delivery and Infrastructure Provision

The above direction supersedes and revokes the Treasurer's direction made under section 61(1)(b) of the Act on 1 April 2022. The intent of the latest Direction is to extend the existing efficiency indicator exemptions that applied to the former Department of Treasury to the renamed DTF following the PSR.

The methodology used in calculating the key efficiency indicator results for Service 4 and 5 for 2022-23 to 2024-25 financial years differs from 2025-26 as a result of the Public Sector Reform which impacts comparability between years. DTF has included the previous year's results for completeness.

# Key effectiveness indicators

## Government goals: Strong and Sustainable Finances; Responsible, achievable, affordable budget management

### Outcome 1: Sustainable and transparent public sector finances

The Department works to maintain sustainable and transparent public sector finances. Its commitment to this key role is reflected in advice to Government on its fiscal strategy and targets; publication of reports on the State's finances; advice to Government and its agencies on the legislative framework underpinning financial management and accountability; management of the Public Ledger; and management of the Public Bank Account and Future Health Research and Innovation Fund (in conjunction with the Western Australian Treasury Corporation).

The key indicators of effectiveness demonstrate measurable outcomes of our effectiveness in this role.

| Key indicators of effectiveness | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Status of the State's credit rating (a) | Aa1 (b)<br>AAA (c) | Aaa (b)<br>AAA (c) | Aaa (b)<br>AAA (c) | Aaa (b)<br>AAA (c) | Aaa (b)<br>AAA(c) | 1 |
| Unqualified audit opinion on the Annual Report on State Finances | Yes | Yes | Yes | Yes | Yes | 2 |
| Percentage of financial reports released as per agreed timeframes | 100% | 100% | 100% | 100% | 100% | 3 |

(a) Standard & Poor's (S&P) Global and Moody's currently assess the credit rating for Western Australia.

(b) Moody's.

(c) S&P Global.

### Notes

1. Moody's Ratings reaffirmed Western Australia's credit rating of Aaa with a 'stable' outlook on 27 May 2026, while S&P Global confirmed the State's AAA credit rating (with a 'stable' outlook) on 11 September 2025. Western Australia remains the only Australian State or Territory with triple-A credit ratings from both rating agencies and these ratings emphasise the State's strong financial management credentials.
2. The 2024-25 Annual Report on State Finances (ARSF) was released on 26 September 2025, in line with the 90-day statutory reporting deadline required by the *Government Financial Responsibility Act 2000.* The ARSF received an unqualified audit opinion from the Auditor General.
3. The Department prepares whole-of-government financial reports required by, and subject to, the statutory reporting requirements of the *Government Financial Responsibility Act 2000*. For 2025-26, the 2024-25 Annual Report on State Finances, the September 2025, December 2025 and March 2026 Quarterly Financial Results Reports, and the 2025-26 Government Midyear Financial Projections Statement were all released in line with the statutory reporting requirements and deadlines stipulated in the Act.

## Outcome 2: A strong and competitive State economy

Accurate forecasting of Western Australia's economic and fiscal outlook is a major factor in maintaining a stable credit rating and, in turn, the foundation of a strong and competitive State economy. Good Government decision-making requires accurate revenue and economic forecasting to achieve the best possible economic, fiscal and service delivery outcomes for the State.

| Key indicators of effectiveness | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Accuracy of key general government revenue forecasts: | | | | | | |
| - Tax revenue [(a)] | 11.8% | 14.4% | 9.4% | +/-5.0% | 11.6% | 1 |
| - Royalty revenue [(a)] | 55.7% | 48.7% | 26.2% | +/-5.0% | 28.3% | 2 |
| Accuracy of key economic forecasts (percentage point difference): | | | | | | |
| - Employment growth [(b)] | 1.4 | 3.1 | 1.4 | +/-0.5 | -0.2 | - |
| - Real State Final Demand (SFD) growth [(b)] | 0.2 | 2.7 | -0.2 | +/-2.0 | 1.0 | - |

(a) 2025-26 Actuals for tax and royalty revenue will be published in the 2025-26 Annual Report on State Finances. The estimated actual is as at 1 September 2026 and may change following the receipt of additional data prior to the Annual Report on State Finances cut-off date.

(b) Any changes to actual figures from previous reporting are due to the revision of the historical series from the ABS.

### Notes

1. Tax revenue in 2025-26 was higher than forecast in the 2025-26 Budget. This primarily reflects stronger than anticipated demand in the property and vehicle markets in Western Australia, which has flowed through to higher than forecast revenue from transfer duty and motor vehicle taxes.
2. Royalty revenue in 2025-26 was higher than forecast in the 2025-26 Budget largely due to higher than assumed iron ore prices. The average iron ore price was well above the prudent prices assumptions used in the 2025-26 Budget.

## Outcome 3: Value for money outcomes in service delivery and infrastructure provision

To support the Government in making informed and timely decisions about the delivery of services and the provision of infrastructure, DTF evaluates all agency funding proposals submitted to the Expenditure Review Committee (ERC) and provides the ERC with independent advice on the financial, economic and social implications of the proposals.

