

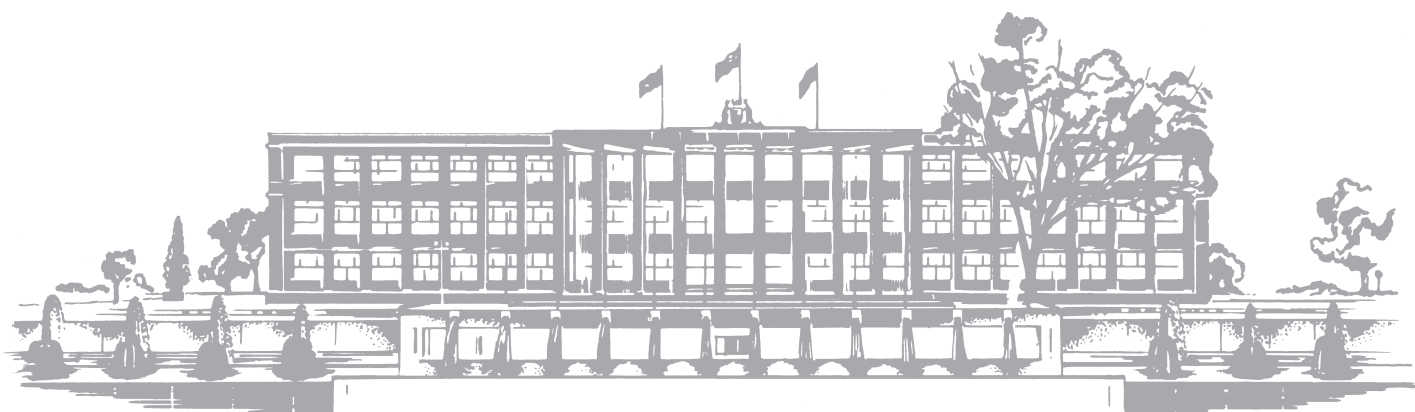


2004-05 BUDGET

BUDGET STATEMENTS

Volume 3

PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 6 MAY 2004



Budget Paper No.2

2004–05 Budget Statements
(Budget Paper No. 2 Volume 3)
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BUDGET 2004-05

BUDGET STATEMENTS

TABLE OF CONTENTS

| | Volume | Page |
|---|--------|------|
| Chapter 1: Consolidated Fund Expenditure Estimates | 1 | 1 |
| Chapter 2: Net Appropriation Determinations | 1 | 23 |
| Chapter 3: Agency Information in Support of the Estimates | 1 | 33 |
| PART 1 – PARLIAMENT | | |
| Parliament | 1 | 37 |
| Parliamentary Commissioner for Administrative Investigations | 1 | 54 |
| PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; FEDERAL AFFAIRS; SCIENCE; CITIZENSHIP AND MULTICULTURAL INTERESTS | | |
| Premier and Cabinet | 1 | 67 |
| Royal Commission Into Whether There Has Been Any Corrupt or Criminal Conduct by Western Australian Police Officers | 1 | 106 |
| Anti-Corruption Commission | 1 | 110 |
| Governor's Establishment | 1 | 114 |
| Office of the Public Sector Standards Commissioner | 1 | 122 |
| Salaries and Allowances Tribunal | 1 | 135 |
| PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR ENERGY | | |
| Treasury and Finance | 1 | 145 |
| Office of the Auditor General | 1 | 179 |
| Economic Regulation Authority | 1 | 190 |
| Western Australian Treasury Corporation | 1 | 198 |
| Office of Energy | 1 | 199 |
| Western Power Corporation | 1 | 217 |
| PART 4 - MINISTER FOR AGRICULTURE, FORESTRY AND FISHERIES; THE MID-WEST, WHEATBELT AND GREAT SOUTHERN | | |
| Agriculture | 1 | 221 |
| The Agriculture Protection Board | 1 | 252 |
| Western Australian Meat Industry Authority | 1 | 260 |
| Perth Market Authority | 1 | 261 |
| Rural Business Development Corporation | 1 | 262 |
| Fisheries | 1 | 270 |
| Forest Products Commission | 1 | 288 |
| Mid West Development Commission | 1 | 289 |
| Wheatbelt Development Commission | 1 | 304 |
| Great Southern Development Commission | 1 | 315 |

| | Volume | Page |
|---|--------|------|
| PART 5 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; HERITAGE; THE KIMBERLEY, PILBARA AND GASCOYNE; GOLDFIELDS-ESPERANCE | | |
| Local Government and Regional Development | 2 | 331 |
| Metropolitan Cemeteries Board | 2 | 347 |
| Heritage Council of Western Australia | 2 | 349 |
| The National Trust of Australia (WA) | 2 | 358 |
| Kimberley Development Commission | 2 | 367 |
| Pilbara Development Commission | 2 | 377 |
| Gascoyne Development Commission | 2 | 389 |
| Goldfields-Esperance Development Commission | 2 | 397 |
| PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT | | |
| Consumer and Employment Protection | 2 | 413 |
| Registrar, Western Australian Industrial Relations Commission | 2 | 431 |
| Indigenous Affairs | 2 | 441 |
| PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS | | |
| Justice | 2 | 455 |
| Corruption and Crime Commission | 2 | 490 |
| Parliamentary Inspector of the Corruption and Crime Commission | 2 | 500 |
| Commissioner for Equal Opportunity | 2 | 507 |
| Law Reform Commission | 2 | 516 |
| Office of the Director of Public Prosecutions | 2 | 523 |
| Office of the Information Commissioner | 2 | 534 |
| Health | 2 | 543 |
| Western Australian Electoral Commission | 2 | 590 |
| PART 8 - MINISTER FOR THE ENVIRONMENT | | |
| Conservation and Land Management | 2 | 601 |
| Botanic Gardens and Parks Authority | 2 | 619 |
| Environmental Protection | 2 | 629 |
| Swan River Trust | 2 | 646 |
| Bunbury Water Board | 2 | 657 |
| Busselton Water Board | 2 | 658 |
| Water and Rivers Commission | 2 | 659 |
| Zoological Parks Authority | 2 | 678 |
| PART 9 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY | | |
| Police Service | 2 | 691 |
| Fire and Emergency Services Authority of Western Australia | 2 | 715 |
| Office of the Inspector of Custodial Services | 2 | 730 |

| | Volume | Page |
|--|--------|------|
| PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE | | |
| Planning and Infrastructure | 3 | 743 |
| Main Roads | 3 | 765 |
| Public Transport Authority | 3 | 788 |
| Armadale Redevelopment Authority..... | 3 | 803 |
| East Perth Redevelopment Authority..... | 3 | 804 |
| Midland Redevelopment Authority..... | 3 | 805 |
| Subiaco Redevelopment Authority | 3 | 806 |
| Albany Port Authority..... | 3 | 807 |
| Broome Port Authority..... | 3 | 808 |
| Bunbury Port Authority..... | 3 | 809 |
| Dampier Port Authority..... | 3 | 811 |
| Esperance Port Authority | 3 | 812 |
| Fremantle Port Authority | 3 | 813 |
| Geraldton Port Authority..... | 3 | 815 |
| Port Hedland Port Authority | 3 | 817 |
| Western Australian Land Authority | 3 | 819 |
| Eastern Goldfields Transport Board..... | 3 | 821 |
| Western Australian Planning Commission..... | 3 | 822 |
| PART 11 - MINISTER FOR STATE DEVELOPMENT | | |
| Industry and Resources | 3 | 839 |
| PART 12 - MINISTER FOR EDUCATION AND TRAINING | | |
| Education and Training | 3 | 869 |
| Country High School Hostels Authority | 3 | 892 |
| Curriculum Council..... | 3 | 899 |
| Education Services | 3 | 912 |
| PART 13 - MINISTER FOR COMMUNITY DEVELOPMENT, WOMEN'S INTERESTS, SENIORS AND YOUTH; DISABILITY SERVICES; CULTURE AND THE ARTS | | |
| Community Development | 3 | 927 |
| Disability Services Commission | 3 | 954 |
| Culture and the Arts | 3 | 971 |
| PART 14 – MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST | | |
| Western Australian Tourism Commission | 3 | 999 |
| Rottneet Island Authority | 3 | 1019 |
| Small Business Development Corporation..... | 3 | 1020 |
| Recreation Camps and Reserve Board | 3 | 1028 |
| Sport and Recreation | 3 | 1038 |
| Western Australian Sports Centre Trust..... | 3 | 1051 |
| Peel Development Commission | 3 | 1061 |
| South West Development Commission..... | 3 | 1072 |

| | Volume | Page |
|--|---------------|-------------|
| PART 15 - MINISTER FOR HOUSING AND WORKS; RACING AND GAMING; GOVERNMENT ENTERPRISES; LAND INFORMATION | | |
| Housing and Works..... | 3 | 1085 |
| State Housing Commission | 3 | 1096 |
| Country Housing Authority..... | 3 | 1099 |
| Government Employees Housing Authority | 3 | 1100 |
| State Supply Commission | 3 | 1101 |
| Racing, Gaming and Liquor | 3 | 1111 |
| Racing and Wagering Western Australia | 3 | 1122 |
| Western Australian Greyhound Racing Authority | 3 | 1123 |
| Gold Corporation | 3 | 1124 |
| Insurance Commission of Western Australia | 3 | 1125 |
| Lotteries Commission | 3 | 1126 |
| Water Corporation..... | 3 | 1128 |
| Land Information | 3 | 1131 |

CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 10 – Part 15

Part 10

Minister for Planning and Infrastructure

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 743 | Planning and Infrastructure | | | |
| | – Delivery of Outputs | 125,975 | 127,605 | 137,814 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 5,800 | 5,800 | 6,006 |
| | – Capital Contribution | 1,796 | 1,796 | 8,444 |
| | Total | 133,571 | 135,201 | 152,264 |
| 765 | Commissioner of Main Roads | | | |
| | – Delivery of Outputs | 464,842 | 474,376 | 499,379 |
| | – Capital Contribution | 187,647 | 189,207 | 171,606 |
| | Total | 652,489 | 663,583 | 670,985 |
| 788 | Public Transport Authority of Western Australia | | | |
| | – Delivery of Outputs | 344,757 | 415,781 | 455,170 |
| | – Capital Contribution | 84,675 | 108,534 | 64,823 |
| | Total | 429,432 | 524,315 | 519,993 |
| 803 | Armadale Redevelopment Authority..... | ... | ... | ... |
| 804 | East Perth Redevelopment Authority | ... | ... | ... |
| 805 | Midland Redevelopment Authority..... | ... | ... | ... |
| 806 | Subiaco Redevelopment Authority | ... | ... | ... |
| 807 | Albany Port Authority..... | ... | ... | ... |
| 808 | Broome Port Authority..... | ... | ... | ... |
| 809 | Bunbury Port Authority..... | ... | ... | ... |
| 811 | Dampier Port Authority..... | ... | ... | ... |
| 812 | Esperance Port Authority | ... | ... | ... |

Part 10

Minister for Planning and Infrastructure — *continued*

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 813 | Fremantle Port Authority | ... | ... | ... |
| 815 | Geraldton Port Authority..... | ... | ... | ... |
| 817 | Port Hedland Port Authority | ... | ... | ... |
| 819 | Western Australian Land Authority | ... | ... | ... |
| 821 | Eastern Goldfields Transport Board..... | ... | ... | ... |
| 822 | Western Australian Planning Commission | | | |
| | – Delivery of Outputs | 47,884 | 47,279 | 47,791 |
| | – Capital Contribution | 42,500 | 43,000 | 7,500 |
| | Total | 90,384 | 90,279 | 55,291 |
| | GRAND TOTAL | | | |
| | – Delivery of Outputs | 983,458 | 1,065,041 | 1,140,154 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 5,800 | 5,800 | 6,006 |
| | – Capital Contribution | 316,618 | 342,537 | 252,373 |
| | Total | 1,305,876 | 1,413,378 | 1,398,533 |

PLANNING AND INFRASTRUCTURE

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 46

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 78 Net amount appropriated to deliver outputs | 128,892 | 125,764 | 127,394 | 137,603 | 132,783 | 140,259 | 142,392 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 693 | 211 | 211 | 211 | 211 | 211 | 211 |
| Total appropriations provided to deliver outputs | 129,585 | 125,975 | 127,605 | 137,814 | 132,994 | 140,470 | 142,603 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Amount provided for Administered Grants, Subsidies and Other Transfer Payments... | 1,000 | - | - | - | - | - | - |
| Item 79 Western Australian Coastal Shipping Commission | 5,850 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |
| CAPITAL | | | | | | | |
| Item 144 Capital Contribution | 5,664 | 1,796 | 1,796 | 8,444 | 3,841 | 2,868 | 1,600 |
| GRAND TOTAL | 142,099 | 133,571 | 135,201 | 152,264 | 143,041 | 149,594 | 150,459 |

MISSION

To lead in creative solutions for land, transport and infrastructure planning and delivery, for the benefit of the community.

SIGNIFICANT ISSUES AND TRENDS

- Western Australia's population and economic growth continues to be one of the highest in Australia. The population of Perth is forecast to increase by 137,000 to 1.57 million by 2008. To ensure that both metropolitan and regional growth is managed while maintaining and improving the quality of life for all Western Australians, the integration of land use planning and transport infrastructure is essential. Planning for growth, especially in regional and coastal locations, is a particular challenge. Planning and policy activities for land use and transport systems will focus on achieving sustainable outcomes as outlined in the State Sustainability Strategy.
- Zoned land in appropriate locations is needed to meet the demands of a growing population for housing, employment and recreation. It is important that the land is used in a manner consistent, and in balance, with community goals and expectations. The Metropolitan Development Program forecasts a requirement for a minimum 69,000 residential lots in the Perth and Peel regions over the next five years. This equates to a minimum additional 16,000 lots over that created in the previous 5 year period.
- With an environment of low interest rates, the relative ease of availability of housing finance, strong population growth and large parcels of land release there is a sustained high demand for planning approvals resulting in a high number of planning applications.
- There is a Government and community expectation to improve the basis for planning, decision-making and agency practices for sustainability. The Government requires the development of consistent approaches to sustainability assessment and agency leadership to demonstrate sustainability.
- There is a Government and community expectation to improve the basis for planning, decision-making and agency practices for sustainability. The Government requires the development of consistent approaches to sustainability assessment and agency leadership to demonstrate sustainability.

- Employment opportunities, impact of development on the environment and the future location of communities will be a major influence on transport and infrastructure planning and policy development.
- Programs to inform and motivate the community on the use of the transport system and choices in transport planning, supported by better technical mapping and geographic data information, are becoming increasingly important to cater for a growing, ageing and more urbanised population.
- There is significant expectation from Government and the community that the transport system in Perth moves to a more sustainable basis, especially to strengthen public transport activity, reduce car dependency and reduce the reliance on non-renewable resources.
- There are increasing pressures on ports and shipping to conform to national and international proposals for environmental management. All Western Australian ports face the challenge of managing residential, industry and environmental demands in their management of road and rail access to ports.
- Planning for future boating infrastructure is required to meet the needs of growing populations within the metropolitan area and at regional locations, with increased usage of technical geographic data information supporting the decision making process.
- Protection of the coastal environment, under threat of erosion from recurring and severe winter storms, is a major issue for the Western Australian coastline. The use of geographic data information such as oceanographic, bathymetric, cartographic and Geographic Information System (GIS) support are becoming increasingly important in coastal protection.
- Currently in Western Australia, 19.5 per cent of the population have some form of disability. The State also has an ageing population. These factors necessitate the planning and development of safe, pedestrian friendly and conveniently located communities with universal access to transport systems.
- Given the challenges currently facing the airline industry worldwide, it is crucial that Western Australia has air service policies that achieve a balance between promoting sustainable competition and ensuring that services to regional and remote communities are maintained.
- Increased emphasis is being placed on community and industry involvement in planning and decision-making processes, especially by rural and regional stakeholders. Innovative involvement techniques designed to engage a wide cross section of the community will be employed to meet community expectations.
- Growth in information technology applications will bring opportunities to improve the performance of existing transport infrastructure and services to reach more Western Australians, especially those in remote locations.
- There is growing community expectation that transport systems, including heavy vehicle operations, rail passenger and freight operations, commercial and recreational marine operations and road transport generally will be managed and informed to ensure high levels of safety for users and the public.
- Transport security has become a major issue worldwide as efforts are made to counter the threat of terrorism. New regulatory arrangements are being put in place for aviation and maritime transport with aircraft, airport, sea port and shipping operators having to introduce new security measures. Work is also under way to improve surface transport security with particular attention being given to urban mass passenger transit, precincts and the movement of high-consequence dangerous goods.
- There is an increasing trend to ensure a proper balance of opportunities for the development of all modes of transport, especially with benefits to the community such as less traffic congestion, cleaner air, personal health benefits and savings from reduced vehicle running costs.
- Increasingly the private sector is taking a multi-modal view of freight logistics rather than the traditional mode-specific position, that is, the emphasis is now on the total demand-supply chain between producer and consumer rather than the individual linkages that make movements happen. The Government is assessing policy in the freight logistics area to ensure the public and private sectors work efficiently and in an environmentally sustainable way.

- National developments will continue to grow in importance in shaping Western Australia's transport system. The National Transport Commission, National Transport Advisory Council and the Commonwealth Government AusLink initiatives all have significant strategic implications for the State.
- Increased use of the State's waterways by commercial and recreational boaters requires a robust arrangement for ensuring improved safety and social and environmental outcomes.
- Globally there is an increasing trend for business transactions to be undertaken through electronic channels and growing interdependence between information and data management systems. The department is exploring opportunities to enhance customer service through e-business.
- Western Australia's population centres tend to be separated by vast distances. To facilitate more equitable access to services within urban and regional Western Australia, there is greater emphasis on regional development and retention of services in regional and rural areas.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Active Ageing | 23 | 22 | - | - |
| Fire Hazard Protection..... | - | 211 | 211 | 211 |
| LPG Subsidy Scheme..... | 880 | - | - | - |
| Maintenance Work on Managed Properties | - | 550 | 889 | 889 |
| Perth Bicycle Network Stage 3..... | 5,000 | - | - | - |
| Planning Resources | 500 | - | - | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual ^(c) \$'000 | 2003-04 Budget ^(c) \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|--|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Land Use and Transport Infrastructure Policy and Planning..... | 24,166 | 20,605 | 20,602 | 23,373 | | | |
| Output 2: | | | | | | | |
| Land Use and Transport Infrastructure Service Delivery..... | 193,251 | 178,880 | 201,805 | 194,098 | | | |
| Total Cost of Outputs..... | 217,417 | 199,485 | 222,407 | 217,471 | 211,823 | 223,686 | 228,671 |
| <i>Less Revenues from Ordinary Activities</i> | <i>86,395</i> | <i>72,970</i> | <i>76,379</i> | <i>77,890</i> | <i>79,973</i> | <i>82,812</i> | <i>85,667</i> |
| Net Cost of Outputs..... | 131,022 | 126,515 | 146,028 | 139,581 | 131,850 | 140,874 | 143,004 |
| Adjustments ^(a) | (1,437) | (540) | (18,423) | (1,767) | 1,144 | (404) | (401) |
| Appropriation provided to deliver Outputs. | 129,585 | 125,975 | 127,605 | 137,814 | 132,994 | 140,470 | 142,603 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Appropriation for Administered Grants, Subsidies and Other Transfer Payments... | 6,850 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs^(b)..... | 5,664 | 1,796 | 1,796 | 8,444 | 3,841 | 2,868 | 1,600 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 142,099 | 133,571 | 135,201 | 152,264 | 143,041 | 149,594 | 150,459 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
 (b) Supporting details are disclosed in the Capital Contribution Statement.
 (c) 2002-03 actuals and 2003-04 budget estimates have been adjusted for comparative purposes.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Director General and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Output(s) |
|--|--|---|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Allocation and management of land, transport systems and infrastructure that facilitates social and economic development, and reduces the adverse impacts on the environment for Western Australia | 1. Land Use and Transport Infrastructure Policy and Planning. 2. Land Use and Transport Infrastructure Service Delivery. |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|----------------|----------------|-------------------|----------------------------------|---|
| Outcome: Allocation and management of land, transport systems and infrastructure that facilitates social and economic development, and reduces the adverse impacts on the environment for Western Australia | | | | | |
| The extent to which metropolitan and urban growth is managed: | | | | | |
| Avoided land consumption costs - indicative savings | New Measure | New Measure | New Measure | \$20 million Perth overall | |
| Reduced lot sizes | New Measure | New Measure | New Measure | 600m ² Perth overall | |
| Property and land prices are relatively affordable | New Measure | New Measure | New Measure | Second lowest quintile or better | |
| Land supply is keeping pace with population increase | New Measure | New Measure | New Measure | 2.5 persons per lot | |
| Median land price as a percentage of median property sales price | New Measure | New Measure | New Measure | <50% of median house sales price | |
| Customers satisfied that the management and use of Government land is supporting the State's economic, social and cultural objectives | 65% | 70% | 70% | 70% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|------------------------------------|--|
| The extent to which the transport system is improving and contributing to economic growth and development | | | | | |
| Land use and transport planning integration | New Measure | New Measure | New Measure | >80% within 400m & 90% within 1 km | |
| Annual coastal tonnage on North West Shipping Service | New Measure | New Measure | New Measure | 71 tonnes | |
| Annual percentage of containers via rail from Fremantle Port..... | New Measure | New Measure | New Measure | 5% | |
| Number of container trucks servicing Fremantle Port per average week day..... | New Measure | New Measure | New Measure | 1,600 | |
| Subsidy per 1000 seat kilometres on subsidised air routes | New Measure | New Measure | New Measure | \$81.46 | |
| Waiting time performance for wheelchair accessible taxis | | | | | |
| Booked - Peak : 0-5 minutes | New Measure | New Measure | New Measure | >=85% | |
| Booked - Peak : 6-10 minutes | New Measure | New Measure | New Measure | <15% | |
| Booked - Off-peak : 0-5 minutes..... | New Measure | New Measure | New Measure | >=85% | |
| Booked - Off-peak : 6-10 minutes..... | New Measure | New Measure | New Measure | <15% | |
| Not-booked - Peak : 0-20 minutes..... | New Measure | New Measure | New Measure | >=90% | |
| Not booked - Peak: 21-30 minutes..... | New Measure | New Measure | New Measure | <10% | |
| Not booked - Off-peak: 0-20 minutes | New Measure | New Measure | New Measure | >=90% | |
| Not booked - Off- peak: 21-30 minutes | New Measure | New Measure | New Measure | <10% | |
| Number of serious rail accidents | 74 | na | 0 | 0 | |
| Number of deaths or serious injury from boating accidents | | | | | |
| commercial deaths | 1 | na | na | 0 | |
| comercial missing | 2 | na | na | 0 | |
| recreation deaths | 3 | na | na | 0 | |
| recreation, missing..... | 7 | na | na | 0 | |
| Number of commercial vessels per hundred vessels issued with deficiency notices that prevented them from operating | 27.1 | na | 20 | 21 | |
| Motor vehicle examinations, passes | 78.19% | na | 78% | 80% | |
| Driver Licences, passes | 54% | na | 54% | 54% | |
| The extent to which the adverse impacts of land development and transport systems on the environment is reduced | | | | | |
| Land set aside for Bushforever..... | New Measure | New Measure | New Measure | \$10 million p.a | |
| Coastal grants issued to improve the coast... | New Measure | New Measure | New Measure | 100% funds committed | |
| Parks, recreation, and State forest areas reserved in Perth | New Measure | New Measure | New Measure | 1,500 square metres per person | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Land Use and Transport Infrastructure Policy and Planning.

Land use and transport infrastructure planning and implementation strategies to guide the State's long term urban settlement and social and economic development, coordination and development of strategic transport policies and plans.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 24,166 | 20,605 | 20,602 | 23,373 | Additional expenditure required to support the Western Australian Planning Commission (WAPC) projects and expenditure in relation to the Hydrogen Fuel Cell Bus trial together with the associated overheads and CPI increases. Expected increase in Commonwealth funding in relation to Hydrogen Fuel Cell Bus trial. |
| Less Revenues from Ordinary Activities | 7,495 | 2,774 | 3,951 | 4,348 | |
| Net Cost of Output | 16,671 | 17,831 | 16,651 | 19,025 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 1 | 16,671 | 17,831 | 16,651 | 19,025 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Land use, infrastructure and transport systems policy and planning program | 1 | 1 | 1 | 1 | |
| Quality | | | | | |
| Extent to which the WAPC committees are satisfied with the quality of land use planning advice for Metropolitan Perth | na | 70% | 70% | 70% | |
| Timeliness | | | | | |
| Extent to which the WAPC committees are satisfied with the timeliness of land use planning advice for Metropolitan Perth | na | 70% | 70% | 70% | |
| Cost (Efficiency) | | | | | |
| Cost of land use, infrastructure and transport systems policy and planning program..... | \$24,166 | \$20,605 | \$20,602 | \$23,373 | Additional expenditure required to support the WAPC projects and expenditure in relation to the Hydrogen Fuel Cell Bus trial together with the associated overheads and CPI increases |
| Full Time Equivalents (FTEs) | 177 | 176 | 201 | 201 | |

Major Achievements For 2003-04

- Promoted innovative community consultation techniques to involve the community in decision making processes through public consultation and other mechanisms such as Dialogue with the City, State Government Gascoyne Muster and Taxi Customer Advisory Forum.
- Supported regional development through preparation of plans for regions and industrial development to provide long term direction for the management of urban growth, economic development and environmental protection. This was achieved through the regional planning program of the Western Australian Planning Commission, using the resources of the Department for Planning and Infrastructure.

- Developed a State Infrastructure Strategy to coordinate infrastructure development through the progression of the State Infrastructure Study including the assembly of land parcels for Burrup Peninsula development.
- Further developed a strategic policy statement to guide the Government in facilitating increased rail freight transport in Western Australia to address community concerns about growing road freight volumes and industry requirements for efficient freight movement. Completed background work, including studies for new rail technologies, international practices for rail infrastructure funding and costs of external impacts.
- Responded to the National Competition Policy Review through amendments to the *Taxi Act 1994* being passed by Parliament. This allows the Government to lease the plates to taxi drivers within the industry. The Government will shortly release 48 additional taxi plates into the market. Also, work is currently being progressed with the taxi industry and taxi customers for the development of a taxi plate release mechanism. The plate release mechanism will be central to the considerations of the National Competition Policy in determining whether competition payments to the State are reduced.
- Consolidated and streamlined Planning Legislation into a form which is clear, simple and non-discriminatory in language including the completion of a Green Bill on the consolidation of planning legislation.
- Supported the Western Australian Planning Commission's subdivision approval process as a Government e-business through provision of e-lodgement of planning applications and e-referrals where information required by referral agencies are transferred electronically. Also, implemented a new financial system and a new property management system.
- The Transport Energy Strategy Committee set up by the Minister for Planning and Infrastructure completed its Transport Energy Strategy in March 2004. It provides recommendations to Government on ways to diversify the transport fuels base, to achieve a more efficient vehicle fleet and to support behaviour change. Implementation of the Strategy is now subject to Government endorsement.
- Developed the Coastal Protection Policy in consultation with a range of community and industry stakeholders. The expanded coastal protection program of works was also implemented. This will address the threat of erosion along the Western Australian coastline from recurring and severe winter storms.
- The department worked with other agencies to develop a whole of government Affordable Housing Policy in accordance with the State Sustainability Strategy. Affordability is being examined as a cross portfolio initiative. A paper was prepared and presented to the National Local Government and Planning Ministers Council in February 2004.
- Collaborated with a number of European and North American cities in a world wide trial of hydrogen-powered fuel cell buses. Three buses will be commencing operation in Perth in September 2004 for a two-year trial. A comprehensive evaluation process has been put in place to assess the technology. The results will enable informed decisions to be made with respect to the most appropriate fuel and form of motive power for the Transperth fleet.

Major Initiatives For 2004-05

- Resolve the exclusion of areas of land from pastoral leases. This initiative will contribute to meeting the demands for access to pastoral land, while balancing the requirements of, and ensuring the sustainability of, the pastoral industry.
- Develop the Greater Perth Dialogue with the City to provide a plan and community involvement program in the development of Perth that takes a 30 year view.
- Undertake detailed policy, planning and review of freight including: Fremantle Outer Harbour land access rail freight options; Western Australia's grains logistics systems and management of the impact of heavy vehicles at Fremantle Port. This will enable the provision of appropriate advice on land use and infrastructure planning for freight movement in the context of current Government sustainability objectives.
- Detailed planning for priority east – west public transport routes in the Southern Metropolitan area. This initiative will focus on the preparation of development plans and cost estimates for public transport infrastructure to support high frequency high priority east – west bus services in the Southern Metropolitan area.

- Undertake detailed investigation of opportunities for land use change at North Coogee to assess possible redevelopment opportunities at North Coogee, taking into account current land uses, environmental and social issues.
- Continue the regional planning program to guide the future growth and development of Western Australia including: the Broome Local Planning Strategy and Future Directions; the Carnarvon-Ningaloo Strategy; the Gingin Coast Structure Plan; the Lower Great Southern Regional Strategy; the North-West Corridor Structure Plan and the Pinjarra-Brunswick Sustainable Communities Strategy.
- Produce a subsidised air services policy which will lead to the development and implementation of the Essential Air Services Program to ensure that the State is undertaking best practice in determining where subsidies are spent in relation to community need.
- Develop the State Transport Infrastructure Program to provide a focus on transport infrastructure priorities in Western Australia for the next 10-15 years; provide a clear perspective on the opportunities to apply Government intermodal / freight policy to infrastructure investment and ensure that Western Australia is well positioned to influence the scope and detail of the Commonwealth's proposed AusLink program and the National Strategic Transport Plan.
- Develop the Practical Metropolitan Transport Strategy to develop a broad framework of strategies to achieve a balanced and sustainable transport system and following on from this, to develop and implement a series of practical transport actions for the 5-year timeframe 2003-2008.
- Commence the Hydrogen Fuel Cell Bus trial. As a key element of the Sustainable Transport Energy Perth program, the Western Australian Government is collaborating with a number of European and North American cities in a world-wide trial of hydrogen-powered fuel cell buses. Three buses will commence operation in Perth in September 2004 for a two-year trial.
- Plan and coordinate the portfolio's Transit Oriented Development Program to achieve urban revitalisation, support and encourage greater public transport use and more intensive land use around transport interchanges.
- Develop the new Western Australian Centre for Urban Design to enhance urban design outcomes for the long-term benefit of the Western Australian community. This initiative involves a proposed joint venture to develop a research, teaching and directed consultancy capability. It will also facilitate the training of postgraduate urban designers, and to promote urban design to the benefit of Western Australians.

Output 2: Land Use and Transport Infrastructure Service Delivery.

