



# 2002-03 BUDGET

## BUDGET OVERVIEW

16 MAY 2002

### INVESTING IN OUR FUTURE



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## KEY FEATURES

In the 2002-03 State Budget, the Government is investing in our future.

It is developing our State and investing in the skills of our people.

The centrepiece is a massive combined investment in education, training and science to ensure Western Australians can play their part in our economic future.

A near record investment in infrastructure – roads, rail, ports, bridges, water and energy supply – will ensure the State is able to develop and compete.

Underpinning these investments is a sustainable financial management strategy to ensure community needs can be met into the future.

The single biggest budget increase goes to the Education Department, which will receive an extra \$108 million in 2002-03. This will pay for the recruitment of a record 347 teachers into the government school system in 2003 to improve the important foundation years of learning.

The information revolution will extend to our class rooms with an additional \$56 million over four years to develop on-line education.

The skills base of our workforce will also be enhanced with the expected commencement of 12,500 apprentices and trainees in 2002-03.

Science and innovation are pivotal to a growing economy. Over the next four years, \$100 million has been budgeted for science and innovation programs

to be administered by the newly created Office of Science and Innovation.

Our health care needs remain a primary concern of government and the community. An additional \$99 million will be provided to deliver better health services around the State. This will be bolstered by a \$109 million capital works program to upgrade health facilities in metropolitan and country areas.

The safety and security concerns of Western Australians have been acknowledged with a \$35 million increase in police funding in 2002-03. This will allow police to use the most advanced forensic and other technology to solve and prevent crime and to have a more visible presence on our streets.

Investment in social needs in 2002-03 has extended to provision of funding for 75 new accommodation options for Western Australians with a severe disability. Additional funding has also been provided to support children in need.

Sustainable environmental management remains a key goal of the Government in the 2002-03 Budget, with major investments in issues such as salinity, forest protection, water resource management and greenhouse gas reduction.

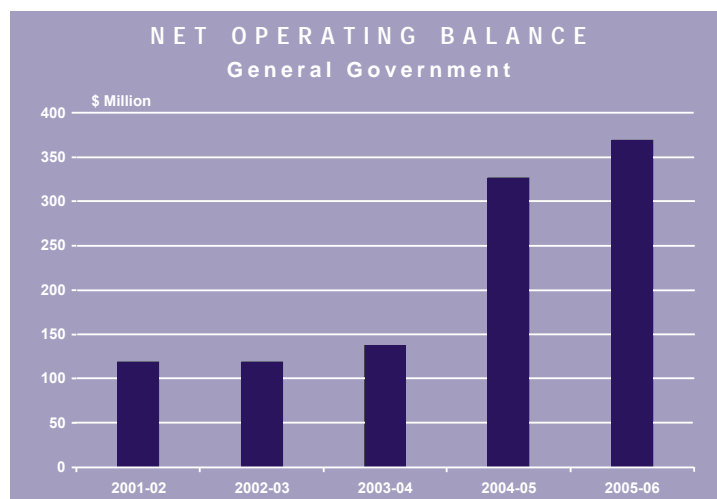
The State's regions – vital players in the economic and social development of the State – are the focus of a substantial investment in infrastructure and services.

## SUSTAINABLE FINANCIAL MANAGEMENT

This Government is committed to sustainable financial management. To this end, we have again achieved our goal of meeting the **financial targets** we set as part of our election commitment.

These targets are to:

- Achieve an operating surplus for the general government sector;
- Maintain or increase the net worth of the public sector;
- Maintain Western Australia's tax competitiveness; and
- Retain Western Australia's triple-A credit rating, by:
  - Maintaining net debt to public sector revenue at or below 45 per cent; and
  - Not increasing real per capita general government expenses.



All of these targets are forecast to be met over the projection period. Moreover, these targets have all been met while ensuring continued improvements in the quality of services in the priority areas of education, health and community safety.

A general government **operating surplus** of

\$119.1 million is forecast for 2002-03, following an estimated surplus of \$118.6 million in 2001-02. Increasing surpluses are projected in each of the forward years (see chart). While these surpluses grow to moderate levels in the outyears, they are necessary in the context of funding infrastructure capital requirements consistent with prudent debt management targets.