The DTF endeavours to provide advice to the ERC at least five days prior to the relevant meeting, to ensure that Committee members have ample time to consider recommendations and form an educated stance on the merits of agency funding proposals.

Capital funding proposals are typically underpinned by agency Strategic Asset Plans (SAPs). SAPs (which seek to prioritise the investment, management and disposal of assets over a 10-year horizon) are required to be submitted to DTF on an annual basis, and play a key role in the evaluation of capital funding proposals.

| Key indicators of effectiveness | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Percentage of advice provided to the Expenditure Review Committee (ERC) at least five days prior to their consideration | 86% | 85% | 67% | 100% | 44% | 1 |
| Percentage of Ministerially endorsed Strategic Asset Plans (SAPs) for the upcoming year received and reviewed by the Department before the commencement of the Budget bilateral process | 82% | 100% | 62% | 100% | 79% | 2, 3 |

### Notes

1. The 2025-26 Actual was lower than anticipated, as some ERC papers required additional analysis prior to delivery to the ERC.
2. Minister-endorsed SAPs were received from 11 of the 14 applicable agencies that represent the top 90% of the Asset Investment Program (AIP) value, recording a 2025-26 result of 79%.
3. For the three (3) applicable agency SAP outstanding, draft SAP were sighted and referred to as part of the annual State Budget submission assessment process by the Department of Treasury and Finance. The required Minister-endorsed SAP copies were not received by the Department until after the commencement of the Budget bilateral process on 16 February 2026.

## Outcome 4: Due and payable revenue is collected and eligible grants, subsidies and rebates paid

The Department, through RevenueWA, administers a range of revenue laws on behalf of the Government. This involves the collection of revenue raised and payment of grants and subsidies under relevant legislation, as well as a number of administrative-based schemes.

These indicators for revenue administration provide a measure of effectiveness of taxation revenue collection and debt recovery processes and the accuracy of grant and subsidy payments. These are considered the key elements in the effective collection of revenue and processing of grants and subsidies.

| Key indicators of effectiveness | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Taxpayer debt as a percentage of taxation revenue raised [(a)] | 0.72% | 0.92% | 0.90% | 0.87% | 0.80% | 1 |
| Extent to which correct grants, subsidies and rebates are paid [(b)] | 100% | 100% | 100% | 100% | 100% | - |

(a) This indicator is calculated by dividing the total outstanding debt on hand at 30 June by the total revenue raised for the year for all tax lines (land tax, duties, payroll and betting tax) and presented as a percentage.

(b) This indicator measures the accuracy of grant, subsidy and rebate payment processes by RevenueWA. This indicator is calculated by dividing the 'number of grants, subsidy and rebate payments correctly paid' by the 'number of grants, subsidy and rebate payments made during the year', and presented as a percentage. The percentages are then averaged to derive the KPI result. RevenueWA pays the following: Subsidies – Thermoregulatory, Life Support, Energy Concession Extension Scheme and Pensioner Concessions; Grants – First Home Owner, Home Builder and Building Bonus.

### Notes

1. The lower 2025-26 actual compared to the target reflects higher revenue raised compared to budgeted amounts across several tax lines, primarily driven by significantly higher transfer duty revenue raised. This was partly offset by outstanding debt being slightly higher than budgeted.

## Outcome 5: Value for money from public sector procurement

This outcome aims to deliver value-for-money procurement services and frameworks through common use arrangements across the Western Australian public sector. Value-for-money is a key policy objective and ensures public authorities achieve the best possible outcome for the amount of money spent when purchasing goods and services.

This indicator is calculated by dividing the total number of satisfied responses by the total number of survey respondents for users of Common Use Arrangements (CUA). It is a measure of how effective the Department is at achieving value for money from public sector procurement.

This KPI is new for the 2025-26 financial year reporting period. As a result of the Public Sector Reform (PSR), the Department of Treasury and Finance Outcome Based Management (OBM) Framework was amended to reflect the functional transfer of Procurement Policy and Strategy.

| Key indicators of effectiveness | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Extent to which client agencies agree that their procurement under common use arrangements achieved value for money [(a)] | n.a. | n.a. | n.a. | 85%[(b)] | 85% | - |

(a) The KPI results are obtained from the Common Use Arrangements (CUA) client satisfaction surveys. The surveys are used to obtain client feedback on services provided under the CUA arrangement.

(b) As this is a new KPI for 2025-26 no target was published the prior year, this target is from the published 2026-27 Budget Papers.

# Key efficiency indicators

## Service 4: Revenue assessment and collection, and grants and subsidies administration

RevenueWA is responsible for the assessment and collection of a range of statutory-based revenue, including duties, land tax, payroll tax, mining and petroleum royalties, betting tax and others collected on behalf of agencies or other jurisdictions (for example, collection of a range of taxes for the Commonwealth Government in the Indian Ocean Territories). RevenueWA is also involved in the assessment and payment of a range of grants and subsidies under both statutory and administrative schemes.