Service delivery in the areas of transport infrastructure, land development, land and property services and management of the portfolio's land and transport infrastructure assets.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 193,251 | 178,880 | 201,805 | 194,098 | |
| Less Revenues from Ordinary Activities | 78,900 | 70,196 | 72,428 | 73,542 | |
| Net Cost of Output | 114,351 | 108,684 | 129,377 | 120,556 | |
| Adjustments ^(a) | (1,437) | (540) | (18,423) | (1,767) | |
| Appropriation for delivery of Output 2 | 112,914 | 108,144 | 110,954 | 118,789 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Planning Services | 1 Program | 1 Program | 1 Program | 1 Program | |
| Education and Regulation - | | | | | |
| Maritime environmental disaster contingency response | 1 Program | 1 Program | 1 Program | 1 Program | |
| Licensing Regulatory Program..... | 1 Program | 1 Program | 1 Program | 1 Program | |
| Maritime Regulatory Program | 1 Program | 1 Program | 1 Program | 1 Program | |
| Taxi Regulatory Program..... | 1 Program | 1 Program | 1 Program | 1 Program | |
| Rail Safety Regulatory Program | 1 Program | 1 Program | 1 Program | 1 Program | |
| Regional Regulatory Program..... | 1 Program | 1 Program | 1 Program | 1 Program | |
| Regional Services | 1 Program | 1 Program | 1 Program | 1 Program | |
| Cycling Promotion Program | 1 Program | 1 Program | 1 Program | 1 Program | |
| Maritime Safety Education Program..... | 1 Program | 1 Program | 1 Program | 1 Program | |
| Passenger and Freight Services - | | | | | |
| Travelsmart: households contacted | 26,950 | 11,500 | 19,364 | 16,546 | |
| Regional air services kms | 904,800km | 1,050,000km | 869,576km | 904,800km | |
| Subsidised North West shipping services, voyages..... | 20 | 20 | 19 | 20 | |
| Remote student free travel trips | 5,804 | 6,400 | 4,428 | 4,500 | |
| Remote pensioner free trips | 1,532 | 4,640 | 1,685 | 1,800 | Target was overstated by inclusion of pensioner inter town concession trips, which are now provided by the Public Transport Authority. |
| Subsidised taxi trips | 769,435 | 800,000 | 800,000 | 740,000 | |
| Infrastructure Development and Management- Grants and Subsidies..... | 1 Program | 1 Program | 1 Program | 1 Program | |
| Maritime Infrastructure Development and Management..... | 1 Program | 1 Program | 1 Program | 1 Program | |
| Maritime navigation aids | 996 | 996 | 996 | 996 | |
| Crown land actions | 7,785 | 8,150 | 8,150 | 8,150 | |
| Quality | | | | | |
| Education and Regulation - | | | | | |
| Extent to which the Western Australian Planning Commission committees are satisfied with the quality of land use planning advice for Western Australia | 95% | 70% | 70% | 70% | |
| Maritime environmental incident personnel completing specified training programs in accordance with agreed plan..... | 100% | 100% | 100% | 100% | |
| Commercial vessel interceptions conducted in accordance with legal requirements..... | 100% | 100% | 100% | 100% | |
| Vessel registrations that comply with all legal requirements | 100% | 100% | 100% | 100% | |
| Certificates of competency issued in accordance with all legal requirements..... | 100% | 100% | 100% | 100% | |
| Vehicle inspections conducted that comply with all legal requirements | 100% | 100% | 100% | 100% | |
| Vehicle registrations that comply with all legal requirements | 100% | 100% | 100% | 100% | |
| Driver tests undertaken and driver licenses and permits issued that comply with all legal requirements | 100% | 100% | 100% | 100% | |
| Taxi licences that comply with legal requirements..... | 100% | 100% | 100% | 100% | |
| Boating safety education programs completed in accordance with quality management principles..... | 100% | 100% | 100% | 100% | |
| Timeliness | | | | | |
| Education and Regulation - | | | | | |
| Extent to which Western Australian Planning Commission committees are satisfied with the timeliness of land use planning advice for Western Australia | 78% | 70% | 70% | 70% | |
| Marine emergency training programs delivered within agreed timeframe | 100% | 100% | 100% | 100% | |
| Marine patrols completed in accordance with agreed workplan | 100% | 100% | 100% | 100% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Commercial vessel plans and stability booklets approved within 14 days of application for approval..... | 100% | 100% | 100% | 100% | |
| Certificates of competency issued within 3 days of completion of requirements..... | 100% | 100% | 100% | 100% | |
| Vessel registrations issued within 7 days of completed application..... | 100% | 100% | 100% | 100% | |
| Vehicle registrations issued within 7 days of completed application..... | 98% | 98% | 98% | 98% | |
| Vehicle inspections completed within 60 minutes..... | 85% | 85% | 85% | 85% | |
| Drivers licences issued within 21 days of completed application..... | 90% | 90% | 90% | 90% | |
| Taxi licences issued within 14 days of completed application..... | 100% | 100% | 100% | 100% | |
| Boating safety awareness initiatives completed in accordance with agreed workplan..... | 100% | 100% | 100% | 100% | |
| Airport development grants paid in accordance with agreed deadlines upon verification of completed works..... | 100% | 100% | 100% | 100% | |
| Cycling infrastructure grants assessed and applicants notified within 90 days of application closing date..... | 100% | 100% | 100% | 100% | |
| Maritime infrastructure development grants provided within 90 days of lodged application..... | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Planning Services..... | \$23,600,305 | \$22,428,730 | \$20,534,768 | \$21,726,676 | |
| Education and Regulation - | | | | | |
| Cost of maritime disaster contingency response..... | \$514,828 | \$520,338 | \$787,733 | \$824,385 | |
| Cost of Licensing Regulatory Program..... | \$57,291,525 | \$57,731,964 | \$58,444,516 | \$61,186,754 | |
| Cost of maritime regulatory program..... | \$7,127,295 | \$6,976,342 | \$7,535,849 | \$7,791,764 | |
| Cost of taxi regulatory program..... | \$663,825 | \$730,549 | \$891,136 | \$1,320,098 | Provides for an increase in activity |
| Cost of rail safety regulatory services..... | \$572,209 | \$714,172 | \$961,242 | \$965,000 | |
| Cost of Regional Regulatory Program..... | \$1,443,946 | \$1,502,722 | \$1,395,924 | \$1,546,907 | |
| Cost of regional services..... | \$4,513,192 | \$4,249,047 | \$4,232,942 | \$4,361,816 | |
| Cost of Cycling Promotion Program..... | \$1,582,039 | \$1,596,620 | \$1,701,378 | \$2,007,260 | Additional initiatives have been provided for in 2004-05 |
| Cost of maritime safety education program . | \$810,214 | \$1,257,897 | \$1,007,621 | \$1,007,345 | |
| Passenger & Freight Services - | | | | | |
| Cost of Travelsmart per household contacted..... | \$74.46 | \$89.53 | \$90.31 | \$87.39 | |
| Cost per 1,000 seat place kms for regional air services..... | \$126.34 | \$96.54 | \$148.35 | \$139.97 | |
| Cost per voyage..... | \$192,886 | \$182,480 | \$198,314 | \$183,333 | |
| Cost per remote student free travel trip..... | \$280.32 | \$301.72 | \$322.94 | \$317.78 | |
| Cost per pensioner free travel trip..... | \$282.33 | \$301.72 | \$351.34 | \$348.33 | |
| Cost per taxi subsidy..... | \$9.55 | \$9.21 | \$8.05 | \$8.05 | |
| Cost of grants and subsidies..... | \$3,665,039 | \$2,669,552 | \$31,407,872 | \$19,372,255 | The 2003-04 estimated actual provides for the payment of amounts carried over from 2002-03 |
| Cost of Maritime Infrastructure Development and Management..... | \$36,476,265 | \$36,798,355 | \$40,359,064 | \$39,553,051 | |
| Cost per navigation aid managed..... | \$3,538 | \$3,538 | \$1,432 | \$1,432 | |
| Support Services to Statutory Authorities..... | \$983,442 | \$673,588 | \$252,734 | 0 | Functions transferred to the Department of Justice |
| Cost per Crown land actions..... | \$2,160 | \$1,863 | \$1,944 | \$1,964 | |
| Full Time Equivalents (FTEs) | 1,080 | 1,075 | 1,165 | 1,165 | |

- (a) During 2003-04, the Land Administration Services from the Department of Land Administration were amalgamated with the Department for Planning and Infrastructure operations. In addition, the Public Transport Services were transferred from the Department for Planning and Infrastructure to the newly formed Public Transport Authority and the 'At Sea' marine safety functions were successfully amalgamated with the Department of Fisheries. The output quantity and cost performance measures were revised during 2003-04. For comparative purposes, previous year's output performance quantity and cost measures have been adjusted.

Major Achievements For 2003-04

- The Department was active in developing a State Transport Security Strategy for Western Australia's transport sectors in cooperation with counter-terrorism arrangements being developed across Australia. Measures are now being introduced to ensure security in the aviation, maritime and urban mass transit transport sectors. Further work is needed on dangerous goods, freight supply chain integrity, transport infrastructure and privately operated transport services and this will be progressed in 2004-05. The department completed security assessments to Commonwealth Government standards for Wyndham and Derby ports for implementation from 1 July 2004.
- At the direction of the Aviation Ministerial Council, the Department co-ordinated the implementation of the State's Air Services Policy. Components of the Air Services Policy that have been initiated are:
 - developed policy in relation to air charter operations over Regular Passenger Service (RPT) routes. This policy led to the integration of several air charter services using existing RPT services;
 - moved to regulate certain routes by licensing arrangements;
 - tendered and awarded sole operating rights on certain routes;
 - established an Aviation Industry Observer to oversee the performance of the regulated routes;
 - reviewed the performance of the local airlines network to determine if it can return to a deregulated environment or remain regulated beyond May 2005; and
 - commenced the development of subsidised air services policy.
- Continued development of the Perth Bicycle Network to provide safe, accessible routes for cyclists across the metropolitan area and facilitate cycling's positive benefits to the community in areas such as health and the environment. Implementation of Principal Shared Paths on Perth Bicycle Network, including:
 - Midland Train Line - Maylands Station to Bayswater Station;
 - Fremantle Train Line - Swanbourne Station to Grant Street Station; and
 - Armadale Train Line - Albany Highway to Fremantle Road.
- Partnered with:
 - the Public Transport Authority in providing Principle Shared Paths components at Bassendean and Gosnells Train Stations;
 - 20 local councils to provide Local Bicycle Routes, Generic Minor Works and End of Trip Facilities;
 - relevant local councils to complete the City to Sea Regional Recreation Path; and
 - finalised negotiations with the Town of Vincent to proceed with the Regional Recreation Path between Banks Reserve and Bardon Park.
- Continued the planning and construction of bus priority projects in conjunction with the Main Roads Department and local authorities. Completed planning for the Rockingham City Centre Transit system and identified priority east-west public transport corridors for the southern metropolitan area.
- Rationalisation of Licensing and Vehicle Inspection Centres has continued in order to provide strategically located licensing centres in the metropolitan area. A new Licensing Centre opened in the City West complex in December 2003.
- During 2003-04, the land administration function from the Department of Land Administration were successfully amalgamated with the Department for Planning and Infrastructure operations. In addition, the public transport operational functions were successfully transferred from the Department for Planning and Infrastructure to the newly formed Public Transport Authority and the 'At Sea' marine safety functions were successfully amalgamated with the Department of Fisheries.
- A pilot program for driver training and licensing tailored to indigenous communities in the Warburton community was undertaken to address access and equity issues encountered by persons living in remote communities who wish to obtain a drivers license. In the Kimberley region driver education programs are being conducted at the remote communities of One Arm Point, Beagle Bay and Lombadina. Training of Aboriginal Police Liaison Officers to enable them to provide the facility of theory testing and practical driving assessments in remote communities is also being developed.

Major Initiatives For 2004-05

- Commencement of a major upgrade and refurbishment program at Hillarys Boat Harbour. In 2004-05 this will include the replacement of boat pens and improvements to car parks, pedestrian paving, landscaping and lighting and extension of the southern breakwater by 75 metres. The key objectives of this initiative are to enhance and maintain facilities; to improve disabled, pedestrian and cyclist access to the harbour and to improve vehicular access and car parking. The extended breakwater will improve the wave climate in the harbour and enable a currently unfit jetty to be utilised.
- Construct a land-backed wharf at Carnarvon to provide additional berthing capacity for fishing and other commercial vessels in Carnarvon.
- Develop compulsory competency training for recreational boaters to improve the safety outcomes for the recreational boating community which will;
 - reduce fatalities on the water for recreational boaters;
 - reduce the number of incidences involving rescue on the water and reduce the causal factors leading to the number of infringements and cautions issued on the water; and
 - satisfy Western Australia's responsibilities in implementing the Australian Transport Council's endorsed principles for a common national standard for recreational boat operator licenses produced by the National Marine Safety Committee.
- Develop a strategy for the management of sewage discharge from vessels into the marine environment through implementing three new sewerage discharge zones for State waters based on the degree of risk to public health and the environment.
- Increase responsiveness to, and support for, the Department's initiatives in Regional Western Australia to provide a single point of contact in each region.
- Implementation of a new centralised coordination arrangement for Multi Purpose Taxi services for people with disabilities to provide the highest possible level of taxi service to people with disabilities and to close the gap in the level of service received by Multi Purpose Taxi customers as compared to passengers of conventional taxis. This is in line with requirements for people with disabilities to receive taxi waiting times equivalent to an able-bodied passenger.

CAPITAL WORKS PROGRAM

The Department for Planning and Infrastructure's planned capital works program for 2004-05 is \$21.299 million, comprising \$16.471 million for works in progress and \$4.828 million for new works.

Major metropolitan projects include:

- the continuation of the Zero Emission Hydrogen Fuel Cell Buses project; and
- the facility refurbishment of Hillarys Boat Harbour.

Major non-metropolitan projects include:

- the construction of a land backed wharf in Carnarvon to provide a safer mooring arrangement for the fishing industry;
- the building of an access road and the construction of a boat launching facility at Coral Bay; and
- the continuation of maintenance work at Wyndham Port.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Maritime - | | | | |
| Carnarvon Land Backed Wharf | 3,548 | 1,302 | 1,250 | 2,246 |
| Mews Road Commercial Centre | 1,880 | 17 | 17 | 1,863 |
| Access and Infrastructure - Commercial - | | | | |
| Hillarys Boat Harbour – Modify Breakwater | 1,994 | 854 | 854 | 100 |
| Access and Infrastructure - Recreation - | | | | |
| Casuarina Harbour Pens Stage 1 | 1,000 | 50 | 24 | 852 |
| Coral Bay Access Rd and Boat Launching Facility..... | 5,225 | 1,415 | 1,121 | 3,810 |
| Metropolitan - | | | | |
| Zero Emission Hydrogen Fuel Cell Buses | 10,654 | 1,934 | 500 | 7,600 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Corporate Services - | | | | |
| 2002-03 Program | 500 | 500 | 410 | - |
| Accommodation - Staff Relocation..... | 200 | 200 | 191 | - |
| Information Management Review..... | 246 | 246 | 25 | - |
| Upgrading of Security system..... | 110 | 110 | 60 | - |
| Maritime - | | | | |
| Barrack Square Redevelopment..... | 13,699 | 13,699 | 882 | - |
| Broome Port Floating Breakwater | 1,557 | 1,557 | - | - |
| Fremantle Fishing Boat Harbour Tourism Precinct Boardwalks Extension | 400 | 400 | 129 | - |
| Mews Road Site Redevelopment - Stage 3 | 550 | 550 | 533 | - |
| Point Samson Boat Harbour Upgrading..... | 7,602 | 7,602 | 624 | - |
| South Carnarvon - Surge Wall..... | 12 | 12 | 8 | - |
| Access and Infrastructure - Commercial - | | | | |
| Perth Water: Mends St Jetty Disabled Access and Shelter..... | 200 | 200 | 193 | - |
| Rottneest Island Ferry Wharf..... | 413 | 413 | 1 | - |
| Access and Infrastructure - Recreation - | | | | |
| Batavia Coast Marina - Upgrade | 1,936 | 1,936 | 352 | - |
| Challenger Harbour additional pens..... | 1,141 | 1,141 | 136 | - |
| Exmouth Boat Harbour Sewerage..... | 130 | 130 | 126 | - |
| Fremantle Ocean Boat Launching Ramp - Planning | 60 | 60 | 51 | - |
| Hillarys Boat Harbour - Car Parking Upgrade | 591 | 591 | 203 | - |
| Navigation Aids - | | | | |
| 2003-04 program..... | 590 | 590 | 590 | - |
| Metropolitan - | | | | |
| Bus Measures | 1838 | 1838 | 1080 | - |
| Motorcycle Replacement Program | 105 | 105 | 46 | - |
| Transport Electronic Licensing Information System | 31,647 | 31,647 | 5,941 | - |
| NEW WORKS | | | | |
| Maritime - | | | | |
| Access and Infrastructure - Commercial - | | | | |
| Hillarys Boat Harbour - Asset Replacement Program..... | 880 | - | - | 350 |
| Wyndham Port Deferred Maintenance..... | 2,100 | - | - | 1,600 |
| Access and Infrastructure - Recreation - | | | | |
| Hillarys Boat Harbour - Facility Refurbishment | 6,232 | - | - | 2,278 |
| Navigation Aids - | | | | |
| 2004-05 program..... | 600 | - | - | 600 |
| | 97,640 | 69,099 | 15,347 | 21,299 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Actual \$'000 | 2004-05 Budget \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 11,788 | 5,140 | 15,347 | 21,299 | 3,786 | 5,018 | 1,337 |
| Working capital requirement | | | | | | | |
| Loan repayments | 157 | 1,652 | 1,652 | 1,973 | 2,061 | 989 | 1,002 |
| | 11,945 | 6,792 | 16,999 | 23,272 | 5,847 | 6,007 | 2,339 |
| LESS | | | | | | | |
| Borrowings..... | - | - | - | 7,900 | 730 | 390 | - |
| Commonwealth Grants..... | 500 | 500 | 500 | 500 | - | - | - |
| Drawdowns from the Holding Account..... | 27 | 155 | 155 | 127 | 119 | 119 | - |
| Funding included in output appropriations ^(a) .. | 1,000 | 1,000 | 4,080 | - | - | - | - |
| Internal Funds and Balances..... | 4,754 | 3,341 | 10,468 | 6,301 | 1,157 | 2,630 | 739 |
| Capital Contribution..... | 5,664 | 1,796 | 1,796 | 8,444 | 3,841 | 2,868 | 1,600 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 68,803 | 64,006 | 64,970 | 67,007 | 68,485 | 70,947 | 70,947 |
| Superannuation | 8,994 | 5,851 | 6,445 | 6,339 | 6,512 | 6,690 | 6,690 |
| Grants and subsidies ^(b) | 34,458 | 32,881 | 43,414 | 33,955 | 28,858 | 30,007 | 30,268 |
| Supplies and services | 51,348 | 44,269 | 52,901 | 52,680 | 48,509 | 54,236 | 58,781 |
| Accommodation | 9,896 | 8,982 | 9,673 | 9,632 | 10,369 | 11,154 | 11,154 |
| Borrowing costs | - | 1,305 | 1,311 | 1,559 | 1,734 | 2,434 | 2,429 |
| Capital User Charge | 16,237 | 20,824 | 24,108 | 23,100 | 23,607 | 23,885 | 24,066 |
| Depreciation and amortisation | 9,025 | 12,232 | 9,232 | 12,288 | 12,367 | 12,529 | 12,529 |
| Costs of disposal of non-current assets | 7,281 | - | - | - | - | - | - |
| Other expenses | 11,375 | 9,135 | 10,353 | 10,911 | 11,382 | 11,804 | 11,807 |
| TOTAL COST OF SERVICES | 217,417 | 199,485 | 222,407 | 217,471 | 211,823 | 223,686 | 228,671 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 8,078 | 7,983 | 7,987 | 7,337 | 7,592 | 7,856 | 8,130 |
| Regulatory Fees and Fines | 47,634 | 46,479 | 47,275 | 49,102 | 51,251 | 53,497 | 55,843 |
| Grants and subsidies | 2,598 | 7,050 | 8,105 | 9,651 | 9,151 | 9,151 | 9,151 |
| Interest | 817 | 351 | 351 | 91 | 91 | 91 | 91 |
| Rent | 6,344 | 5,800 | 5,800 | 5,800 | 5,900 | 6,003 | 6,108 |
| Proceeds from disposal of non-current assets .. | 3,070 | - | - | - | - | - | - |
| Other Revenue | 17,854 | 5,307 | 6,861 | 5,909 | 5,988 | 6,214 | 6,344 |
| Total Revenues from Ordinary Activities | 86,395 | 72,970 | 76,379 | 77,890 | 79,973 | 82,812 | 85,667 |
| NET COST OF SERVICES | 131,022 | 126,515 | 146,028 | 139,581 | 131,850 | 140,874 | 143,004 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 129,585 | 125,975 | 127,605 | 137,814 | 132,994 | 140,470 | 142,603 |
| Resources received free of charge | 2,637 | 1,628 | 752 | 574 | 565 | 565 | 562 |
| Liabilities assumed by the Treasurer | 321 | 159 | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 132,543 | 127,762 | 128,357 | 138,388 | 133,559 | 141,035 | 143,165 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 1,521 | 1,247 | (17,671) | (1,193) | 1,709 | 161 | 161 |
| Change in Equity arising from transfer of assets/liabilities | - | 4 | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 1,521 | 1,251 | (17,671) | (1,193) | 1,709 | 161 | 161 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 1,257, 1,366 and 1,366 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 42,575 | 23,651 | 12,986 | 7,022 | 6,148 | 3,617 | 3,126 |
| Restricted cash..... | 374 | - | 374 | - | - | - | - |
| Receivables..... | 10,370 | 2,275 | 5,274 | 5,274 | 5,274 | 5,274 | 5,274 |
| Inventories..... | 369 | 1,329 | 369 | 369 | 369 | 369 | 369 |
| Interest receivable..... | 41 | 65 | 41 | 41 | 41 | 41 | 41 |
| Amounts receivable for outputs..... | 155 | 127 | 127 | 119 | 119 | - | - |
| Prepayments..... | 742 | 1,272 | 742 | 742 | 742 | 742 | 742 |
| Other..... | 146 | 46 | 1,697 | 3,679 | 4,015 | 4,351 | 4,687 |
| Total current assets..... | 54,772 | 28,765 | 21,610 | 17,246 | 16,708 | 14,394 | 14,239 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 39,855 | 52,820 | 49,820 | 62,708 | 75,773 | 89,119 | 102,465 |
| Land and Buildings..... | 94,178 | 69,216 | 93,020 | 91,737 | 90,454 | 89,171 | 87,888 |
| Plant, equipment and vehicles..... | 5,312 | 13,900 | 744 | 1,112 | 912 | 910 | 908 |
| Other Infrastructure..... | 122,865 | 138,705 | 127,884 | 127,888 | 122,602 | 116,357 | 99,741 |
| Other..... | 30,762 | 7,524 | 32,372 | 36,882 | 36,567 | 36,583 | 43,140 |
| Total non-current assets..... | 292,972 | 282,165 | 303,840 | 320,327 | 326,308 | 332,140 | 334,142 |
| TOTAL ASSETS..... | 347,744 | 310,930 | 325,450 | 337,573 | 343,016 | 346,534 | 348,381 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 228 | - | 228 | 228 | 228 | 228 | 228 |
| Payables..... | 3,220 | 890 | 2,268 | 2,489 | 2,711 | 2,747 | 2,783 |
| Provision for employee entitlements..... | 11,111 | 8,229 | 11,111 | 11,111 | 11,111 | 11,111 | 11,111 |
| Interest-bearing liabilities..... | 2,524 | 2,388 | 2,524 | 1,836 | 1,836 | 1,836 | 1,836 |
| Monies in trust..... | - | 486 | - | - | - | - | - |
| Interest payable..... | 226 | - | 226 | 226 | 226 | 226 | 226 |
| Accrued Salaries..... | 1,819 | 1,979 | 2,104 | 174 | 424 | 724 | 1,024 |
| Other..... | 2,691 | 1,472 | 2,191 | 2,191 | 2,191 | 2,191 | 2,191 |
| Total current liabilities..... | 21,819 | 15,444 | 20,652 | 18,255 | 18,727 | 19,063 | 19,399 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 159 | - | 159 | 159 | 159 | 159 | 159 |
| Provision for employee entitlements..... | 5,855 | 4,835 | 6,548 | 7,267 | 8,084 | 8,901 | 9,718 |
| Interest-bearing liabilities..... | 12,332 | 10,833 | 10,680 | 17,295 | 15,964 | 15,365 | 14,363 |
| Total non-current liabilities..... | 18,346 | 15,668 | 17,387 | 24,721 | 24,207 | 24,425 | 24,240 |
| TOTAL LIABILITIES..... | 40,165 | 31,112 | 38,039 | 42,976 | 42,934 | 43,488 | 43,639 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 40,400 | 33,368 | 106,635 | 115,014 | 118,790 | 121,593 | 123,128 |
| Accumulated surplus/(deficit)..... | 180,389 | 208,850 | 162,718 | 161,525 | 163,234 | 163,395 | 163,556 |
| Asset revaluation reserve..... | 15,120 | - | 18,058 | 18,058 | 18,058 | 18,058 | 18,058 |
| Other Reserves..... | 71,670 | 37,600 | - | - | - | - | - |
| Total equity..... | 307,579 | 279,818 | 287,411 | 294,597 | 300,082 | 303,046 | 304,742 |
| TOTAL LIABILITIES AND EQUITY..... | 347,744 | 310,930 | 325,450 | 337,573 | 343,016 | 346,534 | 348,381 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 107,762 | 117,018 | 117,680 | 124,807 | 119,810 | 127,124 | 129,257 |
| Capital Contribution | 5,664 | 1,796 | 1,796 | 8,444 | 3,841 | 2,868 | 1,600 |
| Holding Account Drawdowns..... | 27 | 155 | 155 | 127 | 119 | 119 | - |
| Net cash provided by State government..... | 113,453 | 118,969 | 119,631 | 133,378 | 123,770 | 130,111 | 130,857 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (66,354) | (63,210) | (64,149) | (68,925) | (67,751) | (70,163) | (70,163) |
| Superannuation..... | (8,659) | (5,694) | (6,443) | (6,337) | (6,510) | (6,688) | (6,688) |
| Supplies and services..... | (50,036) | (42,043) | (52,175) | (52,106) | (48,784) | (54,704) | (59,252) |
| Grants and subsidies | (33,759) | (36,849) | (44,413) | (33,955) | (28,858) | (30,007) | (30,268) |
| Borrowing costs..... | - | (1,312) | (1,311) | (1,559) | (1,733) | (2,426) | (2,421) |
| Accommodation..... | (9,378) | (8,982) | (9,671) | (9,632) | (9,632) | (10,417) | (10,417) |
| Capital User Charge..... | (16,237) | (20,824) | (24,108) | (23,100) | (23,607) | (23,885) | (24,066) |
| Goods and Services Tax | (41,506) | (44,815) | (22,981) | (22,152) | (21,430) | (21,430) | (21,430) |
| Other..... | (8,736) | (9,136) | (10,324) | (10,341) | (10,709) | (11,131) | (11,134) |
| Receipts | | | | | | | |
| Taxation..... | 23,297 | 21,066 | 21,992 | 22,862 | 23,667 | 24,499 | 25,362 |
| Regulatory fees and fines..... | 24,403 | 25,413 | 25,283 | 26,240 | 27,584 | 28,998 | 30,481 |
| User charges and fees | 7,361 | 7,983 | 7,987 | 7,337 | 7,592 | 7,856 | 8,130 |
| Interest..... | 841 | 351 | 351 | 91 | 91 | 91 | 91 |
| Goods and Services Tax | 39,894 | 44,815 | 27,581 | 22,152 | 21,430 | 21,430 | 21,430 |
| Grants and subsidies | 2,314 | 7,050 | 8,605 | 9,651 | 9,151 | 9,151 | 9,151 |
| Other..... | 25,174 | 11,107 | 12,161 | 12,065 | 11,870 | 12,199 | 12,434 |
| Net cash from operating activities..... | (111,381) | (115,080) | (131,615) | (127,709) | (117,629) | (126,627) | (128,760) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (11,930) | (4,076) | (11,987) | (17,869) | (5,619) | (5,351) | (1,521) |
| Proceeds from sale of non-current assets | 88 | - | - | - | - | - | - |
| Net cash from investing activities..... | (11,842) | (4,076) | (11,987) | (17,869) | (5,619) | (5,351) | (1,521) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (157) | (1,652) | (1,652) | (1,973) | (2,061) | (989) | (1,002) |
| Proceeds from borrowings | - | - | - | 7,900 | 730 | 390 | - |
| Net cash from financing activities..... | (157) | (1,652) | (1,652) | 5,927 | (1,331) | (599) | (1,002) |
| NET INCREASE/(DECREASE) IN CASH HELD | (9,927) | (1,839) | (25,623) | (6,273) | (809) | (2,466) | (426) |
| Cash assets at the beginning of the reporting period | 46,405 | 25,490 | 42,949 | 13,360 | 7,022 | 6,148 | 3,617 |
| Net cash transferred to/from other agencies..... | 6,471 | - | (3,966) | (65) | (65) | (65) | (65) |
| Cash assets at the end of the reporting period..... | 42,949 | 23,651 | 13,360 | 7,022 | 6,148 | 3,617 | 3,126 |

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Employee expenses..... | 478 | 1,000 | 1,000 | 300 | 300 | 300 | 300 |
| Grants and subsidies | 7,350 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |
| Depreciation and amortisation | 15 | 10 | 10 | 13 | 12 | - | - |
| Costs of disposal of non-current assets | 47,772 | 74,963 | 74,963 | 33,517 | 12,600 | 7,100 | 7,100 |
| Other expenses..... | 5,024 | 2,993 | 2,993 | 1,500 | 1,500 | 1,500 | 1,500 |
| Receipts paid into Consolidated Fund..... | 441,765 | 476,488 | 488,076 | 473,492 | 457,375 | 469,774 | 491,772 |
| Transfer of Assets/Liabilities | 35,778 | - | - | - | - | - | - |
| TOTAL ADMINISTERED EXPENSES (a) .. | 538,182 | 561,254 | 572,842 | 514,828 | 477,993 | 484,930 | 506,928 |
| REVENUES | | | | | | | |
| User charges and fees | 47,994 | 74,963 | 79,775 | 45,517 | 12,600 | 7,100 | 7,100 |
| Regulatory Fees and Fines | 396,464 | 397,496 | 404,272 | 423,946 | 440,651 | 458,452 | 480,350 |
| Interest | 26 | - | - | - | - | - | - |
| Other Revenue | 46,846 | 72,968 | 72,968 | 31,522 | 9,200 | 3,998 | 4,098 |
| Appropriations | 6,850 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |
| TOTAL ADMINISTERED REVENUES | 498,180 | 551,227 | 562,815 | 506,991 | 468,657 | 475,806 | 497,804 |

(a) Further information is provided in the table "Details of the Administered Transactions Expenses".