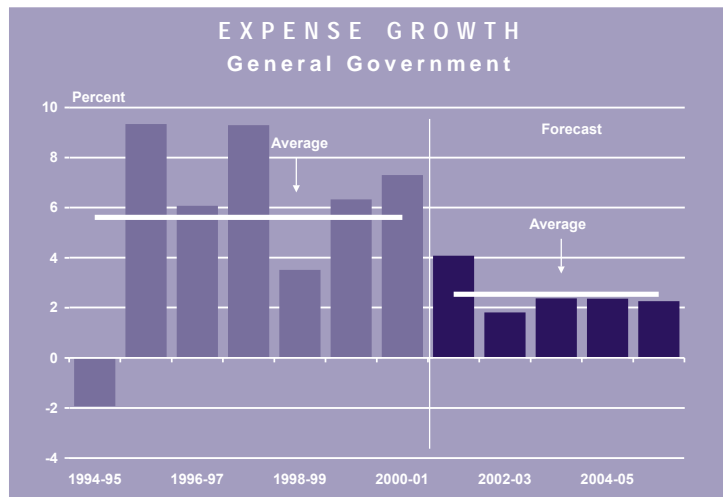
FINANCIAL TARGETS Projected Compliance					
	2001-02	2002-03	2003-04	2004-05	2005-06
Net Worth be maintained or increased	Yes	Yes	Yes	Yes	Yes
Triple-A credit rating be maintained:					
– Net debt as a share of revenue less than 45% <sup>(a)</sup>	Yes	Yes	Yes	Yes	Yes
– Real per capita general government expenses to not increase	Yes	Yes	Yes	Yes	Yes
General government net operating surplus	Yes	Yes	Yes	Yes	Yes
Tax competitiveness <sup>(b)</sup>	Yes	Yes	Yes	Yes	Yes

(a) For the total non-financial public sector.

(b) No change in Western Australia's interstate ranking in terms of taxation revenue per capita.

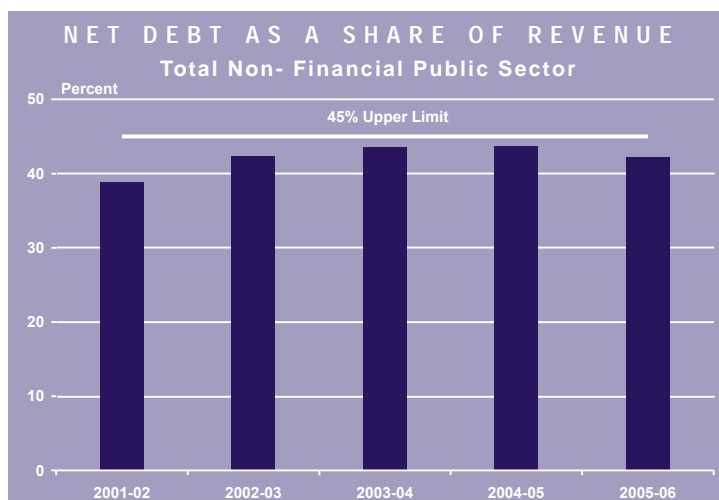
The high growth in **expenses** evident in the late 1990s has been curtailed under this Government. General government expenses are estimated to be \$11.0 billion in 2002-03, an increase of 1.8% over 2001-02. This compares with annual average growth in expenses of 5.6% over the period 1993-94 to 2000-01 (see chart).

This slowing in expense growth has been achieved through further reductions to funding in low priority areas following similar reductions in last year's budget.



Notwithstanding the restraint that has been brought to expenses, the growth in revenue is not expected to be adequate to meet expense pressures and ease the burden on debt to fund our pressing infrastructure requirements.

As a result, it has been necessary to introduce some revenue measures (see page 6). Even after including these measures, total operating **revenue** for the general government sector is estimated to rise by a modest 1.8% in 2002-03. This is less than one third of the annual average growth in revenue over the period 1993-94 to 2000-01 (6.6%).