The major payments relate to the First Home Owner Grant scheme, as well as concessions on local government rates and the emergency services levy for pensioners and seniors.

These indicators represent the total cost incurred to produce a tax, duty, or royalties determination or determine the eligibility of a grant or subsidy application. These are considered the key elements in measuring the efficiency of the Department in performing this service.

| Key indicators of efficiency | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Average cost per revenue determination [(a)] | $33.35 | $33.72 | $36.52 | $37.59 | $40.03 | 1, 2 |
| Average cost per grant or subsidy determination [(b)] | $20.13 | $18.28 | $15.89 | $15.99 | $16.54 | |

(a) This indicator is used to measure the cost to produce a revenue determination across all major revenue lines administered by the Department. It is calculated by dividing the 'total operational costs relevant to the major revenue lines plus Departmental overhead costs' by the 'total number of revenue determinations'.

(b) This indicator is used to measure the cost to produce a single determination across all grant and subsidy lines administered by the Department. It is calculated by dividing the 'total grant and subsidy costs plus Departmental overhead costs' by the 'total number of grant and subsidy determinations'.

### Notes

1. The methodology used in calculating the 2025-26 target and prior year actual differs from the methodology used in calculating the 2025-26 actual as a result of the Public Sector Reform, which impacts comparability between years.
2. The higher 2025-26 actual compared to the target reflects increased corporate costs attributable to RevenueWA, increase in salaries following the transfer of staff as part of the Public Sector Reform, and costs associated with minor projects.

## Service 5: Development and management of common use contract arrangements

The Department provides a whole-of-government approach to CUAs that efficiently meets the business needs of government agencies, manages risk and delivers value-for-money. In facilitating the development and management of CUAs, the Department needs to effectively manage the cost of delivering this service which ensures agencies achieve value-for-money outcomes.

This indicator is used to measure how efficient the Department has been in developing and managing whole-of-government common use arrangements.

The costs of services used to calculate this indicator are limited to those directly related to the development and management of Common Use Arrangements services and exclude costs associated with Commissioning Services, Gateway Reviews, Procurement Assurance and Tenders WA system and support services.

| Key indicators of efficiency | 2022-23 Actual | 2023-24 Actual | 2024-25 Actual | 2025-26 Target | 2025-26 Actual | Notes |
|---|---|---|---|---|---|---|
| Cost of developing and managing whole-of-government common use arrangements as a percentage of the total annual value of purchases through the arrangements[a] | 0.8% | 0.8% | 0.7% | 1% | 0.7% | 1 |

(a) This indicator is calculated by dividing the total cost of managing common use contract arrangements by the total annual value of purchases through common use arrangements.

### Notes

1. The 2025-26 Actual result outperformed the 2025-26 Target due to higher than anticipated value of purchases made through CUAs during the year.

# Other statutory information

- **Governance disclosures**
- **Other legal requirements**
- **Government policy requirements**

# Governance disclosures

## Ministerial directions

No Ministerial directives were received during the financial year.

## Governance committees

The Department's governance framework supports effective decision-making, accountability and organisational performance through three principal governance committees:

- **Corporate Executive Committee (CorpEx):** the Department's primary decision-making body, provides strategic leadership and oversight of significant policy, operational and corporate matters.
- **Budget Management Committee (BMC):** oversees budget and fiscal management functions, including the development and monitoring of the State Budget, budget updates, whole-of-government financial reporting and contributions to expenditure review processes.
- **Audit and Risk Committee (ARC):** is an independent assurance committee that provides oversight of Department's governance, risk management, internal control, financial management and compliance frameworks, supporting accountability, integrity and continuous improvement.

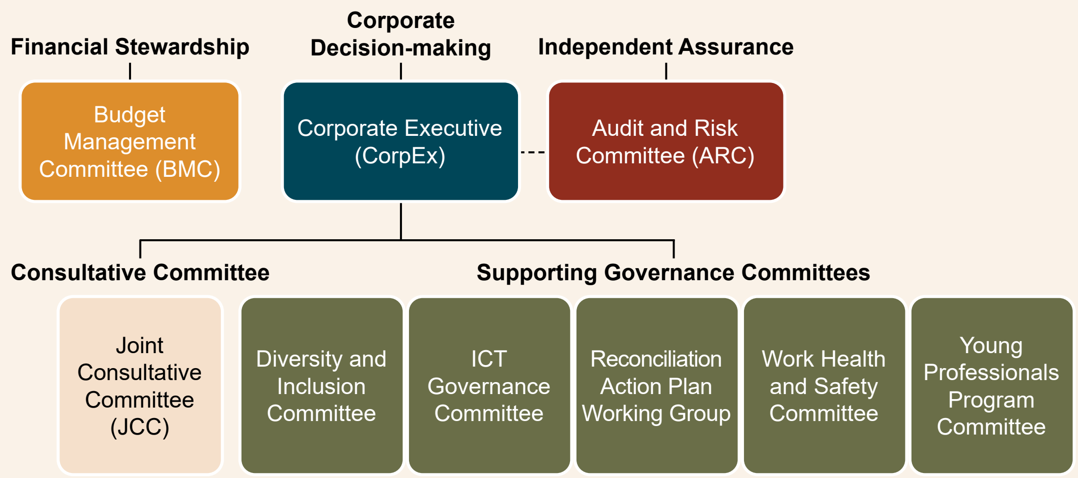
CorpEx is supported by a range of governance committees and working groups that provide oversight, assurance and strategic advice across key areas of Departmental operations.