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| ADMINISTERED CURRENT ASSETS | | | | | | | |
| Cash..... | 34,944 | 25,410 | 25,251 | 20,751 | 16,251 | 17,151 | 18,051 |
| Receivables..... | 12,374 | 8,396 | 12,374 | 10,850 | 10,850 | 10,850 | 10,850 |
| Other..... | - | 1,913 | - | - | - | - | - |
| Interest receivable..... | 2 | - | 2 | 2 | 2 | 2 | 2 |
| Total Administered Current Assets | 47,320 | 35,719 | 37,627 | 31,603 | 27,103 | 28,003 | 28,903 |
| ADMINISTERED NON-CURRENT ASSETS | | | | | | | |
| Land and Buildings..... | 1,589,218 | 1,314,019 | 1,544,877 | 1,541,194 | 1,539,661 | 1,525,637 | 1,511,613 |
| Receivables..... | 9,917 | 7,029 | 8,393 | 8,393 | 6,869 | 6,869 | 6,869 |
| Plant, equipment and vehicles..... | 19 | 19 | 10 | - | - | - | - |
| Other..... | 4,282 | 11,470 | 11,282 | 15,279 | 19,267 | 23,267 | 27,267 |
| Total Administered Non-Current Assets | 1,603,436 | 1,332,537 | 1,564,562 | 1,564,866 | 1,565,797 | 1,555,773 | 1,545,749 |
| TOTAL ADMINISTERED ASSETS | 1,297 | 1,898 | 1,602,189 | 1,596,469 | 1,592,900 | 1,583,776 | 1,574,652 |
| ADMINISTERED CURRENT LIABILITIES | | | | | | | |
| Payables..... | 259 | 1,022 | 259 | 259 | 259 | 259 | 259 |
| Other..... | 4,213 | 21,795 | 3,793 | 3,373 | 2,953 | 2,953 | 2,953 |
| Total Administered Current Liabilities | 4,472 | 22,817 | 4,052 | 3,632 | 3,212 | 3,212 | 3,212 |
| ADMINISTERED NON-CURRENT LIABILITIES | | | | | | | |
| Other..... | - | 17,196 | - | - | - | - | - |
| Total Administered Non-Current Liabilities | - | 17,196 | - | - | - | - | - |
| TOTAL ADMINISTERED LIABILITIES.. | 4,472 | 40,013 | 4,052 | 3,632 | 3,212 | 3,212 | 3,212 |

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Employee costs | (497) | (1,000) | (1,000) | (300) | (300) | (300) | (300) |
| Grants and subsidies | (6,850) | (5,800) | (5,800) | (6,006) | (6,206) | (6,256) | (6,256) |
| Other | (6,469) | (2,993) | (2,993) | (1,500) | (1,500) | (1,500) | (1,500) |
| Receipts paid into Consolidated Fund..... | (441,765) | (476,507) | (488,095) | (473,513) | (457,396) | (469,795) | (491,793) |
| Transfer of Assets/Liabilities | (398) | - | 33,680 | - | - | - | - |
| Investing Activities | | | | | | | |
| Purchase of non-current assets | - | - | (7,000) | (4,000) | (4,000) | (4,000) | (4,000) |
| TOTAL ADMINISTERED CASH OUTFLOWS | (455,979) | (486,300) | (471,208) | (485,319) | (469,402) | (481,851) | (503,849) |
| CASH INFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Taxation | 302,190 | 346,969 | 353,745 | 329,331 | 344,435 | 360,579 | 380,762 |
| Regulatory fees and fines | 94,270 | 50,527 | 50,527 | 94,615 | 96,216 | 97,873 | 99,588 |
| User charges and fees | 44,933 | 74,506 | 79,318 | 47,062 | 14,145 | 14,045 | 14,045 |
| Interest | 26 | - | - | - | - | - | - |
| Other | 6,559 | 5,805 | 5,805 | 3,805 | 3,900 | 3,998 | 4,098 |
| Appropriations | 6,850 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |
| TOTAL ADMINISTERED CASH INFLOWS | 454,828 | 483,607 | 495,195 | 480,819 | 464,902 | 482,751 | 504,749 |
| NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS | (1,151) | (2,693) | 23,987 | (4,500) | (4,500) | 900 | 900 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| Port of Wyndham Management..... | 1,384 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 |
| Perth Bicycle Network/Country Pathways..... | 2,643 | 1,694 | 2,035 | 1,857 | - | 840 | 840 |
| Recreational Boating Facilities..... | 491 | 650 | 650 | 650 | 650 | 650 | 650 |
| North West Shipping..... | 3,809 | 3,516 | 3,553 | 3,434 | 3,434 | 3,434 | 3,434 |
| Regional Airport Development Scheme | 1,372 | 1,940 | 1,930 | 1,940 | 1,940 | 1,940 | 1,940 |
| Aviation (Public Air) Subsidies..... | 1,143 | 1,290 | 1,290 | 1,250 | 1,250 | 1,250 | 1,250 |
| Perth Parking Fees to Public Transport Authority | 6,709 | 6,709 | 6,709 | 6,851 | 7,097 | 7,350 | 7,611 |
| Other Grants to Public Transport Authority..... | 5,026 | 4,356 | 12,741 | 3,000 | - | - | - |
| Fare Subsidies | 1,119 | 1,993 | 1,993 | 2,128 | 2,388 | 2,388 | 2,388 |
| Student Fare Concessions..... | 1,424 | 1,430 | 1,430 | 1,530 | 1,530 | 1,530 | 1,530 |
| Taxi User Subsidy Scheme..... | 6,196 | 6,441 | 6,441 | 6,441 | 6,441 | 6,497 | 6,497 |
| LPG Subsidy Scheme..... | 700 | - | 150 | 880 | - | - | - |
| Travelsmart, Pedestrian Projects..... | 100 | 160 | 196 | 187 | 187 | 187 | 187 |
| Coastal Projects and Zone Management..... | 281 | 100 | 1,070 | 1,170 | 1,170 | 1,170 | 1,170 |
| Community Police..... | 768 | 695 | 695 | 695 | 695 | 695 | 695 |
| Marine Safety | 401 | - | - | - | - | - | - |
| Emergency Vehicle Insurance | 143 | 120 | 120 | 120 | 120 | 120 | 120 |
| Grant & Subsidy to Department of Land Information..... | 107 | 122 | 122 | 130 | 130 | 130 | 130 |
| National Transport Bodies..... | - | - | - | - | 134 | 134 | 134 |
| Mandurah Ocean Marina..... | 228 | - | 106 | - | - | - | - |
| Other Grants & Subsidies | 414 | 265 | 783 | 292 | 292 | 292 | 292 |
| TOTAL | 34,458 | 32,881 | 43,414 | 33,955 | 28,858 | 30,007 | 30,268 |

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| STATUTORY AUTHORITIES | | | | | | | |
| Establishment of Armadale Planning Authority | 250 | - | - | - | - | - | - |
| WA Coastal Shipping Commission | 5,850 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |
| OTHER STATE SERVICES | | | | | | | |
| Carnarvon Floodplain Management Strategy .. | 1,250 | - | - | - | - | - | - |
| TOTAL | 7,350 | 5,800 | 5,800 | 6,006 | 6,206 | 6,256 | 6,256 |

DETAILS OF THE ADMINISTERED TRANSACTIONS REVENUE

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--------------------------------------|-----------------------------|-----------------------------|--|---|--|--|--|
| TAXATION | | | | | | | |
| Conservancy Fees | 305 | 277 | 277 | 280 | 288 | 295 | 302 |
| Motor Vehicle Licence Fees | 279,791 | 274,000 | 280,776 | 298,000 | 312,810 | 328,656 | 348,540 |
| Motor Vehicle Recording Fees | 41,522 | 41,445 | 41,445 | 43,585 | 45,122 | 46,712 | 48,359 |
| FINES | | | | | | | |
| Speed and Red Light Fines | 44,410 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Final Demand Fees | 1,046 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 |
| Other Fines | 4,555 | 3,000 | 3,000 | 3,500 | 3,500 | 3,500 | 3,500 |
| OTHER | | | | | | | |
| Motor Drivers Licences | 22,399 | 31,524 | 31,524 | 31,331 | 31,625 | 31,923 | 32,222 |
| Sale of Land | 47,994 | 74,963 | 79,775 | 45,517 | 12,600 | 7,100 | 7,100 |
| Third Party Insurance Premiums | 378,226 | 330,000 | 330,000 | 340,000 | 350,000 | 350,000 | 360,000 |
| Firearm Licence Fees | 2,436 | 2,200 | 2,200 | 2,200 | 2,256 | 2,316 | 2,377 |
| TOTAL | 822,684 | 802,459 | 814,047 | 809,463 | 803,251 | 815,552 | 847,450 |

TRUST ACCOUNT DETAILS

Dampier to Bunbury Natural Gas Pipeline Corridor Trust Account

The Dampier to Bunbury Natural Gas Pipeline Corridor Trust Account provides funds for the widening of the original corridor through the purchase of land and easements over land.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------------------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 36,474 | 33,080 | 33,380 | 30,687 |
| Receipts: | | | | |
| Other | 1,300 | 1,300 | 1,300 | 1,300 |
| | 37,774 | 34,380 | 34,680 | 31,987 |
| Payments | 4,394 | 10,993 | 3,993 | 1,800 |
| CLOSING BALANCE | 33,380 | 23,387 | 30,687 | 30,187 |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Services Provided to the Western Australian Planning Commission | 3,817 | 5,920 | 4,634 | 5,166 |
| Indian Ocean Territories Program | 58 | 70 | 77 | 80 |
| Boat Registration Fees | 5,711 | 6,322 | 6,322 | 6,000 |
| Jetty Licences | 324 | 317 | 349 | 324 |
| Marine Examinations | 114 | 90 | 90 | 93 |
| Motor Vehicles | 11,524 | 10,460 | 9,954 | 10,202 |
| Motor Drivers | 4,832 | 4,685 | 4,686 | 4,838 |
| Proof of Age Card | 78 | 58 | 58 | 75 |
| Plate Fees | 6,863 | 6,378 | 6,524 | 7,348 |
| Recoups for Services Provided | 7,619 | 7,645 | 7,645 | 7,000 |
| Temporary Permits | 477 | 361 | 361 | 366 |
| Proceeds From Rental Properties | 994 | 1,026 | 1,026 | 1,026 |
| Pastoral Leases | 1,056 | 813 | 813 | 813 |
| Other Revenue | 58 | 985 | 823 | 1,031 |
| GST Input Credits | 30,979 | 34,393 | 24,740 | 19,311 |
| GST Receipts on Sales | 8,915 | 10,422 | 2,841 | 2,841 |
| TOTAL | 83,419 | 89,945 | 70,943 | 66,514 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

COMMISSIONER OF MAIN ROADS

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 47

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 80 Net amount appropriated to deliver outputs | 268,141 | 302,128 | 191,600 | 199,379 | 239,060 | 255,399 | 254,485 |
| Amount Authorised by Other Statutes - Road Traffic Act 1974 | 180,179 | 162,714 | 282,776 | 300,000 | 314,810 | 330,656 | 350,540 |
| Total appropriations provided to deliver outputs | 448,320 | 464,842 | 474,376 | 499,379 | 553,870 | 586,055 | 605,025 |
| CAPITAL | | | | | | | |
| Item 145 Capital Contribution | 47,975 | 74,761 | 177,983 | 165,606 | 78,813 | 66,069 | 61,704 |
| Amount Authorised by Other Statutes - Road Traffic Act 1974 | 102,247 | 112,886 | 11,224 | 6,000 | 7,190 | 7,344 | 8,460 |
| GRAND TOTAL | 598,542 | 652,489 | 663,583 | 670,985 | 639,873 | 659,468 | 675,189 |

MISSION

To provide safe and efficient road access that will enhance community lifestyles and ensure economic prosperity.

SIGNIFICANT ISSUES AND TRENDS

- In 2004 Main Roads reviewed its future operating environment and based on advice from internal and external stakeholders, identified a number of factors that will influence future issues and trends such as:
 - community expectation that roads will help enhance the quality of life and well being of Western Australians;
 - heightened requirements for environmental protection and an ecologically sustainable road network;
 - keeping pace with the demands of an ageing network;
 - increasing road user expectations of better access and safer, more efficient roads; and
 - growth in the freight task increasing at a rate greater than GDP.
- Main Roads has adopted an outcome focussed program management regime internally. This has enabled it to report against six new outputs in 2004-05, which are aligned with Government goals and more clearly articulate the outcomes and benefits that Main Roads delivers to the Community.
- Emphasis has been maintained in the coming year on maintenance of the existing road network and the construction of new road infrastructure for the purposes of state development. Because of the structure of existing programs, the road-use safety improvements output does not yet reflect all road safety spending. The cost of this output in the coming year also reflects the agency's success in accelerating completion of safety related projects to the current year.
- The State Road Funds to Local Government Agreement 2000-01 to 2004-05 is currently being reviewed in consultation with the Western Australian Local Government Association. The Agreement introduced a regional focus with Regional Road Groups involved in selecting and determining the priority of projects on local roads within individual regions and has operated well.

- New Metro Rail Package E – Main Roads is an agency involved in the New Metro Rail Project. Involvement to date has seen a design and construct contract awarded in January 2004 to construct the South West Metropolitan Railway rail corridor in the central median of the Kwinana Freeway from the Narrows Bridge to the Glen Iris railway tunnel. The works include construction of a new southbound railway bridge across the Narrows between the two existing bridges; strengthening and realignment of traffic lanes of the northbound Narrows Bridge to accommodate the northbound railway; and strengthening and widening of the Mount Henry Bridge to accommodate the railway within a median transit corridor. Contract completion is due by December 2005.
- Maintaining and building capability throughout the organisation is a key focus as Main Roads positions itself to build on and expand its capability through targeted policies to attract and retain staff.
- Address the application and use of new and emerging technologies to optimise the benefits that can be obtained in maximising the benefit that can be obtained from the existing network.
- The *Civil Liability Act 2002* (CLA) was substantially amended in 2003 to provide special protection to road authorities and include a "policy defence" for public bodies. It also included provisions that reduce the need to warn people of "obvious risks" and other miscellaneous provisions that may affect Main Roads. It is anticipated that these provisions will decrease the incidence, or severity, of public liability claims against Main Roads in the medium to long term. The CLA only applies to occurrences after 1 December 2003.
- Main Roads has an ongoing role to manage the major road network throughout Western Australia and undertakes this work through its regionally based employees. Over the years, the office accommodation provided has not kept abreast with what is considered to be a reasonable Government standard and is in need of replacement.
- Regionally-based employees play a key role in Main Roads' management of the major road network throughout Western Australia and it is appropriate that their office accommodation meet reasonable Government standards. Contracts will therefore be let for the construction by the end of 2004-05 of new office accommodation to house the Main Roads workforce in the South West (Bunbury) and Goldfields Esperance (Boulder) Regions. Planning for a building to replace the present office accommodation in the Great Southern Region at Albany will also commence in 2004-05, with construction planned for 2005-06.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|---|--|--|--|
| Reinstate funding for the Local Roads Program to prior year levels..... | 5,334 | 8,639 | 7,609 | 7,609 |
| Increased funding for Term Maintenance Contracts..... | - | 2,885 | 3,609 | 3,609 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Road network operations management | 175,208 | 158,351 | 178,094 | 150,863 | | | |
| Output 2: | | | | | | | |
| Road-use efficiency improvements..... | 39,624 | 48,588 | 42,614 | 46,595 | | | |
| Output 3: | | | | | | | |
| Road infrastructure for community access..... | 43,841 | 27,952 | 33,723 | 28,813 | | | |
| Output 4: | | | | | | | |
| Road-use safety improvements..... | 23,128 | 18,624 | 33,003 | 15,166 | | | |
| Output 5: | | | | | | | |
| Road network maintenance..... | 330,205 | 323,409 | 347,944 | 366,573 | | | |
| Output 6: | | | | | | | |
| Road infrastructure for state development | 83,903 | 142,731 | 102,432 | 152,742 | | | |
| Total Cost of Outputs | 695,909 | 719,655 | 737,810 | 760,752 | 682,909 | 703,225 | 739,779 |
| <i>Less</i> Revenues from Ordinary Activities | 104,624 | 87,858 | 107,606 | 149,028 | 98,559 | 78,893 | 73,429 |
| Net Cost of Outputs | 591,285 | 631,797 | 630,204 | 611,724 | 584,350 | 624,332 | 666,350 |
| Expenditure capitalised | (172,928) | (276,900) | (259,054) | (230,910) | (146,875) | (110,320) | (113,010) |
| Adjustments ^(a) | 29,964 | 109,944 | 103,226 | 118,565 | 116,395 | 72,043 | 51,685 |
| Appropriation provided to deliver Outputs. | 448,320 | 464,842 | 474,376 | 499,379 | 553,870 | 586,055 | 605,025 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 150,222 | 187,647 | 189,207 | 171,606 | 86,003 | 73,413 | 70,164 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 598,542 | 652,489 | 663,583 | 670,985 | 639,873 | 659,468 | 675,189 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Commissioner and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|---|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Efficient road access for road users | 1. Road network operations management 2. Road-use efficiency improvements 3. Road infrastructure for community access |
| | Safe road access for road users | 4. Road-use safety improvements |
| | A well maintained road network | 5. Road network maintenance |
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Road infrastructure that supports economic and regional development | 6. Road infrastructure for state development |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Efficient road access for road users | | | | | |
| Road Standards: % of travel, which meet operational standards..... | 52.1% | 52% | 53.3% | 54.3% | |
| Outcome: Safe road access for road users | | | | | |
| Road Fatality Rate: Rate of fatalities per 100 million Vehicle Kilometres Travelled | 0.98 | (b) | 0.94 | 0.94 | |
| Outcome: A well maintained road network | | | | | |
| Smooth travel exposure indicator represents travel on Western Australian sealed national and state roads meeting designated roughness standards..... | 97.5% | 97% | 97.5% | 97.5% | |
| Outcome: Road infrastructure that supports economic and regional development | | | | | |
| Return on construction expenditure (including bridges): Spread of Benefit Cost Ratios for projects greater than \$500,000..... | 4.46 | 3.22 | 3.22 | 2.54 | |

(a) More details of effectiveness indicators are provided in the annual report.

(b) An effectiveness measure for the 200-04 budget is not available for this new outcome.

Output 1: Road network operations management

Works associated with the management of the road network to ensure the safe and efficient movement of people and goods throughout the State, which includes activities of the traffic operation centre, heavy vehicle operation activities, metropolitan and regional road asset management, road user and customer services, emergency telephones and street lighting, Intelligent Transport Systems and traffic signals, and road advisory services to the community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output ^(a) | 175,208 | 158,351 | 178,094 | 150,863 | |
| Less Revenues from Ordinary Activities | 1,693 | 460 | 961 | 705 | |
| Net Cost of Output | 173,515 | 157,891 | 177,133 | 150,158 | |
| Adjustments ^(b) | 8,793 | 27,476 | 29,014 | 29,104 | |
| Appropriation for delivery of Output 1 | 182,308 | 185,367 | 206,147 | 179,262 | |

- (a) All funding for local government roads (including Black Spot and other road safety initiatives) has been included in Output 1. As the new output structure recently implemented by the MRD is refined, some of these costs may be reallocated in future years across the full range of outputs.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Lane kilometres of State and National road network managed ^(b) | 37,457 | 38,498 | 37,643 | 37,822 | |
| Local authorities receiving funding | 142 | 142 | 142 | 142 | |
| Quality | | | | | |
| The community's satisfaction with Main Roads overall performance in relation to the communication and provision of information | 80% | 80% | 76% | 80% | |
| Timeliness | | | | | |
| Level of customer service responsiveness | (a) | (a) | (a) | (a) | |
| Cost (Efficiency) | | | | | |
| Average cost per lane kilometre of road network managed | \$1,486 | \$1,494 | \$1,526 | \$1,470 | |
| Average funding per local authority | \$841,915 | \$710,148 | \$849,739 | \$670,873 | The lower average reflects lower funding levels. |
| Full Time Equivalents (FTEs) | 284 | 257 | 279 | 236 | |

- (a) A survey is currently being developed for this measure.
- (b) The methodology for calculating lane kilometres has changed. The 2003/04 reflects the previous practice.

Major Achievements For 2003-04

- Black Spot Program Database – A database was developed to improve reporting and management of the program via timely financial and physical progress reports, to ensure maximum benefit and safety outcomes are achieved.
- Crash Data Analysis – Crash data analysed to produce network average crash rates, costs, hazardous locations and to identify black spot locations.
- Disability Awareness Training – Disability awareness training was completed for all staff to increase understanding of the needs of people with disabilities. Main Roads is committed to providing a safe and efficient road network to all users, not only motorists, but also pedestrian, cyclists and those with special needs.
- Vulnerable Road User Training Courses – Metropolitan and regional courses were conducted to help educate pedestrians and cyclists to use the road network in a safe and efficient manner.
- 50 kilometres/hour Evaluation and Surveys – Review of crash and speed data for 120 Metropolitan and 80 Rural sites was undertaken.

- Cyclist and Pedestrian Planning Studies – Planning studies to determine pedestrian and cyclist demand and actual crossing points were completed for West Coast Highway and Cockburn Road resulting in some improvements to be undertaken. Works on West Coast Highway are due to be completed in May 2004 and works on Cockburn Road Stage 2 (Mayor Road to Beelihar Drive connecting to Woodman Point Caravan Park) are due to be completed by June 2004.
- Road Safety Trials and Innovations – the painting of 40 kilometres/hour signs on the road at school zones has been completed following 24 months of speed surveys. A trial of flashing lights at school zones is continuing.

Major Initiatives For 2004-05

- Customer Contact Centre - a feasibility study on the establishment of a Customer Contact Centre to improve access and service for our customers has been completed. Pending a positive outcome of the study, implementation of the centre would commence in early 2005. This Project is one of the key initiatives arising from Main Road's Strategic Plan and is consistent with our revised values "going to extraordinary lengths to understand and provide what is important to our customers".
- Develop Intelligent Transport System (ITS) Strategy – new and emerging technologies, such as ITS, offers opportunities to improve the operations of the road network. In consultation with key stakeholders, Main Roads will develop a new ITS strategy that will increase road safety and provide efficient road access.
- Battery Backup for Traffic Signals – Implement a trial of battery backup for traffic signals to allow for continual operation during power blackouts.
- Implement General Notices for Heavy Vehicles – Efficiency in the road transport industry will be improved by allowing heavy vehicles to access the road network using General Notices rather than trip-specific permits.
- Minimise Road Factors Contributing to Road Trauma – Implement consistent State-wide crash investigation procedures. Undertake high level analysis of crash data at State, regional and local government level to identify trends and recommend appropriate treatments.
- New Infrastructure Developments – Manage traffic impacts of new transport infrastructure developments. It is important that traffic impacts are considered and managed to ensure minimal disruption to road users during construction of projects such as Roe Highway, Tonkin Highway and the New MetroRail project.

Output 2: Road-use efficiency improvements

Works aimed at optimising utilisation, by improving the capacity of the existing network. This is achieved through works such as those that improve the efficiency of traffic flow and those that incorporate geometric improvements. Road improvements facilitate more efficient movement of people and goods to meet the requirements of a growing and diversified economy. Improvements include providing a road of improved standard with geometric improvements; passing, climbing, overtaking and auxiliary lanes; road widening; bridge strengthening and intersection improvements including roundabouts and interchanges.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 39,624 | 48,588 | 42,614 | 46,595 | |
| Less Revenues from Ordinary Activities | 17,111 | 6,994 | 9,375 | 22,464 | |
| Net Cost of Output | 22,513 | 41,594 | 33,239 | 24,131 | |
| Adjustments ^(a) | 1,141 | 7,238 | 5,445 | 4,677 | |
| Appropriation for delivery of Output 2 | 23,654 | 48,832 | 38,684 | 28,808 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Lane kilometres of improvements constructed | 151 | 168 | 111 | 198 | |
| No of improvements | 82 | 30 | 62 | 41 | |
| Square metres of bridgedeck strengthened | 3,972 | 9,629 | 5,963 | 2,888 | |
| Quality | | | | | |
| The quality of road improvements are measured as a percentage of the road network that meets the following current operational standards: | | | | | |
| Seal width | 82.5% | 81.8% | 82.0% | 82.5% | |
| Shoulder width | 67.4% | 70.0% | 68.0% | 68.5% | |
| Design speed | 79.7% | 79.7% | 80.0% | 80.3% | |
| The quality of bridge improvements are measured as a percentage of bridges that meet the following current operational standards: | | | | | |
| Bridge standards (width) | 94.1% | 94.0% | 94.2% | 94.5% | |
| Bridge standards (strength)..... | 91.5% | 92.0% | 91.7% | 92.0% | |
| Timeliness | | | | | |
| Road improvements completed within the agreed 12 month timeframe or as specified for individual major projects ^(a) | | | | | |
| | (a) | 95% | 86% | 100% | Seal widening works have been rescheduled in 2003-04 to coincide with term contract maintenance activities. |
| Bridge improvements completed within the agreed 12 month timeframe or as specified for individual major projects ^(a) | | | | | |
| | (a) | 95% | 74% | 100% | Works on the Ashburton River Bridge have been impacted by tropical cyclone Monty. |
| Cost (Efficiency) | | | | | |
| Average road improvement cost per lane kilometre..... | \$159,841 | \$200,324 | \$241,409 | \$197,668 | |
| Average cost per intersection improvement..... | \$155,829 | \$46,610 | \$80,797 | \$68,468 | |
| Average bridge strengthening per square metre..... | \$682 | \$1,406 | \$1,813 | \$1,610 | |
| Full Time Equivalents (FTEs) | 64 | 79 | 67 | 73 | |

(a) Actual timeliness measures for 2002-03 are not available in the new Output formats.

Major Achievements For 2003-04

- Great Northern Highway Section 4 (Rutland Road to Metro Boundary) – A contract to reconstruct and widen a 5 kilometre section of the road to provide two 3.5 metre lanes with 2 metre sealed shoulders was awarded in December 2003. Construction of 3.5 kilometres of road is due to be completed by May 2004 and the remainder of the works is to be completed in late 2004 or early 2005. This project will improve 'ride quality' of the highway and provide increased efficiency for the movement of High Wide Loads.
- Victoria Quay Stage 1 – design finalised with construction of the new link road between Beach St and Queen Victoria St in Fremantle anticipated to commence in June 2004. The one-way link will allow safer exit from Victoria Quay for heavy vehicles accessing Canning Hwy. The remainder of the link (the reverse direction) will be built later when further funds became available.
- Derby Highway (Great Northern Highway – Derby Airport) – works to widen and seal 6.2 kilometres to 8 metre width and remove dangerous crests and realign curves were completed in December 2003. This road is the only sealed road linking Derby with Great Northern Highway and forms part of the inter-town route between Broome and Derby. It provides access to the Derby Export Facility, Derby Airport and serves as the access road to Curtin Air Base, an important defence installation in the North West.
- Great Northern Highway (East Kimberley) and Victoria Highway- completion of the strengthening of two bridges (Mistake Creek and Frog Hollow Creek) with extensive guardrail upgrades.

- Toodyay Road – contract to construct a passing lane east of Gidgegannup was awarded and construction commenced in February 2004.
- Military Road Crossover – The crossover between Military Road and Roe Highway was constructed to High Wide Load standards. This will allow oversize loads heading to Great Eastern Highway and Great Northern Highway to access Roe Highway and avoid the current route that passes through Midland Redevelopment Authority (MRA) land. The project will have road safety benefits and assist with MRA's redevelopment of the area.
- Great Eastern Highway bridge over Helena River in Guildford – bridge strengthened with a concrete overlay to improve rideability and to extend the life of the bridge.
- Albany Highway bridge over Canning River – bridge strengthened with a concrete overlay, and the dual use path upgraded.
- Great Eastern Highway - Completion of widening of 17 kilometres of pavement on the section of the National Highway between Merredin and Walgoolan.
- Great Eastern Highway - Completion of reconstruction and widening of 15.5 kilometres of pavement on the section of the National Highway between Tammin and Kellerberrin.
- Great Eastern Highway - Completion of westbound passing lane east of Clackline as part of program to improve passing opportunities on the National Highway.
- Albany Highway - Improvements made to the junction with Shamrock Road in the Shire of Kojonup. The sealed widening works allow for the provision of a right turn lane increasing traffic efficiency and increased safety.
- Albany Highway - Improvements to the junction with Link Road in the City of Albany. The sealed widening works allow for the provision of a right turn lane increasing traffic efficiency and increased safety.
- Coolgardie Esperance Highway – Realignment and reconstruction of 2 kilometres of road at Shark Lake north of Esperance. The works will increase sight distances to the Shark Lake railway level crossing, improve drainage and increase the seal width to 9.0 metres. This will minimise the risk of road closure due to flooding and improve road safety over this section.
- Great Eastern Highway – Shoulder sealing of 27 kilometres of road between Coolgardie and Southern Cross. These works provide a low cost widening treatment, increasing the seal width on this section of the National Highway to 8.0 metres.

Major Initiatives For 2004-05

- Great Northern Highway Section 3 (Apple Street - Warbrook Road and Stock Road to Bullsbrook Road) - Design and documentation for the reconstruction and widening of 7.5 kilometres of road to provide two 3.5 metre lanes with 2 metre sealed shoulders is to be completed in early 2004. Construction is planned in 2004-05 subject to the availability of federal funding. This project will improve 'ride quality' of the highway and provide increased efficiency for the movement of High Wide Loads. The balance of this section has previously been upgraded and this project addresses the outstanding sections with the highest roughness and ride quality.
- Great Northern Highway Section 2 (West Swan Road to Apple Street) - Design and documentation to reconstruct and widen 2.5 kilometres of roads to provide two 3.5 metre lanes with 2 metre sealed shoulders including a central 3.5 metre median with right and left turn pockets and bus embayments is to be completed in early 2004. Construction is planned in subsequent years subject to the availability of federal funding. This project will improve 'ride quality' of the highway and provide increased efficiency for the movement of High Wide Loads.
- Great Northern Highway – other works on this National Highway include providing passing lanes between Muchea and Wubin, replacing Ki-it Brook Bridge with culverts and reconstructing and realigning various sections between Waddington & Miling.
- Derby Highway (Great Northern Highway – Derby Airport) – works to seal 7.8 kilometres and widen to 8 metre width are scheduled to commence in May 2004 with completion anticipated in September 2004. The widening works, which includes removal of dangerous crests, and realigning curves will improve traffic efficiency and increase road safety.