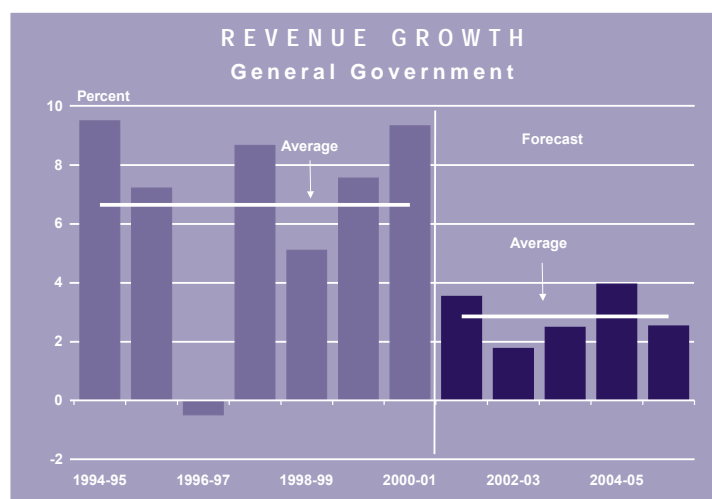
The level of total public sector **net debt** is forecast to stabilise over the projection period, while the net debt to revenue ratio remains below the specified target ratio in each year (see chart).

Consistent with the overall strengthening in the Government's finances, net worth is expected to increase by over \$550 million in the budget year to stand at \$33.4 billion at 30 June 2003.

## TAXATION REVENUE MEASURES

This budget contains a number of revenue measures. These measures are necessary to meet the community's increasing need for core services and to fund infrastructure. They also reflect the failure of Commonwealth funding to keep pace with Western Australia's expenditure needs. In 2002-03, Commonwealth Government grants (excluding North West Shelf royalties) are expected to increase by only 0.6%.

Revenue measures will raise \$110 million in 2002-03. Despite the new revenue measures, total operating revenue is estimated to grow by a modest 1.8% in 2002-03 (see chart).



The revenue measures in the 2002-03 Budget relate mainly to increases in stamp duty on compulsory third party insurance policies, motor vehicle licence transfers and conveyances of property.

### SUMMARY OF TAXATION REVENUE MEASURES

	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m
Replace the nominal 25 cents stamp duty for motor vehicle compulsory third party insurance policies with an ad valorem rate of 8%	24.5	25.6	26.7	27.8
Increase rate of stamp duty on motor vehicle licence transfers (excluding heavy vehicles)	38.3	39.8	41.5	43.2
Reduce rate of stamp duty on new registrations of heavy vehicles to a flat 3.0%, and provide a cap on the maximum amount of stamp duty payable on heavy vehicles	-3.9	-4.1	-4.3	-4.4
Increase in conveyance duty rates	57.0	61.2	64.7	68.1
Not proceed with new payroll tax contractor provisions	-6.0	-6.0	-6.0	-6.0
<b>TOTAL REVENUE MEASURES</b>	<b>109.9</b>	<b>116.5</b>	<b>122.6</b>	<b>128.7</b>

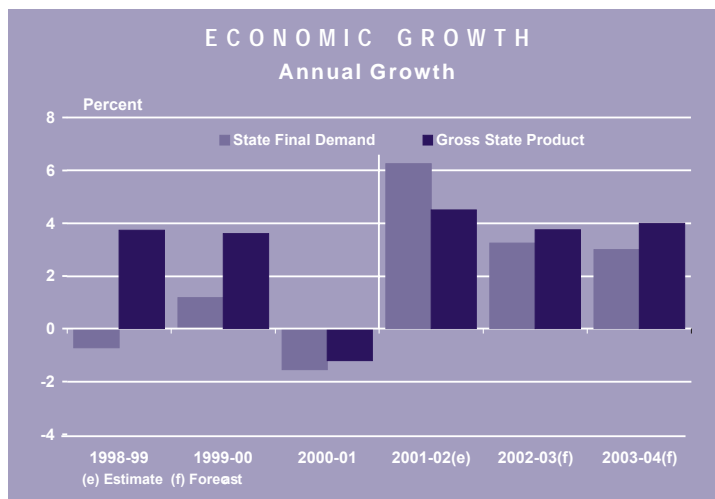
## GROWING THE ECONOMY

Gross State product (GSP) is estimated to grow by 4.5% in 2001-02, led by a strong recovery in business investment (19.75%), after three years of decline, and a resurgence in dwelling investment (12.0%).

