

LEGISLATIVE COUNCIL
Question Without Notice

Thursday, 21 March 2024

C296. Hon Dr Steve Thomas to the Minister for Emergency Services representing the Treasurer

I refer to my question 195 asked on the 19th of March 2024 to the Parliamentary Secretary representing the Minister for Industrial Relations on the Government's wages policy, and I ask :

1. How was the global provision of \$2.8 billion for financial years 2023-24 to 2026-27 calculated?
2. What critical financial assumptions were inherent in arriving at this figure?
3. What is the breakdown of the global figure into financial years 2023-24, 2024-25, 2025-26 and 2026-27? And
4. Is the \$2.8 billion figure a fixed amount or merely a fluid guess?

Answer

- 1-4. I table Page 157 of the *2023-24 Government Mid-year Financial Projections Statement*.

It is not appropriate to disclose the assumptions used to arrive at the global provision, so as not to stifle the Government's good faith bargaining.



PROVISIONS

MAJOR SPENDING CHANGES

Table 3.12

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

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

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

Note: Rows may not add due to rounding.

Provisions

Expenses

Public Sector Wages Provision

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