During 2025-26, these included the:

- Work Health and Safety Committee;
- Diversity and Inclusion Committee;
- ICT Governance Committee;
- Young Professional Program Committee; and
- Reconciliation Action Plan Working Group.

The Joint Consultative Committee (JCC) is a forum for collaboration between DTF and the Community and Public Sector Union/Civil Service Association of WA (CPSU/CSA – Union). It facilitates open communication and consultation to support continuous improvement in organisational operations and the working environment.

**DTF Governance Framework**



# Other legal requirements

## Unauthorised use of credit cards

Officers of the Department of Treasury and Finance hold corporate credit cards where their functions warrant usage of this facility.

Despite cardholders being aware of their obligations under the Department's corporate credit card policy, there were four instances of employees inadvertently using their corporate credit card for personal purposes in 2025-26. None of these instances were referred for disciplinary action, as the Chief Finance Officer noted that in each instance of personal use the expenditure was reimbursed promptly, the amount was immaterial, and the use was characteristic of an honest mistake.

| | 2025-26 |
|---|---|
| Number of instances the Western Australian Government Purchasing Cards have been used for personal purposes | 4 |
| Aggregate amount of personal use expenditure for the reporting period | $239.08 |
| Aggregate amount of personal use expenditure settled by the due date (within 5 working days) | $239.08 |
| Aggregate amount of personal use expenditure settled after the period (after 5 working days) | - |
| Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period | - |
| Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period | - |

## Advertising, market research, polling and direct mail expenditure

In accordance with section 175ZE of the *Electoral Act 1907*, the Department incurred the following expenditure to organisations providing services in relation to advertising, market research, polling, direct mail and media advertising. Total expenditure for 2025-26 was $35,026.

| | 2025-26 ($) |
|---|---|
| Advertising agencies | |
| Initiative Media Australia Pty Ltd | 21,912 |
| GradConnection Pty Ltd | 818 |
| National Indigenous Times | 314 |
| Indigenous Employment Pty Ltd | 305 |
| LinkedIn Singapore Pty Ltd | 11,250 |
| Career Hub Pty Ltd | 227 |
| Market research organisations | - |
| Polling organisations | - |
| Direct mail organisations | - |
| Media advertising organisations | |
| Economic Society of Australia | 200 |
| **Total expenditure** | **35,026** |

## Disability Access and Inclusion Plan outcomes

DTF's Access and Inclusion Plan (DAIP) 2023–27 focuses on our culture, customers and employees as our physical environment is the responsibility of building management which meets legislative requirements.

In undertaking the DAIP progress report for 2025-26, the following actions were reported:

- Confirmation the DTF website is compliant with the WA Government Website Accessibility Policy.
- Focus on supporting people with disability in recruitment processes to access reasonable adjustments and support.
- Provision of ongoing support and education to managers in supporting reasonable adjustments for our employees.
- People with a disability represented 4.7% of DTF's workforce as at 30 June 2026.

In the coming year, a new DAIP will be developed in conjunction with the Workforce Diversification and Inclusion Strategy to encompass the new DTF values and outcomes.

## Public sector standards and ethical codes

Our Department ensures workforce policies and practices are reviewed and are communicated to employees consistent with the Public Sector Standards, Commissioner's Instructions and legislation. DTF-specific training and resources have been developed for management and employees in readiness for the introduction of the new Commissioner's Instructions that directly impact recruitment activities from 1 July 2026. The People and Culture team continue to provide training, advice and support with respect to the Code of Conduct and other government compliance requirements.

As part of the 2026 Annual Collection for Public Sector Agencies Collection, it was reported there were no formal grievances. During the reporting year, the Department received one breach against the Employment Standard which was resolved internally.

## Recordkeeping plan

The Department's Recordkeeping Plan was approved by the State Records Commission on 20 May 2026. Following the plan's approval, a supporting policy was developed. The plan and policy were published on the Department's intranet and promoted across the agency.

To support the plan and policy all employees are required to complete a mandatory online Recordkeeping and Use of Information training. New employees complete it as part of induction.

Records created or received must be saved in the Department's primary recordkeeping system in line with its recordkeeping policy.

## Agency capability review progress

The Public Sector Commission completed an Agency Capability Review for the former Departments of Treasury and Finance in 2024 and 2023 respectively.

On 1 July 2025, DTF was established, bringing Treasury, RevenueWA and Procurement Policy and Strategy functions together under a single central agency.