Weaker exports have been a feature of the economy in 2001-02, due to reduced international economic activity – evident even before the events of 11 September 2001.

A slight moderation in GSP growth to 3.75% is forecast for 2002-03, increasing again to 4.0% in 2003-04 which is around the State's long-term annual average growth.

The current upsurge in business investment is expected to continue into 2002-03 although at a lesser rate. Business investment growth of 9.5% is forecast for that year.



Exports are expected to pick up in 2002-03 in line with the expected recovery in the international economy. Export growth of 5.25% is forecast for 2002-03 and 5.5% for 2003-04, as additional production capacity in Western Australia comes on stream.

### MAJOR ECONOMIC AGGREGATES Western Australia

	2000-01 Actual %	2001-02 Estimated Actual %	2002-03 Budget Estimate %	2003-04 Forward Estimate %	2004-05 Forward Estimate %	2005-06 Forward Estimate %
Real Gross State Product Growth	-1.2	4.5	3.75	4.0	4.25	4.25
Employment Growth	1.5	1.0	2.25	2.5	2.5	2.5
Unemployment Rate	6.4	6.75	6.5	6.25	6.25	6.25
Wages Growth <sup>(a)</sup>	3.6	3.25	3.25	3.25	3.25	3.25
Consumer Price Index	2.5 <sup>(b)</sup>	3.0	3.0	2.75	2.75	2.5

(a) Wages growth refers to growth in the wage cost index.

(b) Adjusted for the introduction of the GST.

The volatility in dwelling investment since the GST and introduction of the First Home Owner Grant is still evident and a decline of 2.75% is forecast for 2002-03.

Household consumption growth is expected to slow to 2.75% in 2002-03 and increase again to 3.75% in 2003-04.



The increased economic activity in Western Australia from 2001-02 is forecast to flow through gradually to the labour market, with employment growth of 2.25% forecast for 2002-03, increasing to 2.5% in the outyears.

The Government recognises the importance of private sector investment to the health of the economy and, as such, has established a policy framework specific to Western Australia to encourage business activity growth. The Government has:

- Initiated a review of the State's regulatory and approvals system with a view to making it simpler, more transparent and to reduce the time taken to complete the processes;
- Implemented an approach to native title issues based on negotiation rather than litigation;
- Progressed structural reform in the electricity sector. The cost of energy is a very important determinant of investment in the minerals sector and the extent to which we can add value to our extensive resources of raw materials;
- Committed to the provision of key infrastructure for industry. Economic infrastructure can be a key determinant in whether major projects are located in Western Australia or in other areas of the world, and it is the Government's task to facilitate that infrastructure provision within responsible budget constraints; and
- Delivered responsible financial management that has had the major credit rating agencies reaffirm the State's triple-A credit rating.

## SIGNIFICANT INITIATIVES

We have invested in a \$3.1 billion capital works program in 2002-03 on projects such as:

- The \$188.5 million Perth Urban Rail Development;
- The Perth Convention and Exhibition Centre, on which \$47.5 million will be spent in 2002-03;
- \$797.3 million on water and power infrastructure;
- \$29.5 million worth of infrastructure on the Burrup Peninsula with further infrastructure contingent upon investor commitment;
- \$61.8 million on the Drought Response Program;
- \$322 million on strategic road projects; and
- \$41 million to upgrade the State's ports.

## SCIENCE AND INNOVATION

The Government recognises that investment in education and science is an investment in our future. We must act now to ensure we have the skills and capabilities to maximise the opportunities presented to us in the 21<sup>st</sup> century.

To this end, the Government has allocated \$100 million over the next four years for science and innovation programs. This is an ambitious plan to improve science education, increase the research capacity of the State and maximise commercialisation of our ideas.

In 2002-03, \$32.6 million will be spent on science and innovation programs, administered under the new Office of Science and Innovation in the Department of the Premier and Cabinet.

## SKILLED PEOPLE

### EDUCATION

The Government is committed to lifting the standards in our school system.

We are funding almost \$2.2 billion in delivering education services to the community. This represents an increase of \$118 million, or 5.7%, over 2001-02.

A key initiative in this budget is the employment of 347 additional teachers in 2003 in the public school system to help improve the crucial first three years of school.