This road is used by various types of vehicles including road trains carting lead/zinc ore to the Derby Port. The works will also reduce maintenance costs caused by excessive edge wear.

- Great Eastern Highway - Reconstruct and widen various sections of the National Highway between Hines Hill and Walgoolgan.
- South Coast Highway - Improve the intersection with Gairdner South Road in the Shire of Jerramungup. The sealed widening works allow for the provision of a right turn lane increasing traffic efficiency on the highway and increased safety for vehicles accessing the Gairdner Primary School.
- South Coast Highway - Improve the intersection with the Bremer Bay Road in the Shire of Jerramungup. The sealed widening works allow for the provision of right and left turn lanes increasing traffic efficiency for heavy haulage vehicles on the Highway and increased safety for commuter and tourist traffic en-route to Bremer Bay.
- Albany Highway - Lake Grace Road - Improve the intersection with the Bluff Knoll Road in the Shire of Gnowangerup. The sealed widening works allow for the provision of a right and left turn lanes increasing traffic efficiency for heavy haulage vehicles on the highway and increased safety for tourist traffic visiting the Stirling Range National Park.
- Metropolitan Regional Road Group Improvement projects - undertake various rehabilitation and improvement works on Metropolitan Local Roads in conjunction with local government. Works to be carried out include various sections of Nicholson Road (City of Canning), Alexander Drive (City of Wanneroo), Joondalup Drive (City of Joondalup), Lloyd Street (City of Swan), Champion Drive (City of Armadale) and Harborne Street (City of Stirling).

Output 3: Road infrastructure for community access

Initiatives aimed at improving community access (especially for remote communities), personal mobility and road user amenities.

These works include providing access improvement infrastructure, pedestrian facilities, cyclist facilities, vulnerable road users facilities, road user amenities, public transport integration and floodways.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 43,841 | 27,952 | 33,723 | 28,813 | |
| Less Revenues from Ordinary Activities | 15,665 | 12,662 | 18,051 | 26,305 | |
| Net Cost of Output | 28,176 | 15,290 | 15,672 | 2,508 | |
| Adjustments ^(a) | 1,428 | 2,661 | 2,567 | 486 | |
| Appropriation for delivery of Output 3 | 29,604 | 17,951 | 18,239 | 2,994 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Lane kilometres of access provided..... | 161 | 51 | 76 | 34 | |
| No of works undertaken | 9 | 16 | 17 | 5 | |
| Square metres of bridge deck | 4,409 | 457 | 594 | 2,877 | |
| Quality | | | | | |
| Community satisfaction with the provision of roads | 83% | 80% | 88% | 80% | |
| Working to Improve user access to roads | 83% | 80% | 85% | 80% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Timeliness | | | | | |
| Projects completed within the agreed 12 month timeframe or as specified for individual major projects | (a) | 100% | 96% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of road construction per lane kilometre..... | \$179,414 | \$452,929 | \$384,819 | \$377,253 | |
| Average cost of treatments undertaken..... | \$168,428 | \$20,483 | \$62,500 | \$114,978 | |
| Average cost of bridge deck per square metre. | \$3,048 | \$9,901 | \$5,748 | \$5,357 | |
| Full Time Equivalents (FTEs) | 71 | 49 | 54 | 48 | |

(a) Actual timeliness measures for 2002-03 are not available in the new Output formats.

Major Achievements For 2003-04

- Karratha – Tom Price Stage 1 – Construction of a 25 kilometre two lane sealed road north of Tom Price to the Nanutarra – Munjina Road including construction of a bridge over the Hamersley Iron railway commenced in January 2003 and was completed in December 2003. This project has reduced travel distance and time while improving the level of service for freight, tourists and local traffic.
- Gibb River Road – this project is a part of a strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities. Works completed include sealing of approximately 270 kilometres east of Kimberley and the reconstruction and stabilisation of floodways in the Hann River vicinity.
- Tanami Road - works in conjunction with the Shire of Halls Creek to improve 8 kilometres of gravel road and install culverts at Sturt Creek were completed. This is part of the upgrade strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities.
- Principal Shared Paths – the construction of 2.1 kilometres of principal shared paths from Caledonian Avenue to Tonkin Highway providing a link to other pedestrian and cycling facilities was completed in February 2004.
- Marble Bar Road – construction and sealing of the remaining unsealed road between the Shaw River and the Ripon Hills turnoff was completed in January 2004. This project has provided sealed access to Marble Bar and a sealed link to the Ripon Hills Road. It reduced the risk of road closures due to flooding and resulted in improved level of service to the mining industry and to the local communities.
- Brookton Highway (Karlgin – Hyden) – works continuing on the reconstruction and widening of the narrow seal section of the Brookton Highway between Karlgin and Hyden. This will provide improved access for tourists to Wave Rock.

Major Initiatives For 2004-05

- Gerard Street Bridge – Main Roads is delivering a new road bridge over the railway line at Gerard Street, Cannington on behalf of the City of Canning and the Public Transport Authority. Work is anticipated to commence in late March 2004 and be completed by December 2004. The new bridge will permit the closure of the nearby Crawford Street grade crossing when trains bring services to Thornlie in 2005.
- Tanami Road – Construct concrete crossing and culverts at Sturt Creek which will significantly improve access to Aboriginal Communities.
- Broome Cape Leveque Road (Lombadina/Djarindjin to Bardi/One Arm Point) - Works to construct and seal 26 kilometres of Cape Leveque Road and adjoining roads are scheduled to commence in May 2004 with completion due in September 2004. This project will improve access to aboriginal communities and allow both communities all weather access to the airstrip near Lombadina Community. Other benefits include a reduction in vehicle damage and travel time, improvement in freight efficiency and provision of opportunities for economic development of the Dampier Peninsula.

- Great Northern Highway- Construction of four bridges and approaches at Evire River, Palm Creek, Upper Pantan River and Roses Yard Creek will significantly reduce road closures in the East Kimberley.
- Principal Shared Paths – The construction of principal shared paths such as 1.5 kilometres from Albany Highway to Fremantle Road, 2 kilometres from Kenwick Station to Maddington Station and 1.3 kilometres from Dorothy Street to Tonkin Highway, will provide links to other pedestrian and cycling facilities.

Output 4: Road-use safety improvements

Main Roads aims to provide an accessible road system in a safe environment for all road users in a growing and diversifying economy.

Works undertaken are with safety as the foremost factor and include the State and National Black Spot projects and various projects that improve safety on the existing road network including passing, climbing, overtaking and auxiliary lanes.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 23,128 | 18,624 | 33,003 | 15,166 | |
| Less Revenues from Ordinary Activities | 9,498 | 5,460 | 12,048 | 8,128 | |
| Net Cost of Output | 13,630 | 13,164 | 20,955 | 7,038 | |
| Adjustments ^(a) | 691 | 2,291 | 3,432 | 1,364 | |
| Appropriation for delivery of Output 4 | 14,321 | 15,455 | 24,387 | 8,402 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Lane kilometres of safety improvements provided..... | 703 | 253 | 374 | 79 | |
| No of safety improvements..... | 116 | 94 | 134 | 66 | |
| Quality | | | | | |
| Community satisfaction - road safety - | | | | | |
| Rural Highways | 89% | 80% | 87% | 80% | |
| Metro Highways | 94% | 90% | 95% | 90% | |
| Metro Freeways..... | 97% | 90% | 96% | 90% | |
| Timeliness | | | | | |
| Safety improvements completed within the agreed 12 month timeframe | (a) | 95% | 97% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of road construction per lane kilometre..... | \$16,159 | \$35,096 | \$42,708 | \$68,995 | |
| Average cost of improvements undertaken..... | \$101,452 | \$103,664 | \$127,090 | \$147,207 | |
| Full Time Equivalents (FTEs) | 38 | 31 | 51 | 24 | |

(a) Actual timeliness measures for 2002-03 are not available in the new Output formats.

Major Achievements For 2003-04

- State Black Spot Program - A total of \$15 million was directed towards projects with high safety benefits. A total of 78 projects were undertaken on State Roads plus 237 projects on local roads. Significant projects undertaken include:
 - West Coast Highway – improved pedestrian access to the coastal strip and reduced conflict at major intersections by the installation of three new sets of traffic signals and modifications to existing turning movements;
 - West Road – modify intersection by extending existing turning pockets; and

- Bussell Highway, Augusta – Margaret River – widen road and improve intersections by providing turning pockets and auxiliary lanes.
- National Black Spot Program – The Commonwealth Government provided a total of \$6.5 million which enabled 16 projects on State roads and 64 projects on Local roads across the State to be undertaken.
- Other significant safety projects undertaken include:
 - Leach Highway - in addition to the provision of street lighting under the State Black Spot Program, various works are being undertaken on Leach Highway including the provision of street lighting between Welshpool Road and Orrong Road, construction of two bus embayments at Rossmoyne, construction of noise walls, provision of anti-skid treatments and the installation of traffic signal mast arms;
 - South Coast Highway - reconditioning and widening of 46 kilometres of shoulders between Wellstead and Boxwood Hill from 0.9 metres wide to 1.2 metres wide to improve the level of safety;
 - Perth-Bunbury Highway – improved access for traffic from growing coastal communities through the completion of the upgrading of three major intersections including installation of part traffic signal controls at Singleton Beach Road and Dampier Drive; and
 - South Western Highway – Improvements made to the junction with the Denmark - Mount Barker Road in the Shire of Denmark. The sealed widening works allow for the provision of right and left turn lanes increasing safety and traffic efficiency.

Major Initiatives For 2004-05

- Black Spot Program – The State Government’s commitment to road safety will continue with \$15.0 million being programmed for the State Black Spot program. Projects worth \$7.5 million at 158 locations will be funded on local roads plus an additional \$7.5 million will be funded for 45 projects on State roads. The projects all have high safety benefits and include anti skid treatments, which will assist in reducing roads as a factor in road crashes.
- The National Black Spot Programme, funded via the Commonwealth Government, will fund 64 additional projects around the State totalling \$5.8 million.
- Projects to be funded from the State Black Spot Program include:
 - Great Northern Highway / Hamilton Road Intersection – install right turn lane and painted island;
 - Reid Highway / Mirrabooka Avenue – modify traffic signals and apply high friction surfacing on approaches; and
 - Goldfields Highway – install advance warning lights at rail crossing.

Output 5: Road network maintenance

Works undertaken on the existing road network to provide, improve and maintain the road/bridge surface and roadside environment to a specified standard. These works include routine maintenance (works undertaken on a sporadic basis and include crack patching, patch potholes, control of declared plants and weeds, graffiti removal and litter collections), periodic maintenance (works include repairs to pavements, culverts and bridge decks, sealing and resealing of road surfaces and replacing line markings), reconstruction works where the primary reason for the works is due to pavement failure and managing and administering various Term Network Contracts and the Traffic Control Infrastructure (Maintenance) Contract.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 330,205 | 323,409 | 347,944 | 366,573 | |
| Less Revenues from Ordinary Activities | 38,627 | 30,432 | 36,530 | 36,706 | |
| Net Cost of Output | 291,578 | 292,977 | 311,414 | 329,867 | |
| Adjustments ^(a) | 14,776 | 50,983 | 51,009 | 63,935 | |
| Appropriation for delivery of Output 5 | 306,354 | 343,960 | 362,423 | 393,802 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Lane kilometres of the State and National road to be maintained..... | 37,457 | 38,498 | 37,643 | 37,822 | |
| Square metres of bridge deck to be maintained | 606,579 | 613,929 | 620,367 | 630,682 | |
| Quality | | | | | |
| Roughness: % of sealed National and State roads that meet the required roughness standard based on Austroads guidelines for roughness..... | 97.8% | 97.0% | 97.0% | 97.0% | |
| User Satisfaction Index - Road users' satisfaction with the road system based on a national survey with results calculated for each State and Territory (score is represented as an index out of 100)..... | (a) | 66.0 | 76.3 | 75 | |
| Timeliness | | | | | |
| Road surface maintenance, minor modification works and bridge maintenance completed within the agreed 12 month timeframe..... | 99.0% | 100% | 97% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost per lane kilometre of road network maintained | \$3,626 | \$3,703 | \$4,116 | \$4,333 | |
| Average cost per square metre of bridge deck maintained | \$32 | \$19 | \$23 | \$20 | |
| Average cost per lane kilometre of road network depreciated..... | \$4,666 | \$4,390 | \$4,743 | \$5,019 | |
| Full Time Equivalents (FTEs) | 252 | 247 | 263 | 276 | |

(a) Actual timeliness measures for 2002-03 are not available in the new Output formats.

Major Achievements For 2003-04

- Great Eastern Highway - work commenced to reconstruct and widen 21 kilometres of failing pavement on the section of the National Highway between Walgoolgan and Southern Cross.
- Great Northern Highway - Completion of rehabilitation and widening of 30 kilometres of failing pavement on the section of the National Highway between Bindoon Hill and Wubin
- Great Northern Highway – Rehabilitation and widening of 7.8 kilometres of failing pavement on two sections of the National Highway in the Pilbara Region.
- The Traffic Control Infrastructure Contract has continued to exceed performance targets for the operational availability of assets and response times to attend sites.
- Term Network Maintenance Contracts have been continually assessed to ensure value for money and a Performance Measurement Framework which provides improved and ongoing reporting on the performance of Term Network Contracts has been successfully introduced.
- Main Roads has an arrangement with Westnet Rail and the Public Transport Authority to pay 50% of running costs, maintenance costs and incident (repair) costs for all active rail level crossings. The amount has increased in recent years from about \$1 million annually to approximately \$1.9 million.
- Currently the Graham Farmer Freeway tunnel is closed on a quarterly basis for programmed maintenance. There have been other (limited) closures – generally reduced lanes – to enable testing of air monitoring equipment. This work has been done outside peak periods with little inconvenience to the road users.

Major Initiatives For 2004-05

- Eyre Highway – Commence reconstruction and widening of Caiguna East and Balladonia sections as part of an ongoing program to rehabilitate failing sections of pavement and to widen this important east west national highway link.
- Causeway Bridges – Concrete repairs to be carried out to maintain the integrity of the structure.
- Great Eastern Highway - Complete alliancing contract to reconstruct and widen 21 kilometres failing pavement on the section of the National Highway between Walgoolgan and Southern Cross.
- Continued implementation of the maintenance of railway level crossings in partnership with Westnet Rail and the Public Transport Authority. Main Road's contribution of \$1.8 million is to maintain approximately 500 sets of active rail/road level crossings.
- Maintenance closures of the Graham Farmer Freeway tunnel will continue to occur on a quarterly basis with funds of \$3.5 million allocated for general maintenance.
- \$15 million has been notionally allocated towards the maintenance of bridge assets. Significant projects include Albany Highway \$0.9 million, Bridge 1040 Collie River \$0.8 million and Blands Brook Bridge 291 \$0.5 million.
- Ongoing assessment of the Term Network Contracts and the Traffic Control Infrastructure Contract.

Output 6: Road infrastructure for state development

Works aimed at increasing the capacity of the road network through the addition of new links and additional continuous lanes, to facilitate the economic and regional development of the State. These works include some State initiated major projects on local roads. Accessibility is the key component in the development of a growing and diversifying economy. By increasing the capacity of the road network, new roads/bridges support economic growth and regional development.

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated Actual | 2004-05 Budget Estimate | Reason for Significant Variation |
|---|-------------------|-------------------|--------------------------------|-------------------------------|----------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Output..... | 83,903 | 142,731 | 102,432 | 152,742 | |
| Less Revenues from Ordinary Activities | 22,030 | 31,850 | 30,641 | 54,720 | |
| Net Cost of Output | 61,873 | 110,881 | 71,791 | 98,022 | |
| Adjustments ^(a) | 3,135 | 19,295 | 11,759 | 18,999 | |
| Appropriation for delivery of Output 6 | 65,008 | 130,176 | 83,550 | 117,021 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Lane kilometres of metropolitan roads constructed..... | 103 | 81 | 44 | 110 | |
| Lane kilometres of rural roads constructed..... | 291 | 77 | 47 | 12 | |
| Square metres of bridge deck constructed - metropolitan bridges | 1,170 | 7,212 | 9,299 | 9,100 | |
| Square metres of bridge deck constructed - rural bridges..... | 0 | 66 | 636 | 1,443 | |
| Quality | | | | | |
| New Works meeting operational standards..... | 100.0 | 100.0 | 100.0 | 100.0 | |
| Timeliness | | | | | |
| Construction projects completed within the agreed 12 month timeframe or as specified for individual major projects..... | (a) | 100% | 86% | 100% | Improvements to the Great Eastern Highway delayed by Land Acquisition issues and construction of Roe Highway Stage 7 delayed by environmental issues. |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Cost (Efficiency) | | | | | |
| Average road construction cost per lane kilometre - Metro..... | \$514,802 | \$1,067,478 | \$1,338,992 | \$1,019,668 | |
| Average road construction cost per lane kilometre - Rural..... | \$83,281 | \$291,182 | \$389,879 | \$1,292,602 | Increase in 2004-05 reflects high costs for Geraldton Southern Transport Corridor, which is a controlled access highway. |
| Average bridge construction cost per square metre - Metro..... | \$5,678 | \$4,526 | \$2,586 | \$2,326 | |
| Average bridge construction cost per square metre - Rural..... | \$0 | \$18,207 | \$1,796 | \$2,706 | Increase in 2004-05 reflects high costs for Geraldton Southern Transport Corridor. |
| Full Time Equivalents (FTEs) | 136 | 232 | 161 | 238 | |

(a) Actual timeliness measures for 2002-03 are not available in the new Output formats.

Major Achievements For 2003-04

- Roe Highway (Nicholson Road – South Street) – a contract for the design and construction of this project was awarded in September 2002 with a project completion date of April 2004. It includes the construction of replacement wetlands, noise barriers and screen walls which will improve road safety, reduce freight and transport costs, and improve amenities and access between Midland/Kenwick and Fremantle.
- Agricultural Lime Sands Route 2 (New Norcia – Goomalling) – this project involves reconstruction, realignment, widening and various safety improvements over 78 kilometres of road. These works will reduce freight and transport costs and will improve road safety on the East West Heavy Haulage Route (Local Roads) between New Norcia and Goomalling.
- Geraldton Southern Transport Corridor - a contract for design and construction, with a project completion date of April 2006, was awarded in September 2003. This project will provide an alternative route for freight vehicles and rail freight, which will improve access and efficiency for the transport industry and improve safety for all road users by reducing conflict between road and rail freight and passenger vehicles.
- Mowen Road - Ongoing construction and sealing of this local road between Margaret River and Nannup will improve access for tourism and reduce transport costs for the cartage of bluegum plantation timber.
- Grain Logistics Roads - Ongoing improvements to local roads will reduce transport costs for the cartage of grain.
- Bluegum Plantation Roads - Ongoing improvements to local roads in the South West and Great Southern Regions to reduce transport costs for the cartage of Bluegum plantation timber.

Major Initiatives For 2004-05

- Great Eastern Highway (Sawyers Valley – The Lakes) – Upgrading of Great Eastern Highway (GEH) to a four lane dual carriageway from Old Sawyers Road, east of Sawyers Valley, up to the Chidlow to York Road (also known as the Lakes turn-off). This will involve reconstruction, realignment and widening a 13 kilometres section of the highway to National Highway standards. GEH is a major east-west link and carries a high percentage of commercial vehicles. The upgrade works will significantly enhance safety and efficiency by better managing steady traffic increases linked to ongoing residential and commercial development in the hills area. Construction will commence in April 2004 with completion in May 2005.
- Roe Highway (South Street to Kwinana Freeway) – An Alliance Contract for the design and construction of 4.5 kilometres of dual carriageway at freeway standard, with grade separations at South Street, Karel Avenue and the Kwinana Freeway, was awarded in November 2003 with an estimated completion date of December 2005. A principal shared path is also to be built on the north side of the highway interconnecting with the adjacent local network and the principal shared path on the west side of the Kwinana Freeway, further improving community accessibility. The project, which also includes the construction of socio-environmental infrastructures such as noise barriers, screen walls and

fauna underpasses, will improve road safety, reduce freight transport costs and enhance community amenities and access between Midland/Kenwick to Kwinana and beyond.

- Tonkin Highway (Mills Road West – Thomas Road) – A design and construct contract was awarded in January 2003 for the construction of 18 kilometres of 4 lane controlled access highway with the first stage to Armadale Road completed in December 2004, and the second stage to reach Thomas Road by 2006. The highway will provide a bypass route to the west of the urban areas that will remove much of the regional traffic and concentrate heavy freight vehicles on a purpose built high standard road away from residential streets thereby improving road safety and residential amenity.
- Armadale Road Widening – Works to widen Armadale Road from Forrest Road to Lakes Road will be undertaken in 2004.
- Mitchell Freeway Extension Hodges Drive to Burns Beach Road - This project has been divided into two sections to enable Section 1, Hodges Drive to Shenton Avenue, to commence construction in early 2005. This section includes a 1.8 kilometres extension of the freeway, construction of interchanges at Hodges Drive and Shenton Avenue and two principal shared path underpasses with works scheduled for completion in 2005-06.
- Lancelin-Cervantes – Design and documentation and land acquisition are anticipated to be completed by the end of 2004 for this last section of the coastal road link from Perth to Dongara. The project is a new construction on a green field site and includes a realignment of Mimegarra Road (unsealed) and connections to Wedge Island, Grey and Ocean Farm Estate.
- Agricultural Lime Sands Route 2 (New Norcia – Goomalling) - the project to upgrade a section between New Norcia and Goomalling includes reconstruction, realignment, widening and various safety improvements over 78 kilometres of roads. Works to be undertaken in 2004-05 includes 8 kilometres of sealing, 6 kilometres of widening and overlay, 1 kilometres of realignment, 2 kilometres widening of existing pavement and two intersection improvements.
- Mowen Road - Ongoing construction and sealing of this local road between Margaret River and Nannup will improve access for tourism and reduce transport costs for the cartage of bluegum plantation timber.
- Grain Logistics Roads - Ongoing improvements to local roads will reduce transport costs for the cartage of grains.
- Bluegum Plantation Roads - Ongoing improvements to local roads in the South West and Great Southern Regions to reduce transport costs for the cartage of Bluegum plantation timber.

CAPITAL WORKS PROGRAM

The capital expenditure for Main Roads in 2004-05 totals \$376.2 million comprising the purchase of operating assets (\$6.5 million) and roadworks (\$369.7 million) that include improvements to and expansion of the road networks in the State.

Road improvements are aimed at increasing the efficiency and effectiveness of the existing road network as part of an integrated transportation system (including cyclist and pedestrian facilities) through the implementation of improvement works aimed at:

- safety, minimising crashes and injuries associated with road use;
- travel demand management, ensuring efficient freight and commuter traffic movement;
- level of service management, ensuring the service level provided by the road network consistently conforms to the needs of all road users, the community and government;
- integration of modes, integrating road use with public and other transport modes; and
- road environment, ensuring that road use is environmentally sensitive.

The expansion of the road network focuses on meeting the road transportation needs of future generations that cannot be met by improving the existing road network. This involves planning and construction of new roads to extend the existing road network and major widening of existing roads.