During 2025-26, the Department advanced the following Review actions:

- Updating guidance and training on the annual Budget cycle which is now available to agencies through The Skills Academy.
- Redesigning the Chief Finance Officer Forum for better peer engagement, which included the publishing a Treasurer's Guidance Handbook.
- Establishing a formal induction program (including a specific induction for managers) and roll out of the MyDevelopment platform.

The Department also commenced its strategic planning process with a new Strategic Plan finalised in June 2026.

## Freedom of information

The *Freedom of Information Act 1992* gives the public a general right of access to documents held by WA State and local government agencies, subject to some limitations.

Access applications can be lodged online or by post. More details are available on the Department's website or in the annual report of the Information Commissioner of Western Australia.

## Special purpose statements and trust statements

During 2025-26, the Building Hospitals Fund and the State Administrative Tribunal Orders Account were established as special purpose accounts under section 10(a) and 10(f) of the *Financial Management Act 2006* respectively. Following its establishment, the Building Hospitals Fund special purpose statement was subsequently amended during the same financial year.

A copy of the associated Special Purpose Statements and Trust Statement are included on the following pages:

## Building Hospitals Fund

| Special purpose statement | |
|---|---|
| Name | An account titled the Building Hospitals Fund (the Account) shall be established and maintained as a Treasurer's special purpose account pursuant to section 10(a) of the *Financial Management Act 2006* by the Department of Treasury and Finance. |
| Purpose | To receive and hold moneys for the purposes of acquisition, planning and construction in relation to the expansion and redevelopment of the State's public health infrastructure. |
| Receipts | There shall be credited to the Account parliamentary appropriation and any money lawfully received for the purposes for which the Account is established. |
| Payments | Moneys standing to the credit of the Account may be applied only for the purposes of the Account and as endorsed by the Expenditure Review Committee and approved by Cabinet. |
| Accountability and governance | The Account shall be administered, accounted for and reported on by the Under Treasurer in accordance with the *Financial Management Act 2006*, Financial Management Regulations 2024, and Treasurer's instructions. |
| Review | A detailed review of the Account is to be undertaken on an annual basis. This is to include an assessment of the payments and receipts to ensure compliance with the purpose outlined above. |
| Disposal of funds on cessation | Upon closure of the Account, any balance standing to the credit of the Account shall be credited to the Consolidated Account. |

I have examined and agree to the provisions of this special purpose statement.

**Joann Wilkie**
Under Treasurer
Department of Treasury and Finance
21 January 2026

Approved

(under delegated authority)

**Michael Court**
Deputy Under Treasurer
Department of Treasury and Finance
19 January 2026

## Building Hospitals Fund

| Special purpose statement | |
|---|---|
| Name | An account titled the Building Hospitals Fund (the Account) shall be maintained as a Treasurer's special purpose account pursuant to section 10(a) of the *Financial Management Act 2006* by the Department of Treasury and Finance. |
| Purpose | To receive and hold moneys to meet costs associated with:<br>● relocation of the New Women and Babies Hospital (W&BH) to the Fiona Stanley Hospital site;<br>● construction of the W&BH; expansion of maternity services at the Osborne Park Hospital (OBH) and; expansion of the neonatal capacity at Perth Children's Hospital (PCH);<br>● the establishment* of the W&BH, OBH and PCH; and<br>● acquisition, planning and construction in relation to the expansion and redevelopment of the State's public health infrastructure.<br>*'establishment' includes the provision or installation of furniture, fixtures and equipment (FFE); major medical equipment (MME); and information and communication technology (ICT). |
| Receipts | There shall be credited to the Account parliamentary appropriation and any money lawfully received for the purposes for which the Account is established. |
| Payments | Moneys standing to the credit of the Account may be applied only for the purposes of the Account and as endorsed by the Expenditure Review Committee and approved by Cabinet. |
| Accountability and governance | The Account shall be administered, accounted for and reported on by the Under Treasurer in accordance with the *Financial Management Act 2006*, Financial Management Regulations 2024, and Treasurer's instructions. |
| Review | A detailed review of the Account is to be undertaken on an annual basis. This is to include an assessment of the payments and receipts to ensure compliance with the purpose outlined above. |
| Disposal of funds on cessation | Upon closure of the Account, any balance standing to the credit of the Account shall be credited to the Consolidated Account. |

I have examined and agree to the provisions of this special purpose statement.

**Joann Wilkie**
Under Treasurer
Department of Treasury and Finance
24 June 2026

Approved

(under delegated authority)