This year will also see the second year of the Government's literacy and numeracy program, aimed at ensuring all Western Australian school children receive the necessary schooling in the basics. This initiative will require an additional 40 teachers, thereby seeing an additional 387 teachers employed in 2003.



A further \$56 million has been allocated over the next four years to capitalise on the Department of Education's \$129 million investment in Information and Communications Technology (ICT) infrastructure. The additional funding will provide for the development of on-line education services to enable teachers to transform their teaching methods and achieve better outcomes for children. Over the four year period, 100 schools in lower socio-economic areas will be provided with state of the art ICT equipment.

As part of achieving better schooling outcomes, clear and explicit standards that all children in government education are expected to achieve will be specified at key phases of schooling in mathematics, english and science and their application trialed in a number of districts. Students and parents need to know what standards are expected, and teachers need to be able to make reliable judgments of students' achievement against those standards.

The 2002-03 Budget also provides for the continuation of the Government's behaviour management and discipline strategy.

The Department will also facilitate a range of partnership agreements directed at providing additional educational and vocational opportunities for Aboriginal students.

## TRAINING

The Government will continue to promote and support quality vocational education and training services and employment programs.

During the year, a number of changes designed to enhance the TAFE system will be implemented as a result of the endorsement of recommendations of the Review of the Western Australian Training Sector. These changes place a greater emphasis on teaching and learning excellence and will mean delivering more services to students, industry and the community.

Through strategic funding arrangements with publicly funded TAFE colleges and private providers, approximately 25.7 million student contact hours will be delivered to more than 125,000 students during the year.

Consistent with the Government's election commitment to increase the number of apprenticeships and traineeships, an Apprenticeship and Traineeship Growth Strategy Plan has been implemented, incorporating a multi-dimensional approach and underpinned by a total marketing strategy. The number of apprenticeships and traineeships in 2002-03 will increase, with apprentice and trainee commencements of 12,500 expected.

There will be a continued focus on the provision of training for the information economy, with further development of the Information and Communications Technology (ICT) Strategy. Included in this strategy



is the First Click Program, to which \$1 million has been allocated in 2002-03 to provide grants to community-based organisations for initiatives to increase computer literacy.

In line with the election commitment to improve skills and training for the current workforce, \$1 million will be allocated in 2002-03 for the Skilling WA program to fund short training programs for workers to gain new skills to assist them in their workplace.

## HEALTHY COMMUNITIES

A major government priority is the health and well-being of all Western Australians.

The increasing demand for public health services, reflecting Western Australia's growing and ageing population together with the growing costs of delivering health services, presents a particular challenge to the Government, as it does to all governments nationally and internationally.

In 2002-03 the Government will be spending \$2.4 billion in operational funding to deliver health services around the State. This represents an increase of 4.3% in State Government funding to the health system — an increase of almost \$100 million over the 2001-02 appropriation. Funding to the health sector over the next four years has been increased by \$625 million.



In addition, the Government has committed to a \$375 million program of capital works over the next four years. In 2002-03, a total of \$109 million will be spent on metropolitan and statewide capital projects, including:

- Replacement of the operating theatre and development of a mental health facility at Osborne Park at a cost of \$13.5 million;
- Upgrading the Rockingham Hospital emergency department at a cost of \$6.5 million; and
- The continuation of the \$35 million redevelopment of the Geraldton Hospital.

The Government's focus in 2002-03 is to invest in the health system to ensure health services are funded and provided on a sustainable basis both now and into the future.

The continued emphasis on reform of the health system is an integral part of the 2002-03 Budget. The Government's program of clinical reform focuses on ensuring the delivery of high quality, safe and cost-effective health services, which are responsive to the needs of all Western Australians.

In 2002-03, strategies will be developed and implemented to support a greater emphasis on the general health of the population. This will strengthen efforts to address factors that determine health and the causes of illness. The objective is to protect and promote health, and prevent illness and disability.

A long-term commitment to these strategies will improve the effectiveness of all health care services and contribute towards containing growth in the overall demand on our health system.