The operating assets provision includes funds directed towards the construction of new offices at Bunbury and Boulder as well as extensions at Narrogin and Albany. The new facilities will provide for changes in operational activities, and where appropriate, the requirements of other agencies within the Planning and Infrastructure portfolio.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Abernethy Road - Tonkin Hwy - Construct Interchange..... | 6,932 | 5,620 | 313 | 1,312 |
| Albany Ring Road - Chester Pass Rd to Albany Hwy - Construct and Seal | 7,926 | 526 | 101 | - |
| Bibbawarra Road - Construct Floodway over Gascoyne River..... | 3,287 | 287 | 225 | 3,000 |
| Brookton Highway - Corrigin to Hyden - Widen | 30,295 | 10,350 | 3,322 | 1,000 |
| Broome-Cape Leveque Road - Various Improvements..... | 16,260 | 5,980 | 1,071 | 1,550 |
| Buildings and Equipment | 56,050 | 15,100 | 8,736 | 6,550 |
| Bussell Highway - Vasse to Margaret River - Widen and Reconstruct | 18,417 | 1,717 | 939 | - |
| Carnarvon to Mullewa Road - NW Coastal Hwy to Gascoyne Junction - Construct and Seal | 24,069 | 10,246 | 2,811 | 3,257 |
| Cervantes to Greenhead Road - Lancelin to Cervantes - Design and Construct..... | 42,847 | 2,847 | 841 | - |
| Derby Highway - Derby Spur -Widen and Seal | 16,556 | 4,406 | 3,557 | 2,350 |
| East-West Heavy Haulage Route - Lime Sands Route Stage 1- Construct | 27,423 | 24,847 | 2,244 | 1,076 |
| Freight Network Review - Leach Highway – Various Traffic Management Improvements | 1,500 | 1,500 | 1,500 | - |
| Geraldton to Mt Magnet Road - Bringto to Mullewa - Widen and Primerseal..... | 5,777 | 4,127 | 100 | 1,100 |
| Geraldton Southern Transport Corridor Stage 1– Construct | 37,660 | 13,383 | 4,975 | 21,777 |
| Gibb River Road - Derby -Gibb River -Wyndham - Improve Formation and Gravel | 25,069 | 9,569 | 2,000 | 1,000 |
| Graham Farmer Freeway - Design and Construct..... | 387,045 | 386,745 | 528 | 300 |
| Great Central Road (Outback Highway) - Laverton to Docker River - Improve Formation and Gravel | 19,506 | 6,145 | 1,500 | 500 |
| Great Eastern Highway - Hines Hill to Merredin - Reconstruct..... | 17,784 | 1,048 | 818 | 5,744 |
| Merredin to Walgoolan- Reconstruct..... | 12,875 | 1,749 | 1,685 | 3,812 |
| Sawyers Valley to The Lakes - Reconstruct and Duplicate..... | 34,732 | 5,541 | 3,695 | 29,191 |
| Walgoolan to Southern Cross - Reconstruct | 39,678 | 1,500 | 1,500 | 1,500 |
| Great Northern Highway - Dunham Deviation - Construct | 13,643 | 353 | 353 | 360 |
| Elvire River and Palm Creek - Construct Bridges..... | 8,039 | 1,263 | 1,063 | 6,736 |
| Roe Highway to Muchea - Reconstruct and Widen | 34,448 | 4,402 | 3,795 | 5,156 |
| Upper Panton, Roses Yard and Fletcher's Creeks - Construct Bridges..... | 9,681 | 1,565 | 1,214 | 7,936 |
| Karratha to Tom Price Link Road - Stage 1 - Construct and Seal | 25,975 | 25,509 | 12,541 | 466 |
| Stage 2 - Construct and Seal | 81,019 | 1,019 | 120 | - |
| Marble Bar Road - Ripon Hills to Shaw River - Construct and Primerseal | 47,748 | 41,248 | 8,218 | 500 |
| Minor Works (includes Black Spot and urgent minor works)..... | 475,932 | 134,944 | 134,490 | 82,482 |
| Mitchell Freeway - Hodges Drive to Shenton Avenue - Construct | 45,500 | 500 | 402 | 30,000 |
| Mowen Road - Rosa Brook Rd to Nannup - Construct and Seal | 14,187 | 2,926 | 910 | 931 |
| Mt Magnet-Agnew-Youanmi - Youanmi Turnoff to Agnew - Design, Construct and Seal..... | 63,594 | 63,139 | 3,345 | 455 |
| Muir's Road - Mt Barker Northern Bypass - Construct | 6,162 | 1,162 | 170 | - |
| Nyamup to Strachan - Reconstruct | 8,341 | 2,116 | 734 | 1,975 |
| North West Coastal Highway - Ashburton River Bridge - Construct | 10,733 | 7,782 | 7,302 | 2,951 |
| Operational Costs | 318,789 | 84,477 | 51,338 | 53,906 |
| Perth Access Plan - Various Improvements..... | 18,057 | 18,007 | 166 | 50 |
| Perth to Bunbury Highway - Dawesville Deviation - Construct and Seal..... | 15,814 | 15,014 | - | 800 |
| Peel Deviation - Construct and Seal Including Bridges | 71,766 | 1,666 | 700 | 100 |
| Perth Bicycle Plan - Stage 2 - Safety and Network Improvements..... | 13,425 | 3,535 | 3,130 | 5,890 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| Roe Highway - | | | | |
| Nicholson Rd to South St - Construct and Seal..... | 37,065 | 31,514 | 17,305 | 5,551 |
| South Street to Kwinana Freeway - Construct and Seal Including Bridges..... | 66,000 | 5,814 | 5,291 | 42,278 |
| Welshpool Rd to Nicholson Rd - Construct and Seal | 78,165 | 77,185 | 848 | 980 |
| Tanami Road - | | | | |
| Improve Formation and Drainage | 10,103 | 4,103 | 3,200 | 1,000 |
| Tonkin Highway - | | | | |
| Mills Rd West to Thomas Rd - Design and Construct | 145,473 | 77,164 | 53,810 | 26,057 |
| Various Local Roads - | | | | |
| Blue Gum Plantation - Various Improvements | 51,584 | 2,777 | 524 | 1,424 |
| Grain Logistics - Improvements | 19,753 | 7,553 | 1,070 | 750 |
| Railway Crossings - Improvements | 45,440 | 16,440 | 3,187 | 3,400 |
| York to Merredin Road - | | | | |
| Widen and Seal..... | 6,095 | 3,245 | 600 | 800 |
| COMPLETED WORKS | | | | |
| Albany Highway - | | | | |
| Gosnells Townsite - Revitalisation Project | 5,000 | 5,000 | 1,500 | - |
| Great Eastern Highway - | | | | |
| Northam Bypass - Design and Construct | 49,260 | 49,260 | 4,040 | - |
| Great Northern Highway - | | | | |
| Ord River Bridge - Construct Bridge and Approaches..... | 12,139 | 12,139 | 110 | - |
| Yardie Creek Road - | | | | |
| Construct and seal..... | 4,958 | 4,958 | 90 | - |
| NEW WORKS | | | | |
| Armadale Road | | | | |
| Wungong Brook East of Lake Rd to Tonkin Hwy - Construct Second Carriageway (Plus LGA & Developer Contributions)..... | 1,500 | - | - | 1,500 |
| Great Northern Highway - | | | | |
| Waddington to Miling - Realign and Reconstruct..... | 17,200 | - | - | 3,000 |
| Port Beach Road - | | | | |
| North Fremantle – Realign and Construct..... | 4,750 | - | - | 1,750 |
| Various State Highways - | | | | |
| Grandstand Road - Ascot Waters - Construct | 2,000 | - | - | 2,000 |
| | 2,671,026 | 1,221,012 | 364,027 | 376,203 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 300,703 | 328,309 | 364,027 | 376,203 | 223,751 | 232,036 | 245,176 |
| Working capital requirement | | | | | | | |
| Loan repayments | 6,730 | 36,380 | 36,380 | 55,730 | 35,730 | 35,730 | 32,580 |
| | 307,433 | 364,689 | 400,407 | 431,933 | 259,481 | 267,766 | 277,756 |
| LESS | | | | | | | |
| Asset Sales | 2,121 | 2,500 | 3,750 | 4,000 | 4,000 | 3,000 | 3,000 |
| Borrowings | - | 20,000 | 20,000 | - | - | - | - |
| Commonwealth Grants | 53,209 | 39,400 | 64,455 | 89,378 | 48,511 | 45,881 | 34,331 |
| Drawdowns from the Holding Account..... | 6,301 | 13,083 | 13,773 | 18,749 | 24,852 | 31,037 | 37,226 |
| Funding included in output appropriations ^(a) .. | 95,580 | 88,759 | 70,782 | 38,303 | 59,270 | 77,670 | 98,420 |
| Other | - | 13,300 | 12,908 | 6,837 | 1,115 | 1,035 | 2,035 |
| Internal Funds and Balances | - | - | 25,532 | 103,060 | 35,730 | 35,730 | 32,580 |
| Capital Contribution..... | 150,222 | 187,647 | 189,207 | 171,606 | 86,003 | 73,413 | 70,164 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 54,705 | 55,500 | 55,500 | 55,500 | 56,000 | 56,500 | 56,950 |
| Superannuation | 8,063 | 9,700 | 9,900 | 9,900 | 9,900 | 9,900 | 9,900 |
| Grants and subsidies ^(b) | 79,559 | 57,088 | 57,088 | 51,088 | 50,221 | 49,190 | 49,190 |
| Supplies and services | 367,691 | 403,577 | 426,330 | 510,627 | 351,236 | 302,134 | 333,185 |
| Accommodation | 5,621 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Borrowing costs | 14,615 | 15,967 | 14,079 | 13,329 | 9,827 | 7,085 | 4,485 |
| Capital User Charge | - | 12,347 | 12,347 | 27,210 | 44,908 | 62,279 | 62,279 |
| Depreciation and amortisation | 178,891 | 172,459 | 182,000 | 193,273 | 201,708 | 208,022 | 212,925 |
| State Taxes | 3 | - | 520 | 520 | 520 | 520 | 520 |
| Costs of disposal of non-current assets | 768 | - | 2,500 | 2,000 | 2,000 | 1,200 | 1,200 |
| Other expenses | 28,578 | 40,600 | 30,727 | 27,202 | 20,369 | 18,533 | 21,793 |
| TOTAL COST OF SERVICES | 738,494 | 773,238 | 796,991 | 896,649 | 752,689 | 721,363 | 758,427 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 11,525 | 19,724 | 32,580 | 107,152 | 39,142 | 2,869 | 865 |
| Net Profit on disposal of non-current assets | - | 3,500 | - | - | - | - | - |
| Grants and subsidies | 89,686 | 71,302 | 83,573 | 133,260 | 91,344 | 71,454 | 68,644 |
| Proceeds from disposal of non-current assets .. | 2,374 | - | 3,750 | 4,000 | 4,000 | 3,000 | 3,000 |
| Other Revenue | 3,253 | 2,300 | 3,000 | 2,800 | 2,100 | 2,100 | 1,300 |
| Total Revenues from Ordinary Activities | 106,838 | 96,826 | 122,903 | 247,212 | 136,586 | 79,423 | 73,809 |
| NET COST OF SERVICES | 631,656 | 676,412 | 674,088 | 649,437 | 616,103 | 641,940 | 684,618 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 448,320 | 464,842 | 474,376 | 499,379 | 553,870 | 586,055 | 605,025 |
| Resources received free of charge | 501 | - | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 448,821 | 464,842 | 474,376 | 499,379 | 553,870 | 586,055 | 605,025 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | | | | | | | |
| Change in Equity arising from transfer of assets/liabilities | 83,237 | - | - | - | - | - | - |
| Extraordinary items | 172,928 | 276,900 | 259,054 | 230,910 | 146,875 | 110,320 | 113,010 |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 73,330 | 65,330 | 59,342 | 80,852 | 84,642 | 54,435 | 33,417 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 845, 875 and 895 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 45,340 | 2,079 | 45,959 | 30,636 | 30,234 | 41,560 | 46,497 |
| Restricted cash | 945 | - | 945 | 945 | 945 | 945 | 945 |
| Receivables | 11,347 | 9,111 | 12,226 | 12,399 | 10,734 | 7,211 | 8,178 |
| Inventories | 7,491 | 11,265 | 6,991 | 6,991 | 6,991 | 6,991 | 6,991 |
| Amounts receivable for outputs | 13,083 | 18,664 | 18,749 | 24,852 | 31,037 | 37,226 | 44,830 |
| Prepayments | 208 | 395 | 208 | 208 | 208 | 208 | 208 |
| Other | - | 166 | - | - | - | - | - |
| Total current assets | 78,414 | 41,680 | 85,078 | 76,031 | 80,149 | 94,141 | 107,649 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | 264,105 | 417,900 | 426,666 | 595,087 | 765,758 | 936,554 | 1,104,649 |
| Land and Buildings | 6,438,907 | 5,906,688 | 6,439,750 | 6,465,630 | 6,470,320 | 6,480,710 | 6,484,700 |
| Plant, equipment and vehicles | 6,330 | 5,468 | 6,060 | 6,050 | 5,900 | 5,750 | 5,600 |
| Roads network | 7,827,452 | 7,726,402 | 8,398,889 | 8,909,652 | 9,276,664 | 9,532,292 | 10,034,954 |
| Other Infrastructure | - | - | - | - | - | - | (189,308) |
| Inventories | 17,217 | 15,195 | 17,717 | 17,717 | 17,717 | 17,717 | 17,717 |
| Total non-current assets | 14,554,011 | 14,071,653 | 15,289,082 | 15,994,136 | 16,536,359 | 16,973,023 | 17,458,312 |
| TOTAL ASSETS | 14,632,425 | 14,113,333 | 15,374,160 | 16,070,167 | 16,616,508 | 17,067,164 | 17,565,961 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation | 13,164 | 11,759 | 13,164 | 13,164 | 13,164 | 13,164 | 13,164 |
| Payables | 31,871 | 25,625 | 31,729 | 34,779 | 26,469 | 24,431 | 28,456 |
| Provision for employee entitlements | 14,680 | 12,630 | 14,080 | 13,480 | 12,880 | 12,880 | 12,880 |
| Interest-bearing liabilities | 36,380 | 55,730 | 55,730 | 35,730 | 35,730 | 35,730 | 35,730 |
| Monies in trust | 945 | 1,078 | 945 | 945 | 945 | 945 | 945 |
| Interest payable | 3,638 | 3,742 | 3,638 | 3,638 | 3,638 | 3,638 | 3,638 |
| Accrued Salaries | 1,464 | 1,597 | 1,464 | 1,464 | 1,464 | 1,464 | 1,464 |
| Other | 58,107 | 32,713 | 55,424 | 60,089 | 46,378 | 43,261 | 45,140 |
| Total current liabilities | 160,249 | 144,874 | 176,174 | 163,289 | 140,668 | 135,513 | 141,417 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation | 53,043 | 53,662 | 52,443 | 51,843 | 51,243 | 50,643 | 50,043 |
| Payables | 232 | - | - | - | - | - | - |
| Provision for employee entitlements | 2,771 | 3,017 | 2,771 | 2,771 | 2,771 | 2,771 | 2,771 |
| Interest-bearing liabilities | 182,562 | 146,833 | 146,832 | 111,102 | 75,372 | 39,642 | 7,062 |
| Total non-current liabilities | 238,608 | 203,512 | 202,046 | 165,716 | 129,386 | 93,056 | 59,876 |
| TOTAL LIABILITIES | 398,857 | 348,386 | 378,220 | 329,005 | 270,054 | 228,569 | 201,293 |
| EQUITY | | | | | | | |
| Contributed Equity | 390,268 | 577,915 | 577,225 | 748,831 | 834,834 | 908,247 | 978,411 |
| Accumulated surplus/(deficit) | 9,129,778 | 9,192,310 | 9,189,120 | 9,269,972 | 9,354,614 | 9,409,049 | 9,442,466 |
| Asset revaluation reserve | 4,713,522 | 3,994,722 | 5,229,595 | 5,722,359 | 6,157,006 | 6,521,299 | 6,943,791 |
| Total equity | 14,233,568 | 13,764,947 | 14,995,940 | 15,741,162 | 16,346,454 | 16,838,595 | 17,364,668 |
| TOTAL LIABILITIES AND EQUITY | 14,632,425 | 14,113,333 | 15,374,160 | 16,070,167 | 16,616,508 | 17,067,164 | 17,565,961 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 282,851 | 292,383 | 292,376 | 306,106 | 352,162 | 378,033 | 392,100 |
| Capital Contribution | 150,222 | 187,647 | 189,207 | 171,606 | 86,003 | 73,413 | 70,164 |
| Holding Account Drawdowns..... | 6,301 | 13,083 | 13,773 | 18,749 | 24,852 | 31,037 | 37,226 |
| Net cash provided by State government..... | 439,374 | 493,113 | 495,356 | 496,461 | 463,017 | 482,483 | 499,490 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (54,436) | (56,100) | (56,100) | (56,100) | (56,600) | (56,500) | (56,950) |
| Superannuation | (9,476) | (10,800) | (10,500) | (10,500) | (10,500) | (10,500) | (10,500) |
| Supplies and services | (378,243) | (406,527) | (165,333) | (267,002) | (221,382) | (196,968) | (132,848) |
| Grants and subsidies | (79,559) | (57,088) | (57,088) | (51,088) | (50,221) | (49,190) | (49,190) |
| Borrowing costs..... | (14,719) | (15,967) | (14,079) | (13,329) | (9,827) | (7,085) | (4,485) |
| Accommodation..... | (5,621) | (6,000) | (6,000) | (6,000) | (6,000) | (6,000) | (6,000) |
| Capital User Charge..... | - | (12,347) | (12,347) | (27,210) | (44,908) | (62,279) | (62,279) |
| State Taxes | (260) | - | (520) | (520) | (520) | (520) | (520) |
| Goods and Services Tax | (43,417) | (44,797) | (50,308) | (56,192) | (39,005) | (35,120) | (46,531) |
| Other..... | (6,931) | (40,600) | (14,000) | (14,104) | (14,107) | (14,110) | (14,110) |
| Receipts | | | | | | | |
| User charges and fees | 14,822 | 17,255 | 30,111 | 106,848 | 39,941 | 6,370 | 865 |
| Goods and Services Tax | 42,891 | 45,731 | 51,898 | 56,323 | 39,871 | 35,141 | 45,564 |
| Grants and subsidies | 89,493 | 71,302 | 83,573 | 133,260 | 91,344 | 71,454 | 68,644 |
| Other..... | 3,139 | 2,300 | 3,000 | 2,800 | 2,100 | 2,100 | 1,300 |
| Net cash from operating activities..... | (442,317) | (513,638) | (217,693) | (202,814) | (279,814) | (323,207) | (267,040) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (4,200) | (6,300) | (264,414) | (257,240) | (151,875) | (115,220) | (197,933) |
| Proceeds from sale of non-current assets | 2,121 | 6,000 | 3,750 | 4,000 | 4,000 | 3,000 | 3,000 |
| Net cash from investing activities..... | (2,079) | (300) | (260,664) | (253,240) | (147,875) | (112,220) | (194,933) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (6,730) | (36,380) | (36,380) | (55,730) | (35,730) | (35,730) | (32,580) |
| Proceeds from borrowings | - | 20,000 | 20,000 | - | - | - | - |
| Net cash from financing activities | (6,730) | (16,380) | (16,380) | (55,730) | (35,730) | (35,730) | (32,580) |
| NET INCREASE/(DECREASE) IN CASH HELD | (11,752) | (37,205) | 619 | (15,323) | (402) | 11,326 | 4,937 |
| Cash assets at the beginning of the reporting period | 58,036 | 39,284 | 46,284 | 46,903 | 31,580 | 31,178 | 42,504 |
| Cash assets at the end of the reporting period..... | 46,284 | 2,079 | 46,903 | 31,580 | 31,178 | 42,504 | 47,441 |

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Receipts paid into Consolidated Fund..... | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL ADMINISTERED EXPENSES (a) .. | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| REVENUES | | | | | | | |
| Regulatory Fees and Fines | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL ADMINISTERED REVENUES | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

(a) Further information is provided in the table "Details of the Administered Transactions Expenses".

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Receipts paid into Consolidated Fund..... | (2,229) | (1,600) | (2,000) | (2,000) | (2,000) | (2,000) | (2,000) |
| TOTAL ADMINISTERED CASH OUTFLOWS..... | (2,229) | (1,600) | (2,000) | (2,000) | (2,000) | (2,000) | (2,000) |
| CASH INFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Regulatory fees and fines..... | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL ADMINISTERED CASH INFLOWS..... | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| State Road funds applied to roadworks on the Local Government road network-Capital..... | 61,922 | 43,523 | 64,687 | 45,097 | 41,510 | 48,619 | 49,289 |
| State Road funds applied to roadworks on the Local Government road network-Recurrent.. | 46,963 | 34,195 | 38,585 | 35,586 | 37,188 | 37,017 | 36,682 |
| TOTAL | 108,885 | 77,718 | 103,272 | 80,683 | 78,698 | 85,636 | 85,971 |

DETAILS OF THE ADMINISTERED TRANSACTIONS REVENUE

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| TAXATION | | | | | | | |
| Permits - oversize vehicles and loads | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL | 2,229 | 1,600 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |

PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 48

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 81 Net amount appropriated to deliver outputs | 331,895 | 344,757 | 415,781 | 455,170 | 520,351 | 596,191 | 644,414 |
| Total appropriations provided to deliver outputs | 331,895 | 344,757 | 415,781 | 455,170 | 520,351 | 596,191 | 644,414 |
| CAPITAL | | | | | | | |
| Item 146 Capital Contribution | 119,998 | 84,675 | 108,534 | 64,823 | 82,802 | 104,428 | 75,932 |
| GRAND TOTAL..... | 451,893 | 429,432 | 524,315 | 519,993 | 603,153 | 700,619 | 720,346 |

MISSION

To increase the use of public transport by providing customer focused, safe and cost effective passenger transport services with the aim of creating the best transport service for Western Australians

SIGNIFICANT ISSUES AND TRENDS

- The Public Transport Authority of Western Australia commenced operations on 1 July 2003. This new Authority was established as part of the Machinery of Government recommendations to bring together the Transperth, school bus and local regional bus services functions within the Department for Planning and Infrastructure and the Western Australian Government Railways Commission into a single agency responsible for the operation of all public transport services in Western Australia.
- Perth's population is forecast to grow over the next three decades, reaching a population of 2.1 million by 2031. Accessible and reliable public transport is important in enhancing the quality of life and wellbeing for this growing population.
- The population is ageing and the trend towards urbanisation and concentration in the coastal strip continues. Promotion of the benefits of public transport will motivate increased use of public transport.
- Improved regional infrastructure and services are essential to ensure regional strength and vibrancy. Access to fairly priced public transport services that link communities and provide access to health services and employment opportunities, including transport to schools, is essential.
- The community is showing increased awareness of the adverse environmental, social and health impacts of high car usage. The 2003 Colmar Bruton independent survey of public opinion found that 88% would like to see public transport take much of the load off the use of private cars. Engaging and involving the community in future development will optimise the use of public transport infrastructure.
- Only three cities in the world have a greater level of car ownership than Perth and such high usage of cars inevitably places heavy demands on limited road infrastructure causing congestion at peak times. This has been shown to cause stress, aggression and fatalities. An integrated bus and train network with high frequency and optimal travel time from origin to destination will reduce this congestion.
- The Government is committed to making a positive difference to the lives of people with disabilities, their families and carers. The public transport system is being enhanced and all future development designed to meet this goal.

- Improvements in technology provide opportunities to make the transport system safer, more reliable, attractive and easier to use, which should increase patronage.
- The rail corridor provides opportunities to improve access to ports and inter-modal facilities contributing to increased rail haulage of freight. In areas such as Geraldton, Fremantle and Kewdale, the Public Transport Authority is working with the private sector and other Government agencies to increase rail corridor utilisation.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--------------------------------|---|--|--|--|
| Cost and Demand Pressures..... | 211 | 1,053 | 4,550 | 9,550 |
| Goongoonup Bridge | - | 500 | 750 | 1,000 |
| School Bus services..... | (451) | (1,700) | 227 | 2,347 |
| Public Transport fares..... | 1,400 | 1,400 | 1,500 | 1,500 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual ^(a) \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|--|--|---|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Metropolitan and regional passenger services . | 319,883 | 318,008 | 348,629 | 397,576 | | | |
| Output 2: | | | | | | | |
| Country passenger rail and road coach services | 29,273 | 34,129 | 35,377 | 36,752 | | | |
| Output 3: | | | | | | | |
| Regional school bus services | 61,243 | 64,027 | 70,284 | 66,773 | | | |
| Output 4: | | | | | | | |
| Rail corridor and residual freight issues management..... | 48,311 | 49,401 | 70,078 | 62,934 | | | |
| Total Cost of Outputs..... | 458,710 | 465,565 | 524,368 | 564,035 | 632,827 | 719,376 | 778,803 |
| <i>Less Revenues from Ordinary Activities</i> | <i>125,453</i> | <i>119,073</i> | <i>128,728</i> | <i>121,510</i> | <i>122,719</i> | <i>133,714</i> | <i>146,228</i> |
| Net Cost of Outputs..... | 333,257 | 346,492 | 395,640 | 442,525 | 510,108 | 585,662 | 632,575 |
| Adjustments ^(b) | (1,362) | (1,735) | 20,141 | 12,645 | 10,243 | 10,529 | 11,839 |
| Appropriation provided to deliver Outputs. | 331,895 | 344,757 | 415,781 | 455,170 | 520,351 | 596,191 | 644,414 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(c) | 119,998 | 84,675 | 108,534 | 64,823 | 82,802 | 104,428 | 75,932 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 451,893 | 429,432 | 524,315 | 519,993 | 603,153 | 700,619 | 720,346 |

(a) Amounts for 2002-03 and 2003-04 have been adjusted for comparability purposes to reflect the amalgamation of the Transperth operations, school bus and local regional bus services within the Department for Planning and Infrastructure and the Western Australian Government Railways Commission to form the Public Transport Authority.

(b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(c) Supporting details are disclosed in the Capital Contribution Statement.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome(s) | Output(s) |
|--|---|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Accessible, reliable and safe public transport system | 1. Metropolitan and regional passenger services 2. Country passenger rail and road coach services 3. Regional school bus services |
| | Protection of the long term functionality of the rail corridor and railway infrastructure | 4. Rail corridor and residual freight issues management |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Accessible, reliable and safe public transport system | | | | | |
| Use of public transport-Passengers per service kilometre: | | | | | |
| Metropolitan Bus Services..... | 1.18 | 1.18 | 1.20 | 1.20 | |
| Metropolitan Train Services | 4.89 | 4.89 | 4.97 | 4.90 | |
| Metropolitan Ferry Services | 13.59 | 13.59 | 13.27 | 13.20 | |
| Regional Bus Services | 1.01 | 1.00 | 1.01 | 1.00 | |
| Country Passenger Rail Services | 0.279 | 0.300 | 0.300 | 0.270 | |
| Country Passenger Road Coach Services.... | 0.071 | 0.075 | 0.075 | 0.074 | |
| Outcome: Protection of the long term functionality of the rail corridor and infrastructure | | | | | |
| Legislative breaches..... | Nil | Nil | Nil | Nil | |
| Lease breaches..... | Nil | Nil | Nil | Nil | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Metropolitan and regional passenger services

Provision of customer focussed, safe and cost effective passenger transport to the Metropolitan area and regional towns.

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated Actual | 2004-05 Budget Estimate | Reason for Significant Variation |
|---|-------------------|-------------------|--------------------------------|-------------------------------|---|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Output..... | 319,883 | 318,008 | 348,629 | 397,576 | Increase is mainly due to the introduction of the capital user charge for the Public Transport Authority and borrowing costs associated with the New MetroRail project. |
| Less Revenues from Ordinary Activities | 86,047 | 86,657 | 95,925 | 87,578 | 2003-04 revenue includes carry over grants from 2002-03. |
| Net Cost of Output | 233,836 | 231,351 | 252,704 | 309,998 | |
| Adjustments ^(a) | 1,031 | (1,336) | 10,008 | 2,631 | |
| Appropriation for delivery of Output 1 | 234,867 | 230,015 | 262,712 | 312,629 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Total passenger place kilometres (millions): | | | | | |
| Transperth ^(a) Bus Operations | 3,527.8 | 3,530.0 | 3,547.7 | 3,548.0 | |
| Transperth Train Operations | 2,004.7 | 2,005.0 | 2,005.0 | 2,015.0 | |
| Transperth Ferry Operations | 4.9 | 4.9 | 4.9 | 4.9 | |
| Regional Bus Operations | 135.6 | 159.3 | 159.3 | 164.0 | |
| Use of public transport-Passengers per service kilometre: | | | | | |
| Transperth Bus Operations | 1.18 | 1.19 | 1.20 | 1.20 | |
| Transperth Train Operations | 4.89 | 4.89 | 4.97 | 4.9 | |
| Transperth Ferry Operations | 13.59 | 13.59 | 13.27 | 13.20 | |
| Regional Bus Operations | 1.01 | 1.00 | 1.01 | 1.00 | |
| Quality | | | | | |
| Customer satisfaction index: | | | | | |
| Transperth Bus Operations | 84% | 84% | 84% | 80% | |
| Transperth Train Operations | 92% | 92% | 92% | 92% | |
| Transperth Ferry Operations | 97% | 97% | 97% | 97% | |
| Customer perception of safety: | | | | | |
| Train station-Day-time | 96% | 96% | 96% | 96% | |
| On-board train –Day-time | 90% | 94% | 95% | 95% | |
| Train station –Night-time | 73% | 76% | 77% | 78% | |
| On-board train –Night-time | 59% | 65% | 68% | 70% | |
| Bus station –Day-time | 95% | 95% | 95% | 95% | |
| On-board bus –Day-time | 98% | 98% | 98% | 98% | |
| Bus station –Night-time | 66% | 66% | 66% | 65% | |
| On-board bus –Night-time | 84% | 84% | 84% | 80% | |
| Category A Occurrences per million passenger boardings ^(b) | 1.21 | 1.80 | 0.45 | 1.71 | 2004-05 target represents the upper control limit beyond which executive management intervention would be required |
| Category B Occurrences per million passenger boardings ^(c) | 4.09 | 6.10 | 4.20 | 5.79 | 2004-05 target represents the upper control limit beyond which executive management intervention would be required |
| Timeliness | | | | | |
| Bus Services arriving no later than 4 minutes of scheduled time | | | | | |
| | 92.9% | 90.0% | 92.6% | 90.0% | |
| Trains arriving within 3 minutes of scheduled time | | | | | |
| | 97.44% | 97.50% | 93.00% | 97.50% | 2003-04 estimate lower due to industrial actions by train drivers. |
| Ferries arriving within 3 minutes of scheduled time | | | | | |
| | 98.0% | 98.0% | 98.0% | 98.0% | Excluding variations due to extreme weather conditions |
| Cost (Efficiency) | | | | | |
| Average cost per 1,000 place kilometres: | | | | | |
| Transperth Bus Operations | \$54.89 | \$54.03 | \$55.09 | \$56.76 | |
| Transperth Train Operations | \$55.67 | \$58.51 | \$62.17 | \$72.34 | |
| Transperth Ferry Operations | \$115.94 | \$117.36 | \$117.36 | \$117.36 | |
| Regional Bus Services | \$45.18 | \$48.59 | \$48.59 | \$47.20 | |
| Average cost per passenger kilometre: | | | | | |
| Transperth Bus Operations | \$0.51 | \$0.54 | \$0.55 | \$0.56 | |
| Transperth Train Operations | \$0.50 | \$0.55 | \$0.57 | \$0.58 | |
| Transperth Ferry Operations | \$1.17 | \$1.17 | \$1.17 | \$1.21 | |
| Full Time Equivalent (FTEs) | 681 | 814 | 815 | 847 | |

(a) Metropolitan services are delivered by Transperth

(b) "Category A" incidence represents serious injury, death or significant damage.

(c) "Category B" incidence represents an incidence that has a potential to cause a serious accident.

Major Achievements For 2003-04

- For the fifth year in a row Perth's public transport patronage increased.
- On time running for the buses was 92% and 93% for rail.
- Customer satisfaction ratings of 92% for trains, 84% for buses and 97% for ferries.
- Successful integration of the Transperth bus and train operations into the Public Transport Authority, including staff relocation, management systems integration and budgetary control.
- New integrated public transport rail stations commenced at Armadale, Gosnells with Bassendean completed.
- Universal access improvements at stations, Swanbourne, Mosman Park, Fremantle, Midland and Bayswater.
- Completion of Mandurah park and ride and new bus station.
- Recruitment and training of 92 transit guards to ensure a presence on every train and at major stations, and opening of several secure car parks.
- TrainSafe urban security program substantially complete.
- New MetroRail:
 - substantial completion of the Northern Suburbs Railway extension to Clarkson, including the Nowergup Depot;
 - significant progress on construction of the infrastructure on the Thornlie extension;
 - the majority of the major contracts awarded for the New MetroRail Project including the City Project;
 - work officially commenced on the Southern Suburbs Railway on 26 February 2004; and
 - commencement date to Mandurah brought forward by one year to December 2006.

Major Initiatives For 2004-05

- Implementation of SmartRider ticketing system in early 2005.
- New MetroRail:
 - Clarkson services to commence in September 2004; and
 - Thornlie services to commence in February 2005.

Output 2: Country passenger rail and road coach services

Provision of customer focussed, safe and cost effective passenger transport to regional communities.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 29,273 | 34,129 | 35,377 | 36,752 | |
| Less Revenues from Ordinary Activities | 7,194 | 7,777 | 7,777 | 8,600 | |
| Net Cost of Output | 22,079 | 26,352 | 27,600 | 28,152 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 2 | 22,079 | 26,352 | 27,600 | 28,152 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Total passenger place kilometres (millions): | | | | | |
| Transwa Rail ^(a) | 133.5 | 133.5 | 133.5 | 147.2 | |
| Transwa Road Coaches..... | 140.4 | 160.4 | 160.4 | 160.4 | |
| Use of public transport-Passengers per service kilometre: | | | | | |
| Transwa Rail..... | 0.279 | 0.300 | 0.300 | 0.270 | |
| Transwa Road Coaches..... | 0.071 | 0.075 | 0.075 | 0.074 | |
| Quality | | | | | |
| Customer satisfaction index..... | 90% | 90% | 90% | 90% | |
| Timeliness | | | | | |
| Arrival within 15 minutes of scheduled time: | | | | | |
| Prospector..... | 90% | 90% | 90% | 95% | |
| Arrival within 10 minutes of scheduled time: | | | | | |
| Australind..... | 87% | 90% | 90% | 90% | |
| Avon Link..... | 98% | 95% | 95% | 95% | |
| Road Coaches..... | 95% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per 1,000 place kilometres: | | | | | |
| Transwa Rail..... | 139.84 | 163.04 | 169.00 | 159.31 | |
| Transwa Road Coaches..... | 75.47 | 76.99 | 79.81 | 82.91 | |
| Average cost per passenger kilometre: | | | | | |
| Transwa Rail..... | 0.25 | 0.30 | 0.30 | 0.27 | |
| Transwa Road Coaches..... | 0.15 | 0.18 | 0.18 | 0.16 | |
| Full Time Equivalents (FTEs) | 113 | 123 | 123 | 130 | |

(a) Country passenger and road coach services are delivered by Transwa.

Major Achievements For 2003-04

- Delivery of new railcars and commencement of high speed services for the Prospector service to Kalgoorlie and the Avonlink to Northam.
- Completion of the replacement of all country passenger road coaches.
- Implementation of the internet booking system.
- Universal access to the stations at Toodyay, Northam, Cunderdin, Kellerberrin and Merredin completed.

Output 3: Regional school bus services

Provision of regional school bus transport to Western Australian school students.

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated Actual | 2004-05 Budget Estimate | Reason for Significant Variation |
|--|-------------------|-------------------|--------------------------------|-------------------------------|---|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Output..... | 61,243 | 64,027 | 70,284 | 66,773 | 2003-04 was higher due to back payment of bus contractors |
| Less Revenues from Ordinary Activities..... | 488 | 330 | 330 | 330 | |
| Net Cost of Output..... | 60,755 | 63,697 | 69,954 | 66,443 | |
| Adjustments ^(a) | (2,263) | - | - | - | |
| Appropriation for delivery of Output 3..... | 58,492 | 63,697 | 69,954 | 66,443 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Student bus services passenger place kilometres (millions)..... | 906 | 906 | 965 | 943 | |
| Student conveyance vehicle kilometres (millions)..... | 8.08 | 8.08 | 7.39 | 7.55 | |
| Student fare concession trips | 1,110,271 | 1,110,271 | 463,200 | 451,000 | |
| Quality | | | | | |
| Notifiable accidents reported each school year | 19 | 10 | 6 | 5 | |
| Timeliness | | | | | |
| Drop off no less than 10 minutes before school starts and pick up within 10 minutes of school ending..... | 95% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per 1,000 passenger place kilometres for student bus services | \$61.71 | \$64.89 | \$71.00 | \$68.90 | |
| Average cost per 1,000 student conveyance vehicle kilometres | \$115.16 | \$171.42 | \$171.95 | \$167.81 | |
| Average cost per student fare concession trip.. | \$2.28 | \$2.81 | \$3.98 | \$3.92 | |
| Full Time Equivalents (FTEs) | 30 | 30 | 34 | 30 | |

Major Achievements For 2003-04

- New contract that clearly articulates government and contractor responsibilities.
- New payment model that provides clear fixed and variable costs with a simple profit margin.
- The electronic mapping of all school bus services that provide accurate distances using global positioning system, topographic and cadastral technology.
- New branch structure to manage new business processes and better manage student transport entitlements to meet community expectation.

Major Initiatives For 2004-05

- Review of bus routes to maximise service delivery and efficiencies in rural Western Australia.
- Review of special education bus routes to maximise service delivery and efficiencies in Metropolitan Perth.
- Review of school bus services in the Perth Metropolitan area.
- Complete rewrite of School Bus Services policy documentation for School Bus Services staff and internal and external customers.