**Michael Court**
Deputy Under Treasurer
Department of Treasury and Finance
24 June 2026

## State Administrative Tribunal Orders Account

| Trust statement | |
|---|---|
| Name | An account titled the State Administrative Tribunal Orders Account (the Account) shall be established and maintained as a Treasurer's special purpose account (TSPA) for other money pursuant to section 10(f) of the *Financial Management Act 2006* by the Department of Treasury and Finance. |
| Purpose | To receive and hold moneys paid to the Treasurer under orders made by the State Administrative Tribunal (SAT) under section 98(1)(b) of the *Real Estate and Business Agents Act 1978* and section 79(1)(b) of the *Settlement Agents Act 1981* for credit to a TSPA prior to being distributed in accordance with SAT directions. |
| Receipts | There shall be credited to the Account any money lawfully received for the purposes for which the Account is established. |
| Payments | Money standing to the credit of the Account may be paid in accordance with directions made by the SAT under section 98(4) of the *Real Estate and Business Agents Act 1978* and section 79(4) of the *Settlement Agents Act 1981*. |
| Accountability and governance | The Account shall be administered, accounted for and reported on by the Under Treasurer in accordance with the *Financial Management Act 2006*, Financial Management Regulations 2024, the *Real Estate and Business Agents Act 1978*, the *Settlement Agents Act 1981* and Treasurer's instructions. |
| Review | A detailed review of the Account is to be undertaken on an annual basis. This is to include an assessment of the payments and receipts to ensure compliance with the purpose outlined above. |
| Disposal of funds on cessation | Upon closure of the Account, any balance standing to the credit of the Account shall be dealt with in accordance with directions made by the SAT under section 98(4) of the *Real Estate and Business Agents Act 1978* and section 79(4) of the *Settlement Agents Act 1981*. |

I have examined and agree to the provisions of this special purpose statement.

**Joann Wilkie**
Under Treasurer
Department of Treasury and Finance
29 October 2025

Approved

(under delegated authority)

**Pauline Burton**
Director
Financial Policy and Operations
Department of Treasury and Finance
29 October 2025

# Government policy requirements

## Work health and safety

DTF, through the Corporate Executive, is committed to providing a healthy and safe workplace for all workers by complying with the *Work Health and Safety Act 2020.*

The Department's Work Health and Safety Committee is the formal mechanism for consultation on WHS matters between employees and the Department. The Committee has Health and Safety Representatives and management representatives who discuss and resolve safety and health issues, and review objectives, plans and procedures in line with DTF's WHS management plan.

Focus areas for the WHS Committee included:

- proactively managing risks in the workplace by conducting site inspections;
- providing consultation on health and safety initiatives;
- ensuring reported workplace WHS incidents are investigated and associated risks are adequately addressed, and processes reviewed to mitigate risks; and
- contributing to and assisting in the development and implementation of WHS policies, procedures and guidelines to ensure these are understood and consistently applied.

## Spring into Wellbeing: supporting health, connection and wellbeing

DTF is committed to creating a workplace where employees are supported to thrive, both professionally and personally. During 2025-26, we delivered our annual Spring into Wellbeing campaign, designed to encourage employees to prioritise their physical and mental wellbeing through a range of accessible activities.

The campaign included a diverse program of events, resources and expert-led learning opportunities to help employees take proactive steps towards better health. Staff had access to free onsite skin checks and health assessments, enabling early identification of potential health issues and encouraging preventative care.

Mental health remained a key focus, with webinars covering topics such as positive psychology, resilience, stress management and menopause and mental health, providing practical strategies to support wellbeing at work and home.

Employees were also encouraged to explore the supports available through DTF's corporate health partners and Employee Assistance Program, including counselling, financial wellbeing services, nutrition support, exercise guidance and legal assistance.

A strength of the campaign was its focus on creating a culture of wellbeing and connection across the Department. From healthy eating initiatives and wellbeing resources to the Department-wide Step Challenge, employees were encouraged to engage with activities that promoted healthy habits, movement and social connection.

By providing opportunities for employees to reflect on their health, access professional support and participate in shared wellbeing experiences, Spring into Wellbeing reinforced DTF's commitment to fostering a healthy, engaged and high-performing workforce.

## Occupational safety, health and injury management

| Measures | Results 2023-24 | Results 2024-25 | Results 2025-26 | Targets | Comments about targets |
|---|---|---|---|---|---|
| Number of fatalities | Nil | Nil | Nil | 0 | Target achieved |
| Lost time injury and disease incidence rate | 0.3 | 0.6 | 1.2 | Not applicable for 2025-26 | New target of 0 or 10% reduction in incidence rate, established |
| Lost time injury and severity rate | Nil | Nil | Nil | Not applicable for 2025-26 | New target of 0 or 10% reduction in severity rate, established |
| Percentage of injured workers returned to work (i) within 13 weeks | 0 Injury | 100% | 100% | Not applicable for 2025-26 | New target of Greater than or equal to 80% return to work within 13 weeks, established |
| Percentage of injured workers returned to work (ii) within 26 weeks | 0 Injury | Nil | Nil | Not applicable for 2025-26 | New target of Greater than or equal to 80% return to work within 26 weeks, established |
| Percentage of managers trained in work health and safety injury management responsibilities, including refresher training within 3 years | 80.9% | 80.7% | 84.5% | Greater than or equal to 80% | Target achieved |

Note: Comparative results for 2023-24 and 2024-25 relate to the former Department of Treasury only, while 2025-26 results include the combined operations of the former Department of Treasury, RevenueWA and Procurement Policy and Strategy.