Development of a new drug and alcohol strategy has commenced in response to recommendations from the Community Drug Summit held in August 2001. The new strategy, titled *Putting People First: WA Drug Strategy 2002-2005*, is planned to be completed in June 2002. A key aim of this strategy is to improve the overall level of service coordination and integration between government and non-government sectors.

A new Australian Health Care Agreement with the Commonwealth will be negotiated in 2002-03. The Agreement is the key mechanism by which the State receives health funding from the Commonwealth Government. The new Agreement will be of major importance given the influence of the Commonwealth's funding and health policies on the Western Australian health system.

With more than half of Australians overweight or obese, a lack of physical activity is second only to tobacco as the leading contributor to the overall burden of disease in Australia.

In response, the Government has established the Physical Activity Taskforce to oversee the development and implementation of a whole of community physical activity strategy for Western Australia. A target was set to increase physical activity by 5% over ten years. It has been estimated that achievement of this target in Western Australia could realise potential annual savings of \$44 million in health care alone.





## SAFER COMMUNITIES

The Government is continuing to place a high priority on safety and security for all Western Australians, be it in their homes, at work or in their community.

In this regard, the budget appropriation to the Western Australian Police Service is being increased by \$35.6 million or 7.2% in 2002-03.

The Government's provision of more resources to our Police Service will enable an enhanced and more visible police presence on our streets. The increased appropriation will enable police to utilise the latest forensic and technological techniques to solve and prevent crime within our community.

Significant progress has been made in 2001-02 to fulfil the Government's commitment to deploy more police officers within our community, with 100 extra police officers and 10 extra Aboriginal Police Liaison Officers recruited. The Government is on target to deliver its

election commitment to recruit an extra 250 police officers and 40 Aboriginal Police Liaison Officers over four years.

Fundamentally, these additional resources will enhance the ability of the Police Service to address the priority offences of burglary, motor vehicle theft, drugs, robbery and assault.

Over the next four years provision has been made in the forward estimates for the following initiatives:

- In accordance with the Government's election commitment, at least \$4 million each year will be devoted to boosting police operational activities to ensure an appropriate policing response to community requests for assistance;
- Funding of \$6.3 million has been allocated in 2002-03 to implement the Government's DNA legislation including the back capture of samples from convicted persons;
- Funding of up to \$60.4 million over the forward estimates period has been provided to continue the DCAT Program, including the decommissioning of the mainframe computer and operational efficiency and effectiveness projects such as CAP:Speed and the Incident Management System;
- Over \$5 million has been allocated this year to purchase new equipment including fingerprint scanning units, surveillance apparatus and road safety equipment and to replace outdated police revolvers with new semi-automatic weapons;
- Up to \$27 million in funding has been provided over four years to continue the implementation and maintenance of the CADCOM project; and



■ The appropriation also provides for new and existing capital works such as:

- Completion of the new Kensington Police Station;
- Commencement of the construction phase of the Newman Police Station;
- Land procurement and commencement of design work for the Albany District Justice Complex in conjunction with the Department of Justice; and
- Design work for the new Laverton and Wanneroo Police Stations.

The Department of Justice has also implemented a number of initiatives to improve the safety and security of Western Australians. Its operating budget is being increased by 3.4% in 2002-03.

The initiatives include:

- A review of the management of women offenders with the view to bringing equality of service to women. This will be complemented by the completion of extensions at Bandyup Women's Prison, designed to increase capacity and facilitate the delivery of developmental and creative programs. A new female facility at the Nyandi/Longmore site will also commence construction;
- Implementation of a strategy to reduce the rate and costs of imprisonment by introducing administrative and legislative reforms to support sustainable improvements;
- Commencement of a large recruitment project for additional Community Correction staff and an



increase in the numbers of meaningful community work options that are of benefit to the community;

- The Drug Court continued its operations on a pilot basis. An independent evaluation is due to be undertaken to evaluate the pilot and report to government on the effectiveness of the initiative in 2002-03;
- The success achieved by the Family Violence Court pilot at Joondalup is to be used as a springboard for the introduction of best practice principles into the regular operation of courts throughout the State;
- The Victim Notification Register that allows for victims to be notified of the progress of offenders throughout the justice system has commenced; and
- An Alternative Dispute Resolution program, as a substitute for litigation grants in the area of family law, has been introduced.