Output 4: Rail corridor and residual freight issues management

Managing the rail freight corridor and infrastructure leased to the private sector and associated freight transport issues.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 48,311 | 49,401 | 70,078 | 62,934 | 2004-05 decrease is due to the transfer of freight debt to the State. |
| Less Revenues from Ordinary Activities | 31,724 | 24,309 | 24,696 | 25,002 | |
| Net Cost of Output | 16,587 | 25,092 | 45,382 | 37,932 | |
| Adjustments ^(a) | (130) | (399) | 10,133 | 10,014 | |
| Appropriation for delivery of Output 4 | 16,457 | 24,693 | 55,515 | 47,946 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Rail corridor and residual freight issues management..... | 1 program | 1 program | 1 program | 1 program | |
| Quality ^(a) | na | na | na | na | |
| Timeliness ^(a) | na | na | na | na | |
| Cost (Efficiency) | | | | | |
| Total cost of managing the rail freight corridor and residual freight issues..... | \$48,311 | \$49,401 | \$70,078 | \$62,934 | |
| Full Time Equivalents (FTEs) | 45 | 48 | 23 | 23 | |

(a) Under the terms and conditions of the Railway Infrastructure Lease, an independent inspection of the Railway Infrastructure is carried out every five years.

Major Achievements For 2003-04

- Commencement of works on the Geraldton Southern Transport Corridor.
- Work commenced on improved access to Fremantle Ports.

Major Initiatives For 2004-05

- Development of inter-modal facilities at Kewdale freight terminal.

CAPITAL WORKS PROGRAM

The Public Transport Authority of Western Australia's planned capital works program for 2004-05 is \$527.9 million, comprising \$519.5 million for works in progress and \$8.4 million for new works.

Included in the 2004-05 program is expenditure of \$411.5 million for the New MetroRail project. The expenditure will provide for:

- the delivery of 18 three rail car sets - \$83.5 million;
- the completion of the Northern Suburbs Railway extension to Clarkson - \$14.1 million;
- the completion of the Thornlie extension - \$51.3 million;
- continuation of construction on the Southern Suburbs Railway - \$128.6 million;
- continuation of City Project works - \$134.0 million.

Other expenditure includes:

- continuation of the bus acquisition program;
- implementation of the SmartRider ticketing system encompassing Perth Station Barriers and associated works;
- continuation of the Accessible Public Transport Upgrade program to provide access for people with disabilities and meet legislative requirements;
- continuation of the "Building Better Stations" program including work on Armadale, Gosnells, Kelmscott, Midland;
- complete construction of the Mandurah Bus Depot, Greenwood Station and commence upgrade of East Perth Station and Claisebrook Depot facilities;
- completion of Safer Rail initiative project stage 1 with improvements in lighting, CCTV and passenger information facilities at existing railway stations;
- work for the Geraldton Southern Transport Corridor project;
- continuation of the upgrade of Train Control and Passenger Information System;
- commencement of stage 2 of the concrete re-sleeping program for the metropolitan rail system; and
- work on North Quay Rail Loop project in co-operation with Main Roads and Fremantle Ports.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Accessible Public Transport Upgrade Program | 7,928 | 1,784 | 1,725 | 2,558 |
| Buildings and Miscellaneous | | | | |
| Audio Loops | 600 | 593 | 500 | 7 |
| Lockable Pit Lids | 250 | 20 | 20 | 200 |
| PABX Replacement | 789 | 239 | 111 | 285 |
| Pedestrian Gates - East St, Moore St and Phillimore St | 601 | 176 | 170 | 425 |
| Signage Corporate standards | 1,603 | 1,000 | 1,000 | 603 |
| Train Control Upgrade | 5,001 | 2,001 | 1,979 | 3,000 |
| Upgrade existing SCADA | 210 | 100 | 100 | 110 |
| Bus Acquisition Program | 398,309 | 152,787 | 6,700 | 34,072 |
| Computing Hardware and Software | 4,455 | 2,726 | 546 | 1,729 |
| Geraldton Southern Transport Corridor | 52,114 | 11,652 | 7,000 | 20,500 |
| Improvements to Station Facilities | | | | |
| Armadale Station Upgrade | 6,778 | 6,678 | 6,206 | 100 |
| Disability Access for other Minor Stations | 4,000 | 3,011 | 1,875 | 989 |
| Gosnells Station Upgrade | 6,200 | 2,887 | 2,500 | 3,313 |
| Kelmscott Station Upgrade | 2,100 | 217 | 200 | 1,883 |
| Midland Station Interchange | 3,000 | 250 | 250 | 2,750 |
| Perth station barriers and associated works | 2,900 | 500 | 500 | 2,400 |
| Remote Rail station to railcar height | 1,000 | 400 | 400 | 400 |
| New MetroRail | | | | |
| Infrastructure | 1,227,024 | 245,745 | 116,035 | 328,008 |
| Railcars | 291,148 | 153,694 | 85,291 | 83,542 |
| New Stations | | | | |
| Greenwood Station - Stage 1 | 7,101 | 4,464 | 4,450 | 2,637 |
| North Quay Rail Loop | 11,300 | 2,300 | 2,300 | 8,000 |
| Other Building Improvements | | | | |
| Minor Works - Country Passenger | 1,259 | 109 | 100 | 700 |
| Minor Works - Urban | 3,554 | 1,654 | 963 | 700 |
| Perway-Track and Associated Works | | | | |
| 2000-01 Program | 18,652 | 13,712 | 6,033 | 1,480 |
| 2001-02 Program | 5,251 | 3,701 | 1,733 | 250 |
| Claisebrook wash down plant | 1,300 | 100 | 100 | 1,200 |
| Cyclic Maintenance | 9,236 | 8,943 | 1,140 | 293 |
| Shenton Road Bridge - upgrade | 770 | 50 | 50 | 720 |
| Rolling Stock | | | | |
| EMU System | 330 | 308 | 308 | 22 |
| Road rail cherry picker | 318 | 50 | 50 | 268 |
| Modifications - 2001-02 Program | 17,718 | 13,768 | 5,596 | 3,950 |
| Safer Rail initiative | 23,739 | 18,426 | 10,500 | 3,813 |
| SmartRider Ticketing System | 12,788 | 4,546 | 3,681 | 8,242 |
| Split and replace radio system | 12,487 | 252 | 120 | 372 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Buildings and Miscellaneous | | | | |
| Car park lighting at the East Perth terminal | 280 | 280 | 263 | - |
| Convert urban station power poles to break poles..... | 670 | 670 | 440 | - |
| Electrical and signals accommodation - Claisebrook..... | 295 | 295 | 295 | - |
| IT Data Room | 155 | 155 | 155 | - |
| Lifts Upgrade..... | 1,460 | 1,460 | 100 | - |
| Minor works - Transperth..... | 300 | 300 | 300 | - |
| Minor works - Transwa..... | 200 | 200 | 200 | - |
| Nicholson Road Bridge - Upgrade..... | 670 | 670 | 102 | - |
| Parking for security guards | 510 | 510 | 510 | - |
| Perth Station accommodation Stage three..... | 650 | 650 | 650 | - |
| PTA Centre Security upgrade..... | 390 | 390 | 390 | - |
| Refurbish 5th Floor - PTA Centre..... | 2,727 | 2,727 | 566 | - |
| Security Fire Protection - TSE's and feeder stations | 275 | 275 | 275 | - |
| Stage 2A | 3,435 | 3,435 | 200 | - |
| Upgrade communication centre | 252 | 252 | 128 | - |
| Upgrade of Small Chiller | 176 | 176 | 172 | - |
| Improvements to Station Facilities | | | | |
| Bassendean Station Upgrade..... | 5,500 | 5,500 | 4,573 | - |
| Joondalup Special Event – Stage 1 | 250 | 250 | 250 | - |
| Joondalup Station Car Park..... | 705 | 705 | 56 | - |
| Other Station Upgrades..... | 1,333 | 1,333 | 932 | - |
| Mandurah Bus Transfer Station..... | 6,276 | 6,276 | 2,678 | - |
| Perway–Track and Associated Works | | | | |
| 2002-03 Program | 307 | 307 | 307 | - |
| Network and Infrastructure maintenance | 6,800 | 100 | 100 | - |
| Northern Suburbs - upgrade crash barriers..... | 100 | 100 | 100 | - |
| Woodbridge Crossover | 1,373 | 1,373 | 863 | - |
| Rolling Stock | | | | |
| Prospector/Avon Link Railcars | 58,150 | 58,150 | 13,812 | - |
| Road Coaches | 10,000 | 10,000 | 846 | - |
| Modifications – 1999-2000 Program | 3,732 | 3,732 | 77 | - |
| Upgrade of Australind Railcars | 850 | 850 | 567 | - |
| Simulator | 2,161 | 2,161 | 2,161 | - |
| NEW WORKS | | | | |
| Improvements to Station Facilities | | | | |
| Bayswater Station | 2,500 | - | - | 50 |
| East Perth Station - upgrade..... | 4,193 | - | - | 10 |
| Fremantle Station - upgrade..... | 2,300 | - | - | 200 |
| Maddington Station | 3,000 | - | - | 50 |
| Station amenities..... | 470 | - | - | 470 |
| Upgrade pedestrian gates - Fremantle to Robbs Jetty | 600 | - | - | 200 |
| Upgrade pedestrian gates - Armadale to Mundijong stations..... | 600 | - | - | 200 |
| Concrete Resleepering Project..... | 60,060 | - | - | 3,500 |
| Perway–Track and Associated Works | | | | |
| 2004-05 Program | 1,200 | - | - | 1,200 |
| Jointless track - Armadale line..... | 2,200 | - | - | 100 |
| Rerailing Urban System..... | 2,761 | - | - | 272 |
| SmartRider Ticketing System..... | 7,961 | - | - | 2,132 |
| | 2,342,640 | 762,125 | 302,300 | 527,905 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 161,483 | 280,123 | 302,300 | 527,905 | 479,502 | 373,746 | 105,129 |
| Working capital requirement | | | | | | | |
| Loan repayments | 64,350 | 48,385 | 52,075 | 54,265 | 69,216 | 75,928 | 75,932 |
| | 225,833 | 328,508 | 354,375 | 582,170 | 548,718 | 449,674 | 181,061 |
| LESS | | | | | | | |
| Borrowings | 55,600 | 217,252 | 245,841 | 517,347 | 465,916 | 345,246 | 105,129 |
| Internal Funds and Balances | 50,235 | 26,581 | - | - | - | - | - |
| Capital Contribution | 119,998 | 84,675 | 108,534 | 64,823 | 82,802 | 104,428 | 75,932 |

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual ^(a) \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|--|--|---|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(b) | 42,555 | 49,180 | 58,099 | 61,167 | 67,293 | 84,054 | 88,135 |
| Superannuation | 3,789 | 4,678 | 5,173 | 5,263 | 5,786 | 7,219 | 7,578 |
| Grants and subsidies ^(c) | 192,488 | 200,551 | 207,333 | 212,670 | 222,366 | 234,270 | 246,469 |
| Supplies and services | 68,045 | 65,568 | 62,934 | 63,204 | 69,455 | 72,374 | 82,452 |
| Accommodation | 8,068 | 8,583 | 8,454 | 9,416 | 10,082 | 13,036 | 15,557 |
| Borrowing costs | 62,089 | 71,215 | 75,561 | 78,581 | 112,362 | 133,059 | 140,886 |
| Capital User Charge | 130 | 155 | 40,043 | 59,652 | 65,993 | 74,273 | 82,382 |
| Depreciation and amortisation | 54,578 | 59,996 | 59,611 | 66,585 | 71,558 | 91,985 | 105,947 |
| State Taxes | 2,562 | 2,546 | 4,067 | 4,282 | 4,711 | 5,884 | 6,169 |
| Costs of disposal of non-current assets | 6,809 | - | - | - | - | - | - |
| Other expenses | 17,681 | 3,093 | 3,093 | 3,215 | 3,221 | 3,222 | 3,228 |
| TOTAL COST OF SERVICES | 458,794 | 465,565 | 524,368 | 564,035 | 632,827 | 719,376 | 778,803 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 83,847 | 78,077 | 78,077 | 81,100 | 85,040 | 95,440 | 107,240 |
| Net Profit on disposal of non-current assets | 2,982 | - | - | - | - | - | - |
| Grants and subsidies | 8,173 | 11,065 | 20,449 | 9,902 | 7,148 | 7,401 | 7,662 |
| Interest | 661 | 750 | 750 | 750 | 750 | 750 | 750 |
| Rent | 7,272 | 7,075 | 6,907 | 6,919 | 6,566 | 6,466 | 6,466 |
| Other Revenue | 22,401 | 22,106 | 22,545 | 22,839 | 23,215 | 23,657 | 24,110 |
| Total Revenues from Ordinary Activities | 125,336 | 119,073 | 128,728 | 121,510 | 122,719 | 133,714 | 146,228 |
| NET COST OF SERVICES | 333,458 | 346,492 | 395,640 | 442,525 | 510,108 | 585,662 | 632,575 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 331,895 | 344,757 | 415,781 | 455,170 | 520,351 | 596,191 | 644,414 |
| Resources received free of charge | 117 | - | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 332,012 | 344,757 | 415,781 | 455,170 | 520,351 | 596,191 | 644,414 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | | | | | | | |
| Extraordinary items | 85 | - | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (1,361) | (1,735) | 20,141 | 12,645 | 10,243 | 10,529 | 11,839 |

(a) Amounts for 2002-03 and 2003-04 have been adjusted for comparability purposes to reflect the amalgamation of the Transperth operations, school bus and local regional bus services within the Department for Planning and Infrastructure and the Western Australian Government Railways Commission to form the Public Transport Authority.

(b) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 869, 995 and 1,030 respectively.

(c) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual ^(a) \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|--|---|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 18,102 | 34,752 | 27,219 | 25,542 | 22,202 | 19,912 | 19,654 |
| Receivables | 12,303 | 8,644 | 12,299 | 12,299 | 12,299 | 12,299 | 12,299 |
| Inventories | 5,545 | 4,911 | 5,545 | 5,545 | 5,545 | 5,545 | 5,545 |
| Interest receivable | 41 | - | 41 | 41 | 41 | 41 | 41 |
| Prepayments | 263 | 255 | 263 | 263 | 263 | 263 | 263 |
| Total current assets | 36,254 | 48,562 | 45,367 | 43,690 | 40,350 | 38,060 | 37,802 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | 15,868 | 33,496 | 75,575 | 142,258 | 213,816 | 305,801 | 411,748 |
| Land and Buildings | 180,974 | 204,365 | 201,768 | 199,942 | 193,052 | 185,672 | 177,727 |
| Plant, equipment and vehicles | 321,421 | 511,318 | 423,692 | 508,422 | 560,658 | 571,717 | 575,452 |
| Other Infrastructure | 745,989 | 949,600 | 865,613 | 1,244,029 | 1,606,627 | 1,884,709 | 1,888,101 |
| Other | 278,549 | 140,703 | 278,549 | 278,549 | 278,549 | 278,549 | 278,549 |
| Total non-current assets | 1,542,801 | 1,839,482 | 1,845,197 | 2,373,200 | 2,852,702 | 3,226,448 | 3,331,577 |
| TOTAL ASSETS | 1,579,055 | 1,888,044 | 1,890,564 | 2,416,890 | 2,893,052 | 3,264,508 | 3,369,379 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation | 234 | 135 | 234 | 234 | 234 | 234 | 234 |
| Payables | 27,863 | 23,854 | 27,946 | 28,031 | 28,032 | 28,032 | 28,032 |
| Provision for employee entitlements | 10,751 | 6,392 | 10,751 | 10,751 | 10,751 | 10,751 | 10,751 |
| Interest-bearing liabilities | 11,466 | 11,464 | 380 | 380 | 380 | 380 | 380 |
| Interest payable | 15,216 | 14,661 | 15,216 | 15,216 | 15,216 | 15,216 | 15,216 |
| Workers compensation | 725 | 1,314 | 725 | 725 | 725 | 725 | 725 |
| Finance leases | 8,816 | 8,852 | 8,857 | 7,721 | 2,959 | - | - |
| Accrued Salaries | - | 13 | 13 | - | - | - | - |
| Other | 32,297 | 33,791 | 31,438 | 30,627 | 29,863 | 29,141 | 28,419 |
| Total current liabilities | 107,368 | 100,476 | 95,560 | 93,685 | 88,160 | 84,479 | 83,757 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Provision for employee entitlements | 2,075 | 1,923 | 2,171 | 2,269 | 2,269 | 2,269 | 2,269 |
| Interest-bearing liabilities | 965,066 | 1,209,627 | 842,368 | 1,314,302 | 1,718,713 | 1,990,990 | 2,020,187 |
| Finance leases | 19,518 | 10,671 | 10,666 | 2,950 | - | - | - |
| Other | 242,420 | 220,801 | 228,026 | 214,443 | 201,624 | 189,527 | 178,152 |
| Total non-current liabilities | 1,229,134 | 1,443,077 | 1,083,286 | 1,534,019 | 1,922,661 | 2,182,841 | 2,200,663 |
| TOTAL LIABILITIES | 1,336,502 | 1,543,553 | 1,178,846 | 1,627,704 | 2,010,821 | 2,267,320 | 2,284,420 |
| EQUITY | | | | | | | |
| Contributed Equity | 355,545 | 436,252 | 671,137 | 735,960 | 818,762 | 923,190 | 999,122 |
| Accumulated surplus/(deficit) | (133,432) | (112,201) | 20,141 | 32,786 | 43,029 | 53,558 | 65,397 |
| Asset revaluation reserve | 20,440 | 20,440 | 20,440 | 20,440 | 20,440 | 20,440 | 20,440 |
| Total equity | 242,553 | 344,491 | 711,718 | 789,186 | 882,231 | 997,188 | 1,084,959 |
| TOTAL LIABILITIES AND EQUITY | 1,579,055 | 1,888,044 | 1,890,564 | 2,416,890 | 2,893,052 | 3,264,508 | 3,369,379 |

(a) Amounts for 2002-03 and 2003-04 have been adjusted for comparability purposes to reflect the amalgamation of the Transperth operations, school bus and local regional bus services within the Department for Planning and Infrastructure and the Western Australian Government Railways Commission to form the Public Transport Authority.

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual ^(a) | 2003-04 Budget ^(a) | 2003-04 Estimated Actual ^(a) | 2004-05 Budget Estimate | 2005-06 Forward Estimate | 2006-07 Forward Estimate | 2007-08 Forward Estimate |
|--|----------------------------------|----------------------------------|---|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 321,265 | 327,129 | 356,074 | 388,487 | 448,793 | 504,206 | 538,467 |
| Capital Contribution | 119,998 | 84,675 | 108,534 | 64,823 | 82,802 | 104,428 | 75,932 |
| Receipts paid into Consolidated Fund..... | (7,202) | - | - | - | - | - | - |
| Net cash provided by State government..... | 434,061 | 411,804 | 464,608 | 453,310 | 531,595 | 608,634 | 614,399 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (40,253) | (49,071) | (57,990) | (61,082) | (67,293) | (84,054) | (88,135) |
| Superannuation | (3,705) | (4,678) | (5,173) | (5,263) | (5,786) | (7,219) | (7,578) |
| Supplies and services | (76,230) | (65,983) | (62,849) | (63,118) | (69,455) | (72,374) | (82,456) |
| Grants and subsidies | (192,488) | (200,051) | (207,333) | (212,670) | (222,366) | (234,270) | (246,469) |
| Borrowing costs..... | (58,743) | (67,853) | (72,199) | (73,953) | (106,506) | (126,013) | (132,682) |
| Accommodation..... | (7,914) | (8,583) | (8,454) | (9,416) | (10,082) | (13,036) | (15,557) |
| Capital User Charge..... | (130) | (155) | (40,043) | (59,652) | (65,993) | (74,273) | (82,382) |
| State Taxes | (2,516) | (2,546) | (4,067) | (4,282) | (4,711) | (5,884) | (6,169) |
| Goods and Services Tax | (21,341) | (35,316) | (58,171) | (80,805) | (78,293) | (69,598) | (45,205) |
| Other..... | (13,190) | (3,095) | (3,095) | (3,215) | (3,221) | (3,222) | (3,224) |
| Receipts | | | | | | | |
| User charges and fees | 86,210 | 78,077 | 78,077 | 81,100 | 85,040 | 95,440 | 107,240 |
| Interest..... | 686 | 750 | 750 | 750 | 750 | 750 | 750 |
| Goods and Services Tax | 18,234 | 35,316 | 58,171 | 80,804 | 78,293 | 69,598 | 45,205 |
| Grants and subsidies | 8,516 | 11,065 | 20,449 | 9,902 | 7,148 | 7,401 | 7,662 |
| Other..... | 20,990 | 10,645 | 10,841 | 10,736 | 10,342 | 10,258 | 10,275 |
| Net cash from operating activities | (281,874) | (301,478) | (351,086) | (390,164) | (452,133) | (506,496) | (538,725) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (161,484) | (280,123) | (302,300) | (527,905) | (479,502) | (373,746) | (105,129) |
| Proceeds from sale of non-current assets | 2,995 | - | - | - | - | - | - |
| Net cash from investing activities..... | (158,489) | (280,123) | (302,300) | (527,905) | (479,502) | (373,746) | (105,129) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (55,174) | (39,574) | (43,264) | (45,413) | (61,505) | (72,969) | (75,932) |
| Other payments for financing activities | (9,176) | (8,811) | (8,811) | (8,852) | (7,711) | (2,959) | - |
| Proceeds from borrowings | 55,600 | 217,252 | 245,841 | 517,347 | 465,916 | 345,246 | 105,129 |
| Net cash from financing activities | (8,750) | 168,867 | 193,766 | 463,082 | 396,700 | 269,318 | 29,197 |
| NET INCREASE/(DECREASE) IN CASH HELD | (15,052) | (930) | 4,988 | (1,677) | (3,340) | (2,290) | (258) |
| Cash assets at the beginning of the reporting period | 33,154 | 35,682 | 18,102 | 27,219 | 25,542 | 22,202 | 19,912 |
| Net cash transferred to/from other agencies..... | - | - | 4,129 | - | - | - | - |
| Cash assets at the end of the reporting period..... | 18,102 | 34,752 | 27,219 | 25,542 | 22,202 | 19,912 | 19,654 |

(a) Amounts for 2002-03 and 2003-04 have been adjusted for comparability purposes to reflect the amalgamation of the Transperth operations, school bus and local regional bus services within the Department for Planning and Infrastructure and the Western Australian Government Railways Commission to form the Public Transport Authority.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--------------------------------|-----------------------------|-----------------------------|--|---|--|--|--|
| Albany Spur line..... | 154 | 85 | 85 | 85 | 660 | - | - |
| Metropolitan Bus Services: | | | | | | | |
| Bus Operators | 127,932 | 132,984 | 133,835 | 140,268 | 147,291 | 157,775 | 167,496 |
| Ferry Services..... | 475 | 400 | 400 | 485 | 500 | 515 | 530 |
| Regional Bus Services..... | 5,917 | 6,485 | 7,485 | 7,710 | 7,941 | 8,079 | 8,507 |
| Regional School Bus Services: | | | | | | | |
| Student Fare Concessions | 4,833 | 6,203 | 3,813 | 4,831 | 4,831 | 4,831 | 4,975 |
| School Bus Services..... | 53,177 | 54,394 | 61,715 | 59,291 | 61,143 | 63,070 | 64,961 |
| TOTAL | 192,488 | 200,551 | 207,333 | 212,670 | 222,366 | 234,270 | 246,469 |

BUNBURY PORT AUTHORITY

CAPITAL WORKS PROGRAM

The Bunbury Port Authority's capital works program for 2004-05 is projected at \$6.25 million. This figure includes \$4.05 million for works in progress and \$2.20 million for new works. Capital expenditure will be met in full from the Authority's internal funds and balances.

The completion of the hardstand area and the refrigerated container power points in the Inner Harbour, together with the development of the Container Facilities, will enable Bunbury Port to competitively cater to the container handling trade. This initiative is consistent with the Government's policy of promoting Bunbury Port as the second container port in Western Australia. It is expected that the completion of the Container Facilities will have the potential to generate economic activity through new import and export markets and contribute towards a reduction in transportation costs for its regional customers.

The upgraded Storage Shed project is seen as part of the Authority's revenue optimisation initiative to generate additional lease rental income and shipping revenue through new bulk cargo export and import trades. Contractual negotiations between the Authority and mineral producer Tiwest, will result in the construction of an additional three sheds at the Authority's Berth 8 complex, which will be capable of handling up to 265,000 tonnes of bulk export and the importation of minerals through the use of this new storage facility at the Port.

In response to an increase in facility demand, the Authority will undertake further enhancements to the facilities at Berth 8 by constructing a Conveyor for New Products. This project will ensure that the Berth 8 facility has the capacity to service expected growth from current and potential new trades at the Port, resulting in a positive impact on trade and economic activity in the South West region.

An assessment of craft design will be undertaken by the Authority to ensure a suitable replacement for its oldest pilot boat as part of the Authority's Pilot Boat Replacement program. This is to maintain the Port Authority's reputation in providing an efficient and safe pilotage service for its customers.

In view of the Authority's initiative to build a better community relationship, the Authority, as part of its Noise Management plan, will undertake and consider a number of options to reduce noise issues especially during cargo operations.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Capitalised Dredging Expenditure 2003/04 | 4,000 | 4,000 | 4,000 | - |
| Conveyor Facilities - Woodchips..... | 900 | 900 | 900 | - |
| Container Facilities (Hardstand)..... | 2,300 | 300 | 300 | 2,000 |
| Conveyor for New Products..... | 2,000 | 1,000 | 1,000 | 1,000 |
| Storage Shed - Inner Harbour | 2,700 | 1,700 | 1,700 | 1,000 |
| Inner Harbour Ring Main Power Upgrade..... | 502 | 502 | 500 | - |
| Investigation into Harbour Deepening | 200 | 150 | 150 | 50 |
| Minor Works - 2003/04 | 300 | 300 | 300 | - |
| COMPLETED WORKS | | | | |
| Dust Control - Cleveland Chute..... | 627 | 627 | 103 | - |
| Minor Works - 2002/03 | 357 | 357 | - | - |
| NEW WORKS | | | | |
| Minor Works - 2004/05 | 300 | - | - | 300 |
| Modification to Shed 8-3 | 400 | - | - | 400 |
| Bund Wall Inner Harbour (Noise Management)..... | 500 | - | - | 500 |
| Pilot Boat Replacement | 1,000 | - | - | 1,000 |
| | 16,086 | 9,836 | 8,953 | 6,250 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 883 | 9,175 | 8,953 | 6,250 | 3,800 | 12,350 | 300 |
| | 883 | 9,175 | 8,953 | 6,250 | 3,800 | 12,350 | 300 |
| LESS | | | | | | | |
| Internal Funds and Balances | 883 | 9,175 | 8,953 | 6,250 | 3,800 | 12,350 | 300 |
| Capital Contribution | - | - | - | - | - | - | - |

FREMANTLE PORT AUTHORITY

CAPITAL WORKS PROGRAM

Fremantle Ports' Capital Works Program for 2004-05 involves expenditure of \$45.6 million.

The program has been formulated on the basis of analysis of future trade levels, asset evaluation and monitoring and customer needs. The investment is required to:

- meet specific identified customer needs to facilitate trade;
- meet statutory requirements (eg. environmental, occupational health and safety);
- meet growth in new services and demand for services;
- improve the level of service provision consistent with identified needs;
- replace existing assets or upgrade assets to improve operating efficiency and productivity; and
- provide support facilities to improve efficiency.

The Capital Works Program includes major projects planned or underway as follows:

- construction of the new North Quay Rail Loop and Stage 1 of the new North Quay Rail Terminal. The new infrastructure is an important part of the State Government's strategy to achieve increased use of rail for movement of containerised freight to and from the Inner Harbour;
- upgrade bulk handling infrastructure at Fremantle Ports' Kwinana Bulk terminal to service HIs melt's commercial pig iron plant and other customers. Investment by Fremantle Ports on Stage 1 of the HIs melt project is expected to be \$10.4 million in 2004-05. It is estimated that this will provide significant increases in both revenue and expenditure to the Fremantle Ports in the long term;
- Fremantle Ports is upgrading its security in the Inner Harbour and also at its two Outer Harbour sites at Kwinana. This is part of Fremantle Ports' security planning to ensure compliance with the new Maritime Transport Security legislation; and
- a new road along the rear of Victoria Quay will be constructed to improve public access to the Fremantle Waterfront. This project will also involve the relocation of a section of the freight railway, taking it closer to the passenger line. This will improve public access and alleviate some of the traffic problems in the west end of Fremantle and also open up additional land on Victoria Quay for cargo handling.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Port Security Works | 1,986 | 1,341 | 1,341 | 405 |
| Fremantle Waterfront Project - | | | | |
| Commercial Precinct Access and Services | 761 | 21 | - | 660 |
| New Electrical Substation C | 700 | 350 | 350 | 350 |
| HIs melt - | | | | |
| Infrastructure for HIs melt - Stage 1 and Other Bulk Users | 30,348 | 13,950 | 13,025 | 10,398 |
| Inner Harbour - | | | | |
| Upgrade Common User Areas Berths 11 /12 and Capital Dredging | 6,000 | 2,000 | 2,000 | 3,000 |
| North Quay - | | | | |
| Environmental Improvement Program | 3,245 | 605 | 442 | 210 |
| New Rail Terminal | 10,146 | 2,756 | 2,565 | 7,390 |
| North Quay Rail Loop | 9,500 | 3,840 | 3,840 | 5,660 |
| Outer Harbour - | | | | |
| KBT - Bulk Handling Business, Land and Associated Costs | 19,059 | 15,279 | 2,670 | 3,780 |
| KBT - Dust Suppression and Extraction | 1,100 | 550 | 550 | 550 |
| KBT - Undercover Storage | 7,500 | 100 | 100 | 1,850 |
| Kwinana Bulk Jetty - | | | | |
| Export Infrastructure | 38,000 | 200 | 200 | 3,200 |
| Plant and Equipment - | | | | |
| Replacement of 22 AGA Navigational Aid Buoys | 1,097 | 527 | 200 | 190 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Fremantle Waterfront Project | | | | |
| New Access Road (From Gate No. 2) due to rail realignment | 1,941 | 1,941 | 1,798 | - |
| Minor Works - | | | | |
| 2003-04 Program | 500 | 500 | 500 | - |
| North Quay - | | | | |
| Land Acquisition - Tydeman Rd and Container Parks | 4,520 | 4,520 | 4,520 | - |
| Rail Loop Land | 700 | 700 | 700 | - |
| Outer Harbour - | | | | |
| KBT - New Weighbridge (south)/New Entry Gatehouse/Washdown Bay | 450 | 200 | 200 | - |
| Kwinana Bulk Jetty - | | | | |
| Bulk Handling Equipment | 1,500 | 700 | 700 | - |
| Bulk Storage Facilities (UFC) | 10,991 | 10,991 | 267 | - |
| Fire Fighting Foam System | 650 | 650 | 650 | - |
| Stirling/Calista Channels - Lead Lights | 187 | 187 | 22 | - |
| Plant and Equipment - | | | | |
| Re-Engining Pilot Transport Vehicle | 585 | 585 | 585 | - |
| Replace Existing Sweeper Truck | 260 | 260 | 260 | - |
| Wharf Sweeper | 100 | 100 | 100 | - |
| Rous Head - | | | | |
| Purchase of Seabed | 200 | 200 | 200 | - |
| Victoria Quay - | | | | |
| Administration Buildings Upgrade of Levels 10 & 11 | 264 | 264 | 107 | - |
| Street Lighting | 90 | 90 | 90 | - |
| Victoria Quay Substation A Refurbishment | 1,540 | 1,540 | 1,540 | - |
| NEW WORKS | | | | |
| Minor Works - | | | | |
| 2004-05 Program | 500 | - | - | 500 |
| North Quay - | | | | |
| Rail Loop Seawall & Noise Barriers | 1,000 | - | - | 1,000 |
| Outer Harbour - | | | | |
| KBT - Extend Jetty No.2 Road | 200 | - | - | 200 |
| KBT - Front End Loader | 650 | - | - | 650 |
| KBT - New Weighbridge Under Surge Bins | 300 | - | - | 300 |
| KBT - Upgrade Conveyor and Install Splitter (Conveyor BC8) | 100 | - | - | 100 |
| Rous Head - | | | | |
| Seawall Construction - 2nd Stage | 5,200 | - | - | 5,200 |
| | 161,870 | 64,947 | 39,522 | 45,593 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 22,120 | 42,695 | 39,522 | 45,593 | 12,410 | 12,520 | 48,200 |
| LESS | | | | | | | |
| Borrowings | - | 24,760 | 25,098 | 29,498 | 5,300 | 6,000 | 41,700 |
| Internal Funds and Balances | 21,899 | 17,935 | 13,500 | 14,873 | 6,888 | 6,298 | 6,277 |
| Capital Contribution | 221 | - | 924 | 1,222 | 222 | 222 | 223 |

GERALDTON PORT AUTHORITY

CAPITAL WORKS PROGRAM

The Geraldton Port Authority's capital works program for 2004-05 is approved at \$3.115 million. This figure includes \$1.3 million for works in progress and \$1.815 million for new works. The capital expenditure will be funded by a mix of borrowings from the Western Australian Treasury Corporation totalling \$1.0 million and the balance of \$2.115 million from the Authority's internal funds.