## Board and committee remuneration

The Department paid for the following members of the Audit and Risk Committee in 2025-26.

| Position | Member name | Type of remuneration | Period of membership in 2025-26 | Term of appointment of tenure | Base salary/sitting fees | Gross/actual Remuneration for financial year |
|---|---|---|---|---|---|---|
| Former Chair | Mr Ross Hughes | Annual fee | 6 Months | Sessional | $30,482 per annum plus superannuation guarantee | $17,070 |
| Chair | Ms Janelle Marr | Quarterly fee | 6 Months | Sessional | $33,000 per annum plus GST | $16,500 |
| Member | Ms Kirsty Moore | Quarterly fee | 2 Months | Sessional | $12,000 per annum plus GST | $3,000 |

Reported remuneration excludes GST and travel expenses incurred as per Public Sector Commission’s Remuneration for Government Boards and Committees.

## Consultant expenditure

| Consultant | Title of project | Actual cost (incl. GST) |
|---|---|---|
| ACIL Allen Pty Limited | Consultancy and advocacy for the 2026 Productivity Commission GST Review. | $222,000 |
| Ad Astra Corporate Advisory Pty Limited | Commercial advisor to assist the Department of the Premier and Cabinet with coal and energy-related matters in the Collie Basin. | $647,011[(a)] |
| Ad Astra Corporate Advisory Pty Limited | Commercial advisor to assist the Department of Transport and Major Infrastructure with negotiations associated with the Western Australian freight rail network. | $1,376,578[(b)] |
| Ad Astra Corporate Advisory Pty Limited | Financial and commercial advice in relation to the State's potential acquisition of a private hospital facility. | $86,295 |
| Barnes Advisory | Advisory, consultation and advocacy expertise to lead the development for the State's position on future GST reform. | $324,324 |
| Barnes Advisory | Financial and commercial advisory services on options for delivery of public health services at Mount Hospital. | $52,800 |
| Boston Consulting Group Pty Ltd | Commercial advisor to assist the Department of the Premier and Cabinet, Department of Energy and Economic Diversification, and the Department of Treasury and Finance with coal and energy-related matters. | $2,833,565[(c)] |
| Deloitte Touche Tomatsu | Financial and commercial advisory on options for the delivery of maintenance services on State-owned and/or managed housing assets. | $164,780 |
| Goldman Sachs Australia Pty Ltd | Financial advisor to assist the Department of Transport and Major Infrastructure with negotiations associated with the Western Australian freight rail network. | $1,102,676[(b)] |
| Nous Group Pty Limited | Financial and governance advisory services to the review into the financial sustainability and governance of Racing and Wagering Western Australia. | $130,000 |
| **Total** | | **$6,940,029** |

(a) The cost of this contract has been recouped from the Department of the Premier and Cabinet and is not reflected in the Department of Treasury and Finance's Financial Statements.

(b) The cost of this contract has been recouped from the Department of Transport and Major Infrastructure and is not reflected in the Department of Treasury and Finance's Financial Statements.

(c) The cost of this contract has been recouped from the Department of Energy and Economic Diversification and the Department of the Premier and Cabinet and is not reflected in the Department of Treasury and Finance's Financial Statements.

## WA Multicultural Policy Framework

DTF is committed to creating a culture that values, promotes and invests in building a diverse and inclusive workforce.

While our Department develops and implements our new Multicultural Plan, the former Department of Treasury's Multicultural Plan 2025–27 continues to operate. At DTF, we take pride in our culturally and linguistically diverse (CaLD) workforce, which reflects the vibrant diversity of Western Australia. With 26.8% of our employees self-identifying as CaLD, well above the public sector benchmark of 15.5%, we continue to leverage this strength to deliver positive economic, social, and environmental outcomes for all Western Australians.

## Substantive equality

Our Department continues to make improvements in substantive equality by regularly reviewing its services, practices and policies to ensure we have equitable outcomes for all, and systemic discrimination is eliminated.

## Closing the Gap

DTF continues to support the delivery of the National Agreement on Closing the Gap through its role as a central agency. Following the 2025 Public Sector Reform, DTF is embedding the Priority Reforms across its budget policy, procurement, revenue administration and strategic advisory functions.

During 2025-26, DTF developed its Innovate Reconciliation Action Plan 2026–2028, bringing together the commitments and learnings of the former departments and increasing our Department's focus on reconciliation, cultural capability and Aboriginal employment.

DTF continues to strengthen relationships with key Aboriginal stakeholders, including the Aboriginal Advisory Council of Western Australia, the Council of Aboriginal Services Western Australia and the Aboriginal Health Council of Western Australia. As part of this commitment, DTF hosted a Community Services Practitioners Forum focused on the Aboriginal Community Controlled Organisation (ACCO) sector, attended by more than 70 government officers. The forum provided an opportunity to share initiatives, including DTF's ACCO Strengthening Project, and to promote greater collaboration across government.

The Aboriginal Procurement Policy (APP) continues to support Closing the Gap socio-economic outcomes, particularly Target Outcome 8 relating to Aboriginal employment and economic participation, by creating contracting opportunities for Aboriginal businesses and ACCOs. DTF remains committed to monitoring and evaluating the impact of the APP and reporting on the success of the Aboriginal business sector. Details on the Department's implementation of the APP in 2025-26 are provided in the Agency performance section (**p.38**).