## SUPPORTIVE COMMUNITIES

### DISABILITY SERVICES

The Government is unwavering in its commitment to the 500,000 Western Australians whose lives are affected by disability. This commitment is reflected in the policies of this Government, consultations with the disability field, reviews initiated on the *Disability Services Act*, local area co-ordination and accommodation and, most importantly, funding for disability.

In 2002-03, the Disability Services Commission will receive \$194.9 million to deliver an extensive range of services that focus on meeting the whole-of-life needs of people with a disability, representing an increase of 6.6% over 2001-02.

Specifically, an additional \$4 million will be provided through the Disability Services Commission for 75 new accommodation options for Western Australians with a severe disability. To ensure the ongoing viability of

the non-government service providers, \$1.1 million per annum has been provided to meet increased operational costs.

The State Government contributes approximately 84% towards the government funding of disability in Western Australia, with the balance coming from the Commonwealth. This is an inequitable situation. The Government will pursue all avenues to negotiate a better outcome to address the needs of people affected by disability and manage available resources effectively and equitably.

### COMMUNITY DEVELOPMENT

The growth in the number of children unable to live with their families is of significant concern. Additional funding of \$4.9 million per annum has been provided for foster care subsidies and support costs to meet the needs of the growing number of children in care.

To respond to sexual abuse in Aboriginal and Torres Strait Islander Communities, additional funding of \$400,000 per annum has been provided to establish and expand a range of sexual abuse counselling and treatment services to Aboriginal families in metropolitan and rural locations.

The Government is committed to increasing its support of family members, friends and neighbours who play a vital role in assisting with care. A Carers Act will be developed to provide recognition for informal carers and to highlight their need for services and support.





In recognition of the contribution of volunteers in our community, the Government is committed to supporting volunteers and volunteering and will continue to develop new and expand existing volunteer resource centres. The Volunteers Compact will be finalised in 2002-03 and will provide a framework for effective cooperation with the volunteer sector.

## SPORT AND RECREATION

High quality, well planned and sustainable facilities encourage physical activity, provide community benefits and attract national and international events, which all have positive social and economic impacts on Western Australia.

The State Sporting Facilities Plan is an initiative of this Government with the purpose of providing a systematic and strategic approach to future development of Western Australian sporting infrastructure. To date, the Government has committed \$10 million towards the redevelopment of Perth Oval, Leederville Oval and the Tom Bateman Reserve.



## A VALUED ENVIRONMENT

Western Australia's environment is unique, irreplaceable, an essential part of our lives and provides opportunities for tourism and recreation as well as a range of primary industries. Carefully managed, the environment provides benefits to all Western Australians, now and for future generations.

The Government places a strong focus on protecting the natural environment, ensuring a liveable urban environment and planning for ecologically sustainable development in the future.

This includes encouraging the growth of ecologically sustainable industries for employment creation.

### WATER

The fundamental premise of water resources management and protection in Western Australia is sustainability. It is about balancing the water needs of people and the environment. The Government is

committed to providing this balance, based on sound scientific understanding of water in the environment.

Due to an unusually dry summer and winter in 2000-01 and 2001-02, surface water sources that supply metropolitan Perth, Mandurah and all customers along the Kalgoorlie pipeline (including Kalgoorlie) are now at one of the lowest levels of storage on record.

The Government and the Water Corporation are evaluating options for meeting potential water shortages, should run-off into the Integrated Water Supply Scheme storage dams again be below average this coming winter.

Programs already committed to include the construction of additional Yarragadee artesian bores that will boost Perth's water supply by 15 gigalitres per annum and extension to the Mirrabooka Borefield. Expenditure of \$61.8 million will be incurred in 2002-03 on the Drought Response Program.

The Government is also considering options through which the security of the State's water supply can be increased in the longer term, including the possibility of including desalination as a water source that is independent of climatic conditions.

### FORESTS

Western Australia is blessed with some of the world's most spectacular native forests containing majestic tall trees, pristine river systems, rare ecosystems and indigenous flora and fauna. The Government has delivered beyond its promise by protecting all old growth forests. To achieve this, the Government has committed to the total expenditure program of



\$123.5 million as previously announced. As part of this initiative, work is well underway to create 30 new national parks and two new conservation parks. The Government is also developing a new forest management plan incorporating the principles of environmentally sustainable forest management.