The International Maritime Organisation (IMO) International Ship and Port Facility Security Code has required the Geraldton Port Authority to undertake a comprehensive review of its current arrangements and to introduce an enhanced set of security measures. As Australia is a participating and signatory country under the IMO, all Australian ports will be required to undertake and fulfil the necessary security measures to ensure international trade to overseas destination ports remains viable.

The new work-base facility is to be relocated from the current location to an area that will fall within the secured area of the Port, and will enable a far more efficient work regime for all the trades and maintenance personnel. This change in location and improved work layout within the compound will considerably improve work efficiencies with reduced response time and a far more effective working environment for the various skills employed in this area. The project also increases secure storage for Mineral customers within the Port.

There is a small balance of residual finishing works to be completed under the Port Enhancement project period. The Mid West Region has benefited from these capital works with shipments of iron ore now going out through the Port in Handymax sized vessels and grain shipments able to be facilitated as single Port shipments.

The bulk handling facilities have undergone a program to improve both effectiveness and efficiency in in-loading, out-loading and dust suppression as a result of the increased volume of iron ore exports now being processed through the Port. The balance of these works will be completed by June 2004.

As a part of ongoing enhancement of capacity within the Port, ensuring that the capability of the infrastructure is at least maintained, a series of minor works have been planned that include items such as storm water rectification, equipment wash-down, waste water capture and drainage and port occupational health and safety.

The existing water craft of the Geraldton Port Authority are approaching the limit of their originally anticipated working life. The \$500,000 Pilot Boat expenditure reflects the need for these craft to be maintained at the required standard to ensure safety and security of service to the growing customer base of the Port as volumes reach new heights.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Port Security | 2,000 | 1,000 | 1,000 | 1,000 |
| New Work Base..... | 748 | 448 | 448 | 300 |
| COMPLETED WORKS | | | | |
| Minor Works - | | | | |
| 2003-04 Program | 752 | 752 | 752 | - |
| Navigation Aids..... | 1,500 | 1,500 | 1,500 | - |
| Bulk Handling Infrastructure..... | 5,000 | 5,000 | 3,653 | - |
| Bulk Handling Facility - Environmental Action Plan | 587 | 587 | 35 | - |
| Fishing Industry Facilities - | | | | |
| Upgrade Sewer Scheme | 500 | 500 | 377 | - |
| Minor Works - | | | | |
| 2002-03 Program | 194 | 194 | 93 | - |
| Port Enhancement Project | 107,675 | 107,675 | 48,438 | - |
| NEW WORKS | | | | |
| Pilot Boat..... | 500 | - | - | 500 |
| Minor Works - | | | | |
| 2004/05 Program | 1,315 | - | - | 1,315 |
| | 120,771 | 117,656 | 56,296 | 3,115 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 61,213 | 24,666 | 56,296 | 3,115 | 1,334 | 1,374 | 1,415 |
| | 61,213 | 24,666 | 56,296 | 3,115 | 1,334 | 1,374 | 1,415 |
| LESS | | | | | | | |
| Borrowings | 85,608 | 22,414 | 27,815 | 1,000 | - | - | - |
| Internal Funds and Balances | (24,395) | 2,252 | 28,481 | 2,115 | 1,334 | 1,374 | 1,415 |
| Capital Contribution | - | - | - | - | - | - | - |

PORT HEDLAND PORT AUTHORITY

CAPITAL WORKS PROGRAM

Significant projects to be undertaken during 2004-05 include:

- wharf extensions costing \$5.5 million in order to meet the needs of new and existing growth trades. This project is carried over from the 2003-04 year with a total cost of \$9.6 million;
- cyclical maintenance dredging, costing \$4.0 million, required to maintain the channel and turning basin at declared depths; and
- connection of the port area to the town's deep sewer, costing \$0.5 million as required by the Water Authority.

The remainder of the program consists of a variety of minor works and asset replacements.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| No 1 Wharf Extension | 9,580 | 4,125 | 4,000 | 5,455 |
| COMPLETED WORKS | | | | |
| Fire Fighting and Safety Plant | 187 | 187 | 87 | - |
| Marine Simulator System | 250 | 250 | 250 | - |
| Office Extension | 870 | 870 | 194 | - |
| Tide Monitoring Equipment | 135 | 135 | 120 | - |
| Tug Pens | 970 | 970 | 970 | - |
| Office Equipment - Computer Upgrade | 120 | 120 | 60 | - |
| Housing Upgrades - 2003-04 Program | 350 | 350 | 350 | - |
| Bulk Minerals Shed | 1,140 | 1,140 | 1,140 | - |
| Minor Works - 2003-04 Program | 350 | 350 | 350 | - |
| Motor Vehicle Replacement - 2003-04 Program | 60 | 60 | 60 | - |
| Office Equipment - 2003-04 Program | 40 | 40 | 40 | - |
| NEW WORKS | | | | |
| Minor Works - 2004-05 Program | 1,361 | - | - | 1,361 |
| Connect to Deep Sewage | 500 | - | - | 500 |
| Motor Vehicle Replacement - 2004-05 Program | 109 | - | - | 109 |
| Dredging 2004-05 program | 4,000 | - | - | 4,000 |
| | 20,022 | 8,597 | 7,621 | 11,425 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 3,404 | 4,317 | 7,621 | 11,425 | 1,404 | 1,404 | 1,500 |
| | 3,404 | 4,317 | 7,621 | 11,425 | 1,404 | 1,404 | 1,500 |
| LESS | | | | | | | |
| Borrowings..... | - | - | - | 5,326 | 1,404 | 1,404 | 1,500 |
| Internal Funds and Balances..... | 3,404 | 4,317 | 7,621 | 6,099 | - | - | - |
| Capital Contribution..... | - | - | - | - | - | - | - |

WESTERN AUSTRALIAN LAND AUTHORITY

CAPITAL WORKS PROGRAM

The Western Australian Land Authority (LandCorp) is the State Government's commercially focussed land development agency. LandCorp is responsible for ensuring that the following outcomes are delivered:

- Provision of sufficient heavy, special and general industrial land to support continued economic development of the State;
- Provision of sufficient urban land through renewal, new town centres, tourism and revitalisation development projects for Western Australian communities;
- Provision of sufficient land to support regional town's development; and
- Maximise returns to the State for government land and property asset disposals.

The planned Capital Works Program for 2004-05 is \$193.8 million.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Contaminated Sites- 2003-04 Program | 740 | 740 | 740 | - |
| Development of Land - Government Asset Disposal - Acquisition - 2003-04 Program | 31,242 | 31,242 | 31,242 | - |
| Development - 2003-04 Program | 27,892 | 27,892 | 27,892 | - |
| Industrial - Acquisition - 2003-04 Program | 25,411 | 25,411 | 25,411 | - |
| Development - 2003-04 Program | 30,950 | 30,950 | 30,950 | - |
| Major Urban - Acquisition - 2003-04 Program | 1,376 | 1,376 | 1,376 | - |
| Development - 2003-04 Program | 39,729 | 39,729 | 39,729 | - |
| Townsites Development - Acquisition - 2003-04 Program | 6,941 | 6,941 | 6,941 | - |
| Development - 2003-04 Program | 5,445 | 5,445 | 5,445 | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| NEW WORKS | | | | |
| Contaminated Sites- 2004-05 Program | 3,831 | - | - | 3,831 |
| Development of Land - Government Asset Disposal - Acquisition - 2004-05 Program | 79,382 | - | - | 79,382 |
| Development - 2004-05 Program | 24,408 | - | - | 24,408 |
| Industrial - Acquisition - 2004-05 Program | 25,415 | - | - | 25,415 |
| Development - 2004-05 Program | 16,543 | - | - | 16,543 |
| Major Urban - Acquisition - 2004-05 Program | 2,914 | - | - | 2,914 |
| Development - 2004-05 Program | 25,867 | - | - | 25,867 |
| Townsites Development Acquisition 2004-05 Program | 8,500 | - | - | 8,500 |
| Development 2004-05 Program | 6,947 | - | - | 6,947 |
| | 363,533 | 169,726 | 169,726 | 193,807 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 104,108 | 186,090 | 169,726 | 193,807 | 115,595 | 144,936 | 96,814 |
| | 104,108 | 186,090 | 169,726 | 193,807 | 115,595 | 144,936 | 96,814 |
| LESS | | | | | | | |
| Borrowings | - | 46,800 | - | 25,000 | - | - | - |
| Other | 104,108 | 139,290 | - | - | - | - | - |
| Internal Funds and Balances | - | - | 169,726 | 168,807 | 115,595 | 144,936 | 96,814 |

WESTERN AUSTRALIAN PLANNING COMMISSION

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 49

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 82 Net amount appropriated to deliver outputs | 7,664 | 4,478 | 3,967 | 2,291 | 1,851 | 1,531 | 1,436 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Metropolitan Region Improvement Tax Act 1959 | 38,096 | 43,000 | 42,500 | 45,500 | 48,500 | 52,000 | 55,500 |
| - Town Planning and Development Act 1928 | 821 | 406 | 812 | - | - | - | - |
| Total appropriations provided to deliver outputs | 46,581 | 47,884 | 47,279 | 47,791 | 50,351 | 53,531 | 56,936 |
| CAPITAL | | | | | | | |
| Item 147 Capital Contribution | 5,000 | 42,500 | 43,000 | 7,500 | 6,200 | 7,000 | 7,000 |
| GRAND TOTAL..... | 51,581 | 90,384 | 90,279 | 55,291 | 56,551 | 60,531 | 63,936 |

MISSION

To formulate and coordinate land use strategies for Western Australia, to facilitate its growth while continuously enhancing its unique quality of life and environment.

SIGNIFICANT ISSUES AND TRENDS

The Western Australian Planning Commission (the Commission) is committed to implementing the strategic planning framework for the Western Australian Public Sector. The key goals of this strategy are:

- **People and Communities**

To enhance the quality of life and well-being of all people throughout Western Australia. Key initiatives of the Commission include:

- *Sustainable Communities and Revitalisation*

Strategic and statutory initiatives will be undertaken to work with people to develop vibrant communities through good design, building relationships, and integration of social economic and environmental factors. The development and implementation of innovative policies and plans will encourage and reward developments that achieve sustainable outcomes.

- **The Economy**

To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. Key initiatives of the Commission include:

- *Promoting the Economy and Employment*

Develop solutions to stimulate a healthy economy and greater employment opportunities.

- *Infrastructure and Development Coordination*

Coordinate activities with State and local governments and developers to ensure the timely provision of infrastructure and services to secure a cost effective and adequate land supply for future growth.

- *Integration of Transport and Land Use*

Ensure that land use and transport planning is fully integrated to improve the quality of our communities, accessibility, and efficiencies in all transport modes including freight, rail, road, air and alternative transport methods.

- **The Environment**

To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected. Key initiatives of the Commission include:

- *Sustainable Environment and Natural Resources*

Strategic and statutory initiatives will be undertaken to work with people to develop vibrant communities through good design, building relationships, and integration of social economic and environmental factors. The development and implementation of innovative policies and plans will encourage and reward developments that achieve sustainable outcomes.

- **The Regions**

To ensure that regional Western Australia is strong and vibrant. Key initiatives of the Commission include:

- *Regional Development*

Encourage and promote development in the regions by working with the community and government to stimulate investment in value adding enterprise and to coordinate the development of land and the provision of utility and social services.

- **Governance**

To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future. Key initiatives of the Commission include:

- *Quality Information and Processes*

Ensure the delivery of good quality and timely information which is critical to achieving good planning outcomes.

- Western Australia is experiencing some of the highest population and economic growth rates in Australia. This growth is placing demand on the State's land and resources. Western Australians are increasingly concerned about their quality of life and there is a wish to ensure that development is sustainable. The Commission has a key role in ensuring that growth is managed in order to achieve economic, social and environmentally sustainable outcomes. In order to achieve its roles and functions it recognises the following key outcomes:

- The creation and design of vibrant communities in urban and rural areas is a key issue. There is increasing demand from the community for integrated development which recognises good design, employment, transport, and a quality environment, as keys to successful development. Suburbanisation is now being replaced with the creation of communities;
- The growth of Perth and the State's population is causing increased pressure on the State's transport systems. There is an increasing realisation that creation of more road space will not necessarily solve problems of road capacity and there is a need to promote travel demand management. This is based on better integration of transport and land use to reduce travel distance between home and employment and promote alternatives to the private car. There is a significant commitment to planning for improved public transport;
- Quality development depends on the timely and efficient provision of infrastructure. There is increasing demand for new communities to have a high level of servicing at the beginning of the development cycle. The coordination of activities of state and local governments, developers and servicing authorities is increasingly important to ensure cost effective and adequate future land supply for the State;
- The creation of local and regional employment as part of the ongoing development cycle is a key factor in ensuring successful management of the State's growth;
- The quality of urban and rural life has a high dependence on the quality of the natural environment and the sustainability of natural resources. The Commission has a key role in the protection of the State's environmental and natural resource assets. The acquisition of land to protect bushland, coastal areas, wetlands and other environmental areas is a significant activity. The protection of the State's key natural resource asset such as agricultural land, mineral resources and flood plain areas is being achieved through the application of planning policies and other initiatives;
- The creation of sustainable regional development is supported through the Commission's regional planning program which promotes sustainable regional development through regional and sub-regional growth. The State's diverse regions require initiatives tailored to suit their individual needs and the Commission works closely with government agencies and regional communities to plan for their future; and

- Quality information is the fundamental component of good planning decisions. The creation of systems and processes which enable quality information to be obtained to support planning decisions is important. The engagement of the community through new and innovative techniques is fundamental to ensuring good quality planning outcomes.
- In recognising the importance of these issues and trends the Commission works with clients across the State to manage issues concerning population and economic growth, environmental management and infrastructure. In doing so the Commission has strong linkages with other programs including the State Sustainability Strategy.
- The Commission is committed to better opportunities for the community to participate in and make creative and effective contributions to Government processes. The Commission has undertaken several new and innovative methods for engaging the community in the planning decision making process and there is a strong commitment to continue these innovative consultation processes in the future.

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Statutory Planning | 3,796 | 5,716 | 6,638 | 4,672 | | | |
| <i>Output 2:</i> | | | | | | | |
| Strategic Planning..... | 5,212 | 5,542 | 7,020 | 5,299 | | | |
| <i>Output 3:</i> | | | | | | | |
| Asset Management | 26,350 | 21,882 | 23,357 | 20,417 | | | |
| Total Cost of Outputs | 35,358 | 33,140 | 37,015 | 30,388 | 28,812 | 28,407 | 28,500 |
| <i>Less Revenues from Ordinary Activities</i> | <i>14,373</i> | <i>7,931</i> | <i>9,356</i> | <i>9,042</i> | <i>5,901</i> | <i>5,850</i> | <i>5,880</i> |
| Net Cost of Outputs | 20,985 | 25,209 | 27,659 | 21,346 | 22,911 | 22,557 | 22,620 |
| Adjustments ^(a) | 25,596 | 22,675 | 19,620 | 26,445 | 27,440 | 30,974 | 34,316 |
| Appropriation provided to deliver Outputs. | 46,581 | 47,884 | 47,279 | 47,791 | 50,351 | 53,531 | 56,936 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 5,000 | 42,500 | 43,000 | 7,500 | 6,200 | 7,000 | 7,000 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 51,581 | 90,384 | 90,279 | 55,291 | 56,551 | 60,531 | 63,936 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chairman and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|---|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Land Use Planning and Land Use Implementation strategies to guide the State's long term urban settlement and economic development. | 1. Statutory Planning 2. Strategic Planning 3. Asset Management |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Land Use Planning and Land Use Implementation strategies to guide the State's long term urban settlement and economic development. | | | | | |
| The number of planning applications determined within set statutory parameters and the level of satisfaction of the Commission's client groups with the process..... | 83% | 85% | 78.5% | 85% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Statutory Planning

Utilisation of statutory, consultative, legislative, regulatory reform and coordination processes that facilitate the implementation of creative and innovative strategic regional and local plans and policies.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 3,796 | 5,716 | 6,638 | 4,672 | Transfer of Appeals to Justice in 2004-05; Projects and studies re-provided for in 2003-04 now completed. |
| Less Revenues from Ordinary Activities | 2,398 | 1,488 | 1,748 | 1,767 | |
| Net Cost of Output | 1,398 | 4,228 | 4,890 | 2,905 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 1 | 1,398 | 4,228 | 4,890 | 2,905 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Statutory applications determined: | | | | | |
| - Metropolitan Perth | 4,063 | 3,950 | 4,200 | 3,750 | Predicted 10% decline in property market and significant effort to clear application backlog in 2003-04. |
| - Country Western Australia..... | 1,092 | 1,000 | 1,400 | 1,200 | |
| Quality | | | | | |
| Determinations which were processed without a successful appeal..... | 99% | 90% | 96% | 90% | |
| Timeliness | | | | | |
| Applications processed within the statutory time-frame | 67% | 80% | 61% | 80% | |
| Cost (Efficiency) | | | | | |
| Average cost per application determined..... | \$736.40 | \$1,154.75 | \$1,185.36 | \$943.84 | Refer above - Total Cost of Output |

Major Achievements For 2003-04

- Continued the process of regulatory reform and policy review through the process of model schemes and provisions, design codes, statements of planning policy, guidelines, regulations and legislation. Advice and recommendations have been provided on:
 - three local government planning schemes and 204 planning scheme amendments;
 - 32 amendments in progress, three minor amendments finalised under the Metropolitan Region Scheme (MRS);
 - regulatory reform with significant achievements being completion of Model Provisions for Structure Plans, Model Provisions for Development Contributions and Consolidation of Planning Legislation; and
 - revision of the Commission's policy framework and Statements of Planning Policy for Acid Sulfate Soils, Urban Storm-water Management, New Policy Classification, Policy for Dealing with Potential Conflicts Between Residential Subdivision and Market Gardens in East Wanneroo, *Planning Appeals Amendment Act 2002* and Amendments to Policy No. DC1.9 Amendments to the Metropolitan Region Scheme and Draft Guidelines for Wind Farm Development being submitted to the Minister for endorsement and the Governor for approval.
- Implementation of significant improvements to productivity, through collaboration with the Department for Planning and Infrastructure Statutory Planning Internal Review and Improvements Taskforce (SPIRIT):
 - Workload management strategy including features such as work stream based structure (complex vs simple), development of prioritised strategic workload management tools and procedures, establishment of specialist schemes and amendments team, resulting in an improvement to productivity of 15% in the number of subdivision and strata applications determined (comparing July 2002 to February 2003 with July 2003 to February 2004 period); and
 - Implementation of a 'backlog clearance strategy' utilising extra resources allocated by Government and the Commission for the 2003-04 financial year to clear a backlog in subdivision applications, by the end of 2003-04.

Major Initiatives For 2004-05

- Significant improvements to process efficiency of statutory planning application processing through the implementation of measures that result from the Statutory Planning Internal Improvements Review and the Planning Processes Review Study, including:
 - application referral streamlining;
 - clarification of application information requirements;
 - information systems improvements;
 - fast-tracking of simple applications; and
 - restructure of the Statutory Planning Division to improve customer focus and provide support to improved administrative processes.
- Liveable Neighbourhoods review to incorporate Liveable Neighbourhoods code into statutory policy framework.
- Model Scheme text revision to simplify Town Planning Scheme preparation.

- Review of R-Codes to provide greater clarity.
- Consolidation and streamlining of planning legislation.
- Further development of the Commission's Policy Framework.
- Planning for urban revitalisation including land around railway stations and other place management initiatives.

Output 2: Strategic Planning

The development and advancement of planning strategies, policies and information systems that guide the State's long term urban settlement, industrial and economic development, and the management of the environment in such a way that reflects the aspirations of the Western Australian Community for a high quality of life.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 5,212 | 5,542 | 7,020 | 5,299 | Projects and studies re-provided for in 2003-04 now completed. Increase in project and study contributions. |
| Less Revenues from Ordinary Activities | 3,376 | 1,553 | 1,863 | 2,337 | |
| Net Cost of Output | 1,836 | 3,989 | 5,157 | 2,962 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 2 | 1,836 | 3,989 | 5,157 | 2,962 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Planning Decisions - Strategic, Environment, Industry, Infrastructure and Transport | 278 | 200 | 260 | 220 | |
| Quality | | | | | |
| Client satisfaction with Strategic Planning activities (via survey)..... | 89% | 80% | 80% | 80% | |
| Timeliness | | | | | |
| Client satisfaction with the timeliness of Strategic Planning activities (via survey)..... | 73% | 70% | 70% | 70% | |
| Cost (Efficiency) | | | | | |
| Average cost per Planning Decision - Strategic, Environment, Industry, Infrastructure and Transport | \$18,748 | \$27,710 | \$27,000 | \$24,086 | Refer above - Total Cost of Output |

Major Achievements For 2003-04

- **Region Scheme Planning Initiatives**
 - amendments to the Metropolitan Region Scheme were initiated including:
 - Bush Forever (August 2003) - advertised in early 2004;
 - Fremantle Eastern Bypass - initiated February 2002 and tabled in Parliament November 2003; and
 - Road Reserves Review - advertised for public submissions December 2003, anticipated effective date October 2004.
 - implementation of the Peel Region Scheme is progressing with land acquisition underway and a number of minor amendments to the Scheme being proposed through the Peel Region Planning Committee;
 - the Greater Bunbury Region Scheme is in preparation and should be completed in late 2004; and
 - preliminary work has been undertaken for the Geraldton Region Scheme relating to the City Centre Study and the establishment of the Southern Access Corridor to the port.
- Planning policy and strategy was undertaken including:
 - a draft Statement of Planning Policy on Industrial Buffers to be presented to the Commission in mid-2004;
 - the Coastal Statement of Planning Policy has been completed and the Coastal Planning Council has been established to oversee implementation;
 - completion of the landscape management guidelines, which will be released by mid 2004; and
 - completion of the Statement of Planning Policy on Land Use Planning in the Vicinity of Perth Airport.
- A major new strategic planning initiative for the Perth Metropolitan area is well underway. Dialogue with the City was one of the most successful community consultation events undertaken in Western Australia and is currently being translated into a strategic directions plan. This has had considerable industry and local government input and will be available in July/August 2004.
- **Regional planning initiatives**
 - release of the Future Directions document for Carnarvon-Ningaloo;
 - release of the Geraldton Region Centre Strategy;
 - release of the draft Gingin Coast Structure Plan;
 - initiated a review of planning for Broome;
 - implementation of the Freight Network Review. Considerable work has been undertaken in implementing this review, including:
 - a masterplan for Kewdale-Hazelmere region has been completed;
 - planning for new Outer Harbour for Fremantle is underway; and
 - Country Land Development Programs for Kununurra and Esperance completed and released.
- Metropolitan Land Release Plan 2003-04 to 2007-08 was released in February 2004.

Major Initiatives For 2004-05

- Release of a new strategic plan for Perth, incorporating Dialogue with the City outcomes.
- Release of the final Carnarvon-Ningaloo Coastal Strategy and implementation measures.
- Release draft North West Corridor Structure Plan Review.
- Complete and prepare transport strategies, including the transport of freight from Fremantle Ports to Kewdale.
- Continue the Metropolitan Development Program and Country Land Development Program.
- Planning for the Fremantle Outer Harbour development.

Output 3: Asset Management

The acquisition, management and disposal of properties reserved under the Metropolitan and Peel Region Schemes and Greater Bunbury Region Schemes (Provisional) for primary and other regional roads, parks and recreation and regional open space areas, special uses including planning control areas and improvement plans and major land development projects.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 26,350 | 21,882 | 23,357 | 20,417 | Reduction in Capital User Charge. Once off property management expenditure in 2003-04, not expected in 2004-05. Reduction in rent due to sale of property. |
| Less Revenues from Ordinary Activities | 8,599 | 4,890 | 5,745 | 4,938 | |
| Net Cost of Output | 17,751 | 16,992 | 17,612 | 15,479 | |
| Adjustments ^(a) | 25,596 | 22,675 | 19,620 | 26,445 | |
| Appropriation for delivery of Output 3 | 43,347 | 39,667 | 37,232 | 41,924 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|---|---|----------------------|-------------------------------|--|
| Quantity | | | | | |
| Hectares managed: | | | | | |
| - Improvement plans, regional roads and other uses (includes rental properties)..... | 4,578 | 4,500 | 4,615 | 4,700 | |
| - Parks and recreation reserves | 6,143 | 6,000 | 7,559 | 8,000 | |
| Quality | | | | | |
| Management - progress on formulation and implementation of management plans..... | 2 completed; 4 draft final; 1 in progress | 3 completed; 2 draft final; 1 in progress | 2 draft final | 2 completed; 2 draft final | |
| Acquisitions - acceptances within approved range | 95% | 70% | 95% | 75% | |
| Disposals - realised at in excess of reserved price..... | 100% | 70% | 90% | 75% | |
| Timeliness | | | | | |
| Management: | | | | | |
| - available days tenanted | 87% | 97% | 87% | 85% | |
| - approved management plan activities achieved in period..... | 70% | 70% | 65% | 70% | |
| - approved management program achieved in period | 70% | 70% | 65% | 70% | |
| Acquisitions - approved schedule acquired in period..... | 79% | 70% | 75% | 75% | |
| Disposals - approved schedule disposed in period..... | 60% | 97% | 80% | 80% | |
| Cost (Efficiency) | | | | | |
| Average cost per hectare managed | \$1,842.55 | \$1,236.38 | \$1,187.53 | \$898.98 | Refer above - Total Cost of Output |

Major Achievements For 2003-04

- **Metropolitan and Country Region Schemes**
- Land Acquisition
 - The purchase of the lands required for reservation under the Metropolitan Region Scheme (MRS) and Peel and proposed Greater Bunbury Region Schemes continued where requested by landowners or in response to claims for compensation for Injurious Affection;
 - Completed resumption of the land for the Southern Suburbs Railway and the City Project including the underground William Street platforms of the Perth Railway Station; and
 - The management of the Commission's estate, including rental properties within the Metropolitan, Peel and Greater Bunbury Region Schemes was reviewed and Perth Management Services has been appointed on a two year contract for the Metropolitan Region.
- Park Development
 - Completed arrangements between local government, Conservation and Land Management (CALM) and the Commission for the transfer of the Canning River Regional Park and Herdsman Lake Regional Park to the Conservation Commission of Western Australia;
 - Finalised lease and capital funding with the City of Belmont for Region Open Space on the Swan River foreshore known as Garvey Park;
 - Completed amalgamation and transfer of land reserved for Parks and Recreation at Forrestdale Lake to the State of Western Australia to be vested with the Conservation Commission.;
 - Finalised the draft management plan for Black Swan (Kuljak) Island at Ascot; and
 - Champion Lakes environmental approvals and land acquisitions for the project which is linked to the construction of the adjacent Tonkin Highway. Transfer of the project to the Armadale Redevelopment Authority was subsequently completed.

Major Initiatives For 2004-05

- Continue acquisition of land that is reserved in the Metropolitan and Peel Region Schemes together with the Greater Bunbury Region Scheme (provisional).
- Progress the acquisition of Bush Forever sites, Regional Parks, river foreshores and groundwater areas.
- Complete the negotiation of the compensation claims for the new City Railway Station.

CAPITAL WORKS PROGRAM

The Commission's planned capital expenditure in 2004-05 reflects a provision for the acquisition of land under the Metropolitan Region Scheme, continuation of its Bush Forever Project and development of public facilities on Regional Open Space.