DTF also leverages other established reporting and governance mechanisms, including APP performance reporting, Agency Aboriginal Procurement Plans, the Aboriginal Expenditure Review, alongside our ongoing engagement with Aboriginal stakeholders, to support evidence-based decision-making to help assess the effectiveness of initiatives contributing to Closing the Gap outcomes in Western Australia.

# Appendix

## Administered legislation

DTF assists the Treasurer and the Minister for Finance in administering the following Acts:

- *Acts Amendment and Repeal (Financial Sector Reform) Act 1999*
- *Advance Bank (Merger with St. George Bank) Act 1998*
- Appropriation (Consolidated Fund) Acts (various)
- *Auditor General Act 2006*
- *Australia and New Zealand Banking Group Act 1970*
- *Australia and New Zealand Banking Group Limited (NMRB) Act 1991*
- *Australia and New Zealand Banking Group Limited (Town & Country) Act 1995*
- *Bank Mergers Act 1997*
- *Bank Mergers (Taxing) Act 1997*
- *Bank of South Australia (Merger with Advance Bank) Act 1996*
- *Bank of Western Australia Act 1995*
- *Barrow Island Royalty Trust Account Act 1985*
- *Betting Tax Act 2018*
- *Betting Tax Assessment Act 2018*
- *Coal Industry Superannuation Act 1989*
- *Commonwealth Places (Mirror Taxes Administration) Act 1999*
- *Duties Act 2008*
- *Electricity Industry Act 2004 (Parts 9A and 9B only)*
- *Financial Agreement Act 1928*
- *Financial Agreement Act 1995*
- *Financial Management (Transitional Provisions) Act 2006*
- *Financial Management Act 2006*
- *Financial Relations Agreement (Consequential Provisions) Act 1999*
- *First Home Owner Grant Act 2000*
- *First Home Owner Grant Amendment Act 2003*
- *Government Financial Responsibility Act 2000*
- *Government Trading Enterprises Act 2023*
- *Help to Buy (Commonwealth Powers) Act 2025*
- *Judges' Salaries and Pensions Act 1950*
- *Land Tax Act 2002*
- *Land Tax Assessment Act 2002*
- Loan Acts (various)
- *Mining Act 1978 (Part 5A only)*
- *Pay-roll Tax Act 2002*
- *Pay-roll Tax Assessment Act 2002*
- *Pay-roll Tax (Indigenous Wages) Rebate Act 2012*

- *Pay-roll Tax Rebate Act 2010*
- *Pay-roll Tax Rebate Act 2012*
- *Perth Building Society (Merger) Act 1986*
- *Perth Market (Disposal) Act 2015*
- *Procurement Act 2020*
- *Railways (Access) Act 1998*
- *Rates and Charges (Rebates and Deferments) Act 1992*
- *Royalties for Regions Act 2009 (Part 2 only, except sections 9 & 10)*
- *Stamp Act 1921*
- *Stamp Amendment (Assessment) Act 2005*
- *Stamp Amendment (Budget) Act 2002*
- *State Bank of South Australia (Transfer of Undertaking) Act 1994*
- *State Enterprises (Commonwealth Tax Equivalents) Act 1996*
- *State Entities (Payments) Act 1999*
- *State Trading Concerns Act 1916*
- *Statistics Act 1907*
- Supply Acts (various)
- *TAB (Disposal) Act 2019 (Parts 1 to 5, other than section 27 only)*
- *Taxation Administration Act 2003*
- *Taxation Administration (Consequential Provisions) Act 2002*
- *The Bank of Adelaide (Merger) Act 1980*
- *The Commercial Bank of Australia Limited (Merger) Act 1982*
- *The Commercial Banking Company of Sydney Limited (Merger) Act 1982*
- *Treasurer's Advance Authorisation Acts (various)*
- *Unclaimed Money Act 1990*
- *WADC and WA Exim Corporation Repeal Act 1998*
- *Western Australian Future Health Research and Innovation Fund Act 2012 (Part 3 only)*
- *Westpac Banking Corporation (Challenge Bank) Act 1996*

## Other key legislation impacting on the agency's activities

In the performance of its functions, the Department complies with the following relevant written laws:

- *Auditor General Act 2006*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Long Service Leave Act 1958*
- *Minimum Conditions of Employment Act 1993*
- *Privacy and Responsible Sharing Act 2024*
- *Work Health and Safety Act 2020*
- *Procurement Act 2020*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*

## Feedback

Thank you for reading our 2025-26 Annual Report.

We welcome any feedback you have on the information presented in this report and you can provide comments and suggestions via the contact method that best suits you (email, phone, mail) from the contact details listed on the back cover.

## Alternative formats

A full copy of this document, and previous years' annual reports, are available from our website and the State Library of Western Australia.

This report is available in an alternative format upon request.

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ISSN 2200-8632 (print) ISSN 2200-8640 (online)

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