## SALINITY

A key problem facing our environment is salinity. The Government is in the process of establishing a Natural Resources Management Council, which is intended to oversee the allocation of State, Commonwealth and community funds. An investment framework has also been established to ensure that all funds are strategically allocated to high priority salinity tasks.

## ENVIRONMENTAL MANAGEMENT

Pollution resulting from contaminated sites has been of significant concern to the community in recent times, in particular the Bellevue site formerly occupied by Waste Control Pty Ltd.

The State Government has made a significant commitment to remediate the site, with \$5.6 million allocated for further investigations and final clean up.

The first step of the program will be spent identifying the extent of the contamination of the soil and groundwater and involve researching the best science for remediation techniques which deliver the best results for the local community.

A community consultative committee has also been established to ensure local groups and residents are involved in overseeing the clean up process.

In addition, the Government is in the process of appointing an independent auditor to review the Department of Environmental Protection's emergency response protocols and procedures.

The investigation into the Department's emergency response program, including immediate clean up procedures, will ensure government is best prepared to deal with such incidents as Bellevue, if they were to occur again.

On a broader level, the Government will support the continuing work of the newly established Waste Management Board, which is aimed at establishing a commonsense and practical framework for dealing with waste in Western Australia. The new board is already providing a much needed focus for waste management in Western Australia and will offer strategic advice to the Government, including priorities for waste policy initiatives and recommending regulation changes and amendments to legislation.

## VIBRANT REGIONS

The Government is strongly committed to the economic and social development of Western Australia's regions.

We will continue to give regional Western Australia opportunities through strategies that attract new investment, encourage job creation, promote business growth and expand export opportunities.

At the same time the Government will ensure that social services are provided to the whole community and in a responsible and sustainable manner.

The above commitment is based on the following goals:

- The provision of affordable and reasonable access to public services and infrastructure;
- The development of more effective partnerships between local communities and the State Government; and



- The recognition of the diversity of rural, regional and remote Western Australia.

The following outlines a number of strategies that are aimed at achieving these objectives.

### INFRASTRUCTURE

An important element in striving to achieve the above goals is continued investment in infrastructure across the State. The following initiatives for 2002-03 demonstrate this commitment:

- The Government's seven regional port authorities will invest approximately \$20 million on various projects.

This investment could be further increased by expenditure on a number of projects (eg. Geraldton Port enhancement, Burrup Peninsula infrastructure) which are currently awaiting investor commitment;

- The Government's two biggest utilities, the Water Corporation and Western Power, will invest approximately \$246 million in country Western Australia;
- Health, Education, Police and Justice will spend a total of \$44 million in regional Western Australia to upgrade existing, and establish additional, facilities; and
- Main Roads will spend \$92 million on road projects specifically located in the various regions.

## ECONOMIC DEVELOPMENT

In addition, and as outlined in last year's budget, the Government has established a Regional Investment Fund, which provides \$75 million over four years to assist with the economic, environmental and social development of Western Australia.

The Government will also continue to support regional investment tours with funding of \$190,000 being allocated in 2002-03.

The Department of Local Government and Regional Development also continues to play a significant part by providing information on its web site to assist the development of the regions.

Investment fact sheets are also released to promote investors' interest in economic development in regional areas.

The industries in which prospects may be available include manufacturing, services, energy, aquaculture and tourism.

## COMMUNITY DEVELOPMENT

The Community Leadership Plan is a significant initiative being implemented to assist community development in regional Western Australia.

Work has started on the development of this new approach, involving the identification of opportunities and priorities for nurturing outstanding community leadership and recognising the need for a collaborative approach to future training.



Particularly in rural and remote areas, the future of many communities will rely on encouraging and equipping future generations of leaders in all walks of life. All regions of the State and remote indigenous communities will be represented in this work, as will our youth.

A further \$2 million will be provided in 2002-03 through the Regional Collocation Scheme to continue to assist regional communities to improve their access to quality government and community services and associated infrastructure.

Some \$500,000 will also be made available through the Community Facilities Grants Program in 2002-03 to assist local governments and community groups to provide facilities such as playgrounds and dual use paths.