The capital works program also includes separate Consolidated Fund allocations for the purchase of land resulting from the preparation and implementation of the Peel Region Scheme and Greater Bunbury Region Scheme (Provisional) and the Leighton Beach Rehabilitation and Landscaping Project.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Acquisition of Land - | | | | |
| 2003-04 Program | 68,900 | 59,900 | 59,900 | 9,000 |
| Ascot (Kuljak Island) Project - | 1,000 | 500 | 500 | 500 |
| Leighton Marshalling Yards and Foreshore Rehabilitation | 3,200 | 500 | 500 | 1500 |
| Transfer of Regional Parks to CALM - | | | | |
| 2003-04 Program | 2,600 | 1,300 | 1,300 | 1,300 |
| COMPLETED WORKS | | | | |
| Acquisition of Land - | | | | |
| 2002-03 Program | 49,651 | 49,651 | 7000 | - |
| Perth's Bushplan - | | | | |
| 2003-04 Program | 10,000 | 10,000 | 10,000 | - |
| Port Catherine - | | | | |
| 2002-03 Program | 5,545 | 5,545 | 2,658 | - |
| 2003-04 Program | 7,000 | 7,000 | 7,000 | - |
| Recreation Reserves (Area Assistance Scheme) - | | | | |
| 2002-03 Program | 1,030 | 1,030 | 80 | - |
| 2003-04 Program | 3,500 | 3,500 | 3,500 | - |
| Regional Land Acquisitions - | | | | |
| 2003-04 Program | 19,500 | 19,500 | 19,500 | - |
| NEW WORKS | | | | |
| Acquisition of Land - | | | | |
| 2004-05 Program | 50,200 | - | - | 50,200 |
| Leighton beach Rehabilitation and Landscaping | 1,000 | - | - | 1,000 |
| Perth's Bushplan - | | | | |
| 2004-05 Program | 10,000 | - | - | 10,000 |
| Recreation Reserves (Area Assistance Scheme) | | | | |
| 2004-05 Program | 2,000 | - | - | 2,000 |
| Regional Land Acquisitions - | | | | |
| 2004-05 Program | 7,000 | - | - | 7,000 |
| Swan/Helena Regional Park | 1,000 | - | - | 500 |
| | 243,126 | 158,426 | 111,938 | 83,000 |

CAPITAL CONTRIBUTION

The Commission has a Consolidated Fund Contribution of \$7.5 million for 2004-05. These funds will be used for the implementation of the Country Region Schemes and the Leighton beach Rehabilitation and Landscaping project.

The Statement of Financial Performance shows a positive change in Equity resulting from operations each year. The change in equity will be used to fund the Commission's Land Acquisition Program.

The Statement of Financial Position shows the Commission's equity position will increase each year due to the accumulation of land under various programs and schemes.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 52,818 | 96,500 | 111,938 | 83,000 | 60,700 | 59,750 | 63,480 |
| | 52,818 | 96,500 | 111,938 | 83,000 | 60,700 | 59,750 | 63,480 |
| LESS | | | | | | | |
| Asset Sales | 2,896 | 14,000 | 17,200 | 21,500 | 20,500 | 19,700 | 22,080 |
| Internal Funds and Balances..... | 44,922 | 40,000 | 51,738 | 54,000 | 34,000 | 33,050 | 34,400 |
| Capital Contribution..... | 5,000 | 42,500 | 43,000 | 7,500 | 6,200 | 7,000 | 7,000 |

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 384 | 230 | 458 | 10 | 10 | 10 | 10 |
| Superannuation | 137 | 277 | 239 | 254 | 254 | 264 | 264 |
| Grants and subsidies | 1,219 | 1,856 | 3,106 | - | - | - | - |
| Consultancies expense | 3,801 | 2,043 | 3,159 | 2,552 | 2,043 | 2,043 | 2,043 |
| Supplies and services | 5,690 | 9,890 | 10,296 | 10,599 | 9,936 | 10,046 | 10,146 |
| Accommodation | 722 | 1,243 | 1,286 | 1,268 | 1,273 | 1,318 | 1,352 |
| Capital User Charge | 5,700 | 3,346 | 2,835 | 1,161 | 523 | 179 | 84 |
| Depreciation and amortisation | 229 | 140 | 140 | 140 | 260 | 260 | 260 |
| Net loss on disposal of non-current assets | - | 8,900 | 8,900 | 9,000 | 9,000 | 9,000 | 9,000 |
| Costs of disposal of non-current assets | 6,222 | - | - | - | - | - | - |
| Other expenses | 11,253 | 5,215 | 6,596 | 5,404 | 5,513 | 5,287 | 5,341 |
| TOTAL COST OF SERVICES | 35,357 | 33,140 | 37,015 | 30,388 | 28,812 | 28,407 | 28,500 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 165 | - | 2,454 | 2,596 | 2,677 | 2,738 | 2,786 |
| Grants and subsidies | 346 | 74 | 160 | 970 | - | - | - |
| Interest | 4,048 | 1,600 | 1,600 | 1,600 | 200 | 150 | 150 |
| Rent | 3,561 | 3,128 | 3,497 | 2,700 | 2,431 | 2,400 | 2,400 |
| Proceeds from disposal of non-current assets .. | 2,994 | - | - | - | - | - | - |
| Other Revenue | 3,259 | 3,129 | 1,645 | 1,176 | 593 | 562 | 544 |
| Total Revenues from Ordinary Activities | 14,373 | 7,931 | 9,356 | 9,042 | 5,901 | 5,850 | 5,880 |
| NET COST OF SERVICES | 20,984 | 25,209 | 27,659 | 21,346 | 22,911 | 22,557 | 22,620 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 46,581 | 47,884 | 47,279 | 47,791 | 50,351 | 53,531 | 56,936 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 46,581 | 47,884 | 47,279 | 47,791 | 50,351 | 53,531 | 56,936 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 25,597 | 22,675 | 19,620 | 26,445 | 27,440 | 30,974 | 34,316 |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 25,597 | 22,675 | 19,620 | 26,445 | 27,440 | 30,974 | 34,316 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 6, 6 and 1 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 50,805 | 34,276 | 25,087 | 6,532 | 2,472 | 296 | 112 |
| Investments..... | - | 137 | - | - | - | - | - |
| Receivables..... | 1,369 | 727 | 1,519 | 1,519 | 1,519 | 1,519 | 1,519 |
| Inventories..... | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Interest receivable..... | 340 | 312 | 190 | 190 | 190 | 190 | 190 |
| Amounts receivable for outputs..... | 290 | - | 290 | 290 | 290 | 290 | 290 |
| Prepayments..... | 120 | 134 | 120 | 120 | 120 | 120 | 120 |
| Other..... | - | 1,746 | - | - | - | - | - |
| Total current assets..... | 52,928 | 37,336 | 27,210 | 8,655 | 4,595 | 2,419 | 2,235 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | - | 430 | 140 | 280 | 540 | 800 | 1,060 |
| Land and Buildings..... | 440,361 | 514,040 | 526,085 | 578,449 | 609,439 | 640,279 | 672,469 |
| Plant, equipment and vehicles..... | 227 | 146 | 201 | 197 | 147 | 97 | 47 |
| Loans and Advances..... | - | - | 2,500 | 2,500 | - | - | - |
| Other..... | - | 75 | - | - | - | - | - |
| Total non-current assets..... | 440,588 | 514,691 | 528,926 | 581,426 | 610,126 | 641,176 | 673,576 |
| TOTAL ASSETS..... | 493,516 | 552,027 | 556,136 | 590,081 | 614,721 | 643,595 | 675,811 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 482 | 276 | 482 | 482 | 482 | 482 | 482 |
| Provision for employee entitlements..... | 63 | 70 | 63 | 63 | 63 | 63 | 63 |
| Accrued Salaries..... | 18 | 11 | 18 | 18 | 18 | 18 | 18 |
| Other..... | 252 | 413 | 252 | 252 | 252 | 252 | 252 |
| Total current liabilities..... | 815 | 770 | 815 | 815 | 815 | 815 | 815 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 232 | 219 | 232 | 232 | 232 | 232 | 232 |
| Provision for employee entitlements..... | 50 | 46 | 50 | 50 | 50 | 50 | 50 |
| Total non-current liabilities..... | 282 | 265 | 282 | 282 | 282 | 282 | 282 |
| TOTAL LIABILITIES..... | 1,097 | 1,035 | 1,097 | 1,097 | 1,097 | 1,097 | 1,097 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 12,000 | 54,500 | 55,000 | 62,500 | 59,700 | 57,600 | 55,500 |
| Accumulated surplus/(deficit)..... | 474,447 | 490,519 | 494,067 | 520,512 | 547,952 | 578,926 | 613,242 |
| Asset revaluation reserve..... | 5,972 | 5,973 | 5,972 | 5,972 | 5,972 | 5,972 | 5,972 |
| Total equity..... | 492,419 | 550,992 | 555,039 | 588,984 | 613,624 | 642,498 | 674,714 |
| TOTAL LIABILITIES AND EQUITY..... | 493,516 | 552,027 | 556,136 | 590,081 | 614,721 | 643,595 | 675,811 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 46,441 | 47,744 | 47,139 | 47,651 | 50,091 | 53,271 | 56,676 |
| Capital Contribution | 5,000 | 42,500 | 43,000 | 7,500 | 6,200 | 7,000 | 7,000 |
| Net cash provided by State government..... | 51,441 | 90,244 | 90,139 | 55,151 | 56,291 | 60,271 | 63,676 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (462) | (230) | (458) | (10) | (10) | (10) | (10) |
| Superannuation..... | (131) | (72) | (34) | (54) | (59) | (59) | (59) |
| Supplies and services..... | (9,341) | (12,545) | (14,067) | (13,391) | (12,529) | (12,663) | (12,663) |
| Grants and subsidies | (1,229) | (1,856) | (5,606) | - | - | - | - |
| Accommodation..... | (605) | (85) | (128) | (90) | (90) | (90) | (90) |
| Capital User Charge..... | (5,700) | (3,346) | (2,835) | (1,161) | (523) | (179) | (84) |
| Goods and Services Tax | (2,856) | (3,315) | (3,315) | (3,325) | (3,325) | (3,330) | (3,330) |
| Other..... | (11,264) | (5,485) | (6,866) | (6,830) | (6,629) | (6,486) | (6,674) |
| Receipts | | | | | | | |
| User charges and fees | 123 | - | 2,454 | 2,596 | 2,677 | 2,738 | 2,786 |
| Interest..... | 3,984 | 1,600 | 1,600 | 1,600 | 200 | 150 | 150 |
| Goods and Services Tax | 2,434 | 3,315 | 3,315 | 3,325 | 3,325 | 3,330 | 3,330 |
| Grants and subsidies | 351 | 74 | 160 | 970 | - | - | - |
| Other..... | 6,740 | 5,776 | 4,661 | 4,164 | 5,812 | 3,302 | 3,284 |
| Net cash from operating activities..... | (17,956) | (16,169) | (21,119) | (12,206) | (11,151) | (13,297) | (13,360) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (52,818) | (96,500) | (111,938) | (83,000) | (60,700) | (59,750) | (63,480) |
| Capital Repayments..... | - | - | - | - | (9,000) | (9,100) | (9,100) |
| Proceeds from sale of non-current assets | 2,896 | 14,000 | 17,200 | 21,500 | 20,500 | 19,700 | 22,080 |
| Net cash from investing activities..... | (49,922) | (82,500) | (94,738) | (61,500) | (49,200) | (49,150) | (50,500) |
| NET INCREASE/(DECREASE) IN CASH HELD | (16,437) | (8,425) | (25,718) | (18,555) | (4,060) | (2,176) | (184) |
| Cash assets at the beginning of the reporting period | 67,242 | 42,701 | 50,805 | 25,087 | 6,532 | 2,472 | 296 |
| Cash assets at the end of the reporting period..... | 50,805 | 34,276 | 25,087 | 6,532 | 2,472 | 296 | 112 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|-------------------------------|-----------------------------|-----------------------------|--|---|--|--|--|
| Coastal Zone Management | 291 | 1,364 | 1,233 | - | - | - | - |
| Coast and Clean Seas..... | 378 | - | - | - | - | - | - |
| Other Contributions..... | 550 | 492 | 1,873 | - | - | - | - |
| TOTAL | 1,219 | 1,856 | 3,106 | - | - | - | - |

Part 11

Minister for State Development

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 839 | Industry and Resources | | | |
| | – Delivery of Outputs | 96,795 | 94,245 | 100,576 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 38,725 | 63,553 | 28,096 |
| | – Capital Contribution | 5,773 | 3,953 | 1,910 |
| | Total | 141,293 | 161,751 | 130,582 |
| | GRAND TOTAL | | | |
| | – Delivery of Outputs | 96,795 | 94,245 | 100,576 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 38,725 | 63,553 | 28,096 |
| | – Capital Contribution | 5,773 | 3,953 | 1,910 |
| | Total | 141,293 | 161,751 | 130,582 |

INDUSTRY AND RESOURCES

PART 11 - MINISTER FOR STATE DEVELOPMENT

DIVISION 50

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 83 Net amount appropriated to deliver outputs | 94,148 | 96,267 | 93,717 | 100,048 | 107,274 | 106,629 | 107,374 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 528 | 528 | 528 | 528 | 528 | 528 | 528 |
| Total appropriations provided to deliver outputs | 94,676 | 96,795 | 94,245 | 100,576 | 107,802 | 107,157 | 107,902 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 84 Amount provided for Administered Grants, Subsidies and Other Transfer Payments | 47,667 | 20,925 | 48,964 | 18,871 | 40,677 | 30,683 | 21,088 |
| Amount Authorised by Other Statutes - Petroleum (Submerged Lands) Act 1982. | 16,580 | 17,800 | 14,589 | 9,225 | 5,771 | 4,514 | 3,352 |
| CAPITAL | | | | | | | |
| Item 148 Capital Contribution | 6,053 | 5,773 | 3,953 | 1,910 | 6,170 | 2,309 | 1,045 |
| GRAND TOTAL | 164,976 | 141,293 | 161,751 | 130,582 | 160,420 | 144,663 | 133,387 |

MISSION

To advance the responsible development of the State's industry and resources for the benefit of Western Australians.

SIGNIFICANT ISSUES AND TRENDS

- World economic growth should continue to improve, though risks to the outlook remain, particularly an excessive reliance on the United States economy to underpin broader global economic activity.
- Stronger world growth should help maintain a positive trade environment and support demand and prices for minerals and energy commodities. The Australian economy is also likely to experience healthy growth as global growth picks up, and domestic investment and consumption remain solid. Growth may be tempered by any further exchange rate appreciation and its potential effect on exports as well as softer growth in the housing sector.
- In Western Australia, the economic outlook is linked closely to the outlook for global economic growth. Very strong demand for the State's resources, particularly from a rapidly growing Chinese economy, is boosting growth through its stimulatory impact on investment. The potential for the Japanese economy to sustain recent tentative signs of a re-emergence of growth from a long period of recession would add to this stimulus. Solid growth in both China and Japan, as well as the United States, would also support growth within the rest of the Asian region, with positive benefits for the State's economy.
- Uncertainties that face the Western Australian economy include global factors. In particular, there remains significant reliance on the stronger United States economy to support growth in Japan, the Asian region (except China) and Europe through the United States' demand for these economies' exports. Slower United States growth would weaken a key stimulus for improved growth in these economies, with flow on effects for demand for Western Australian exports. Other factors facing the Western Australian economy include security issues impacting on trade and investment, and a higher valued Australian dollar that may adversely impact on investment decisions for commodity based projects and the competitiveness of Western Australian exports generally.

- Petroleum exploration in Western Australia reached record highs in 2003 with \$708.9 million in expenditure. This trend is expected to continue in the short term, with high levels of expenditure forecast for 2004. The exploration outlook for the longer term is a matter of concern. The industry appears to be awaiting the National Energy Policy release, which is expected to include incentives for exploration.
- The huge gas reserves off the North West coast continue to attract potential investors to investigate new projects. Agreement on LNG supplies to China was the driving force for a number of upstream projects to support increased gas production. Government approval in principle for the Gorgon project to use Barrow Island initiated associated activities, both marketing and project related.
- Diversification of growth remains a challenge for the Western Australian economy, particularly in respect to skilled and high value employment. Capitalising on opportunities arising from innovation, leading edge technologies and the information, communication and knowledge sectors is seen as a means of creating additional and diverse jobs opportunities within the local economy.
- World trade protocols and agreements, international partnerships and strategic alliances remain an important influence on business development through access to markets and technology. Pursuit by Australia of bilateral arrangements and regional trade liberalisation requires Western Australian business to be informed and ready to respond to opportunities, and threats, that arise.
- As an example of the importance of strategic alliances, China provides an ongoing potential for the development of Western Australia's resource base.
- Sustainability and governance issues are dominating contemporary views of the development process particularly in relation to meeting community standards and expectations. This continues to highlight the need for a community wide approach to State development and the understanding of economic, social and environmental impacts of development decisions.
- Internationally, competitive infrastructure and effective access to land are essential factors in attracting major investments that stimulate economic growth in the State. These, combined with efficient approvals processes and systems that provide secure and consistent outcomes for developers and the community, provide an environment for responsible growth.
- Due to the vastness of Western Australia, the Government is working towards continual improvement in telecommunications, in particular broadband services, in regional Western Australia to ensure industries and communities receive better services.
- The Government's response to the Gordon Inquiry highlights the importance of economic development and sustainability of Aboriginal communities as a key issue. It is important that Aboriginal communities look to build an economic base not dependent on government. This will require increased activity by government agencies and a coordinated response across government.
- Ensuring optimal involvement of local companies in development of major projects, through the implementation of the Building Local Industry Policy and the application of Industry Participation plans, will enable a structured approach to ensure competitive local suppliers have a full and fair opportunity to bid for work and maximise local benefits from projects or contracts.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Geoscience Information Program - Minerals | 3,000 | 3,000 | 3,000 | 3,000 |
| Clearing the backlog of mining tenement applications | 300 | 300 | 300 | - |
| Release of company exploration data | 400 | 400 | 400 | - |
| New trade office in South Korea | 290 | 290 | 290 | 290 |
| Increased running costs of overseas offices | 360 | - | - | - |
| 2005 World Exposition - Aichi Japan | 600 | 250 | - | - |
| Minerals Institute | - | 500 | 350 | - |
| China LNG Fund | - | - | 1,125 | 1,125 |
| Ravensthorpe Infrastructure Package | 2,300 | 11,900 | 3,800 | - |
| Mining tenement refunds | 4,000 | 8,000 | 6,000 | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Titles and Royalties Administration | 23,498 | 23,140 | 23,093 | 21,857 | | | |
| <i>Output 2:</i> | | | | | | | |
| Health, Safety and Environmental Services | 20,332 | 20,627 | 21,984 | 20,829 | | | |
| <i>Output 3:</i> | | | | | | | |
| Investment Services | 27,223 | 29,200 | 33,282 | 29,403 | | | |
| <i>Output 4:</i> | | | | | | | |
| Geological Services | 18,879 | 18,768 | 19,919 | 22,199 | | | |
| <i>Output 5:</i> | | | | | | | |
| Scientific Services | 8,987 | 9,082 | 8,861 | 9,278 | | | |
| <i>Output 6:</i> | | | | | | | |
| Industry Development Services | 31,630 | 26,367 | 24,361 | 24,591 | | | |
| Total Cost of Outputs | 130,549 | 127,184 | 131,500 | 128,157 | 133,481 | 130,596 | 131,534 |
| <i>Less Revenues from Ordinary Activities</i> | <i>20,373</i> | <i>29,058</i> | <i>28,888</i> | <i>19,920</i> | <i>20,107</i> | <i>20,296</i> | <i>20,423</i> |
| Net Cost of Outputs | 110,176 | 98,126 | 102,612 | 108,237 | 113,374 | 110,300 | 111,111 |
| Adjustments ^(a) | (15,500) | (1,331) | (8,367) | (7,661) | (5,572) | (3,143) | (3,209) |
| Appropriation provided to deliver Outputs. | 94,676 | 96,795 | 94,245 | 100,576 | 107,802 | 107,157 | 107,902 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Appropriation for Administered Grants, Subsidies and Transfer Payments | 64,247 | 38,725 | 63,553 | 28,096 | 46,448 | 35,197 | 24,440 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 6,053 | 5,773 | 3,953 | 1,910 | 6,170 | 2,309 | 1,045 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 164,976 | 141,293 | 161,751 | 130,582 | 160,420 | 144,663 | 133,387 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Director General and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|---|--|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Responsible development of the State's industry and resources for the benefit of Western Australians. | 1. Titles and Royalties Administration 2. Health, Safety and Environmental Services 3. Investment Services 4. Geological Services 5. Scientific Services 6. Industry Development Services |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Responsible development of the State's industry and resources for the benefit of Western Australians. | | | | | |
| KEY STAKEHOLDER/CUSTOMER SATISFACTION RATINGS..... | | | | | |
| Rating of Minister's satisfaction with the quality of policy and planning advice delivered in respect to responsible development of the State's industry and resources. | 86% | 86% | 86% | 86% | |
| State agency/Local Authority stakeholder agreement that "the Department of Industry and Resources encourages a climate conducive to ongoing resources development in Western Australia" | 95% | 95% | 95% | 95% | |
| Customer rating of the Department's services related to project and infrastructure facilitation and investment attraction..... | 82% | 86% | 86% | 86% | |
| The extent to which clients agree that the Department contributes to industry and trade development | 77% | 75% | 75% | 75% | |
| Explosives and Dangerous Goods level of community confidence | 67% | 70% | 70% | 0% | |
| Customer satisfaction regarding scientific services..... | 78% | 77% | 77% | 77% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| CONFORMANCE WITH REGULATION AND GOVERNMENT POLICY | | | | | |
| Level of compliance with expenditure conditions (form 5) in mineral titles | 94% | 90% | 97% | 97% | |
| Percentage of royalties collected during the period as compared to the total proportion of royalties due according to government policy . | 100% | 100% | 100% | 100% | |
| <i>Mines Safety and Inspection act (1994)</i> compliance index (Base year: 1998-99 = 100). | 106 | 108 | 108 | 108 | |
| Minerals Industry Environmental Management assessment scores – Environmental compliance index (Base year: 1998-99 = 100)..... | 104 | 107 | 107 | 107 | |
| Petroleum Industry Environmental Management – the performance of the industry, measured as a percentage of audited projects which attracted zero major corrective action reports (CARs) | 100 | 90 | 90 | 95 | |
| STATE DEVELOPMENT PERFORMANCE | | | | | |
| The proportion of international mineral exploration expenditure expended in Western Australia | 10% | 10% | 9% | 10% | |
| Australia's rating on the Fraser Institute Investment Attractiveness index | 3rd | 1st | 1st | 1st | |
| Percentage of Australian mineral exploration expenditure expended in Western Australia | 57.3 | 65 | 60 | 65 | |
| Percentage of Australian petroleum exploration expenditure expended in Western Australia | 60.1 | 60 | 65 | 5 | |
| Area of Western Australia under mineral exploration title (Square km)..... | 250 153 | 250 000 | 250 000 | 270 000 | |
| Area of Western Australia under petroleum exploration title (Square km)..... | 510 000 | 590 000 | 590 000 | 620 000 | |
| Minerals industry health and safety services- Lost-Time Injury Frequency Rate per million hours worked (LTIFR – surface) | 4.6 | 3.8 | 3.8 | 3.8 | |
| Minerals industry health and safety services- Lost-Time Injury Frequency Rate per million hours worked (LTIFR – underground)..... | 6.6 | 5.5 | 5.5 | 5.5 | |
| Petroleum industry health and safety services- Lost-Time Injury Frequency Rate per million hours worked (LTIFR) | 5.9 | 4.5 | 4.5 | 4.5 | |
| Petroleum industry health and safety services - Total Injury Frequency rate (TIFR) | 18.4 | 18 | 18 | 18 | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Titles and Royalties Administration

Benefits the Western Australian community through a legislative framework, information systems and administrative processes for mineral titles, petroleum titles and mineral and petroleum resource royalties. Legislation and titles systems provide information on land availability for mineral and petroleum exploration and mining and petroleum production, encourage exploration on titles, ensure security for title holders and provide a framework for collection of royalties, to achieve a fair return to the community.

Products and services include:

- Granting and maintaining titles to explore for and mine minerals;
- Granting and maintaining titles to explore for and produce petroleum, ensure petroleum resource management and promote invitations for bids for exploration areas; and
- Collecting royalties according to legislation and Government policy.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 23,498 | 23,140 | 23,093 | 21,857 | Large one-off petroleum fee expected in 2003-04 |
| Less Revenues from Ordinary Activities | 6,945 | 17,268 | 17,151 | 8,199 | |
| Net Cost of Output | 16,553 | 5,872 | 5,942 | 13,658 | |
| Adjustments ^(a) | (349) | 2,612 | 2,034 | (1,843) | |
| Appropriation for delivery of Output 1 | 16,204 | 8,484 | 7,976 | 11,815 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Mineral title service units | 23 733 | 27 000 | 25 300 | 27 000 | |
| Petroleum title operation and resource services | 4 688 | 3 600 | 3 600 | 3 600 | |
| Royalty returns verified and audited..... | 1 163 | 1 110 | 1 110 | 1 110 | |
| Quality | | | | | |
| Customers satisfied with mineral titles services | 95% | 92% | 92% | 92% | |
| Customers satisfied with petroleum titles services | 85% | 87% | 87% | 87% | |
| Number of internal and external audit queries for royalties..... | 0 | 0 | 0 | 0 | |
| Timeliness | | | | | |
| Mineral titles processed in target time | 64% | 77% | 77% | 77% | |
| Customer satisfaction with timeliness of petroleum title services | 75% | 82% | 82% | 82% | |
| Percent of royalty audits completed within target plan | 88% | 92% | 90% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost per mineral title service..... | \$758 | \$679 | \$712 | \$631 | |
| Average cost per petroleum title operation and resource service | \$672 | \$904 | \$898 | \$850 | |
| Average cost per royalty returns verified and audited | \$1 597 | \$1 065 | \$1 664 | \$1 575 | |
| Full Time Equivalents (FTEs) | 204 | 229 | 204 | 217 | |

Major Achievements For 2003-04

- An amendment Bill for the *Mining Act* to enable the reduction of the backlog of outstanding mineral title applications has been finalised.
- In response to the Bowler Inquiry, changes to legislation to enable earlier release of exploration data and provide for on-line lodgement are being developed. In addition, larger area exploration licences outside known provinces are being introduced, as are extended terms for exploration licences where exploration activity is ongoing.
- A recommendation adopted from the Keating Review of the Project Development Approvals System will provide for “retention status” to be declared on exploration and prospecting licences where mineralisation is discovered and exploration is complete.
- Onshore acreage release and State waters release packages were prepared and promoted.
- Progressed resource management issues including carbon dioxide sequestration and aquifer depletion.
- Progressed the Royalties Management System to support electronic lodgement of production reports and royalty returns and developed and implemented the first stage of a web enabled electronic petroleum register.
- Developed and implemented a quality management system in the Petroleum Division and gained certification to ISO 9001:2000.
- Progressed the Petroleum Amendment Bill to align the State petroleum legislation with the Commonwealth petroleum legislation to maintain a common mining code.

Major Initiatives For 2004-05

- Continue onshore petroleum exploration promotion programs.
- Finalise and implement the Royalties Management System.
- Finalise Petroleum Amendment Bill and implement changes.
- Implement the *Mining Amendment Act 2004* package including supporting regulations.
- Promote use of the new “reversion” to exploration title provisions to reduce the mining lease applications “backlog”.
- Facilitate use of the Standard Heritage Protocols, by explorers and native title claimants, to expedite the processing of exploration title applications.
- Develop and implement a Mineral and Title Services quality management system and achieve ISO 9001:2000 “certification” for the Mineral Title Approval and the Mining Act Compliance Processes.

Output 2: Health, Safety and Environmental Services

Benefits the Western Australian community through a legislative framework, information systems and administrative processes to meet community standards with respect to safety for the transport and storage of explosives and dangerous goods and with respect to worker health and safety and the environment, for the mineral and petroleum resources industries. Legislation, regulation and management systems provide technical and policy advice, audit and education services, information systems, assessment of safety management systems, facilitation of design proposals, environmental impact assessments and management plans and investigation of operations proposals, incidents and contingency plans. Regulatory systems also include communicating information on issues, inter-agency agreements and processes, performance guidelines, licensing and inspection programs for premises storing and vehicles transporting dangerous goods.

Products and services include the regulation and promotion of:

- Health and safety in the mineral and petroleum industries;
- Environmental management in the mineral and petroleum industries; and
- Safe storage, handling and transport of dangerous goods.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 20,332 | 20,627 | 21,984 | 20,829 | |
| Less Revenues from Ordinary Activities | 5,077 | 4,437 | 4,480 | 4,381 | |
| Net Cost of Output | 15,255 | 16,190 | 17,504 | 16,448 | |
| Adjustments ^(a) | 674 | (488) | (962) | (1,511) | |
| Appropriation for delivery of Output 2 | 15,929 | 15,702 | 16,542 | 14,937 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Health and safety weighted units of service provided to the minerals industry..... | 231 648 | 218 500 | 217 500 | 217 500 | |
| Environmental regulatory weighted units of service provided to the minerals industry..... | 92 760 | 71 100 | 70 000 | 70 000 | |
| Petroleum safety and health weighted units of audits and assessment | 2 151 | 2 175 | 2 175 | 2 163 | |
| Petroleum environmental weighted units of audits and assessment | 782 | 650 | 650 | 716 | |
| Quality | | | | | |
| Percentage of health and safety services meeting quality standards | na | 80% | 80% | 80% | |
| Percentage of environmental services meeting quality standards | na | 80% | 80% | 80% | |
| Petroleum customers satisfied with health and safety services..... | 85% | 87% | 87% | 90% | |
| Petroleum customers satisfied with environmental services | 85% | 87% | 87% | 90% | |
| Timeliness | | | | | |
| Percentage of health and safety services meeting timeliness standards | na | 80% | 80% | 80% | |
| Percentage of environmental services meeting timeliness standards | na | 75% | 75% | 75% | |
| Petroleum customers satisfied with the timeliness of health and safety services | 85% | 87% | 87% | 90% | |
| Petroleum customers satisfied with the timeliness of environmental services | 85% | 87% | 87% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost per health and safety weighted service provided to the minerals industry..... | \$65 | \$70 | \$76 | \$72 | |
| Average cost per environmental regulatory weighted service provided to the minerals industry..... | \$22 | \$30 | \$32 | \$30 | |
| Average cost per petroleum safety and health weighted unit of audit and assessment | \$1 084 | \$1 006 | \$1 006 | \$1 045 | |
| Average cost per petroleum environmental audit..... | \$994 | \$1 179 | \$1 179 | \$1 087 | |
| Full Time Equivalent (FTEs) | 175 | 165 | 176 | 190 | |

Major Achievements For 2003-04

- As an outcome of the Government decisions arising from the Laing Review, drafting instructions were prepared for a Bill to amend the *Mines Safety and Inspection Act*.
- Consultation and development of strategies for a uniform and consistent national approach to mine safety regulation across jurisdictions have been completed through the Ministerial Council on Mineral and Petroleum Resources.
- A new Bill for the storage and handling of dangerous goods has been introduced to Parliament and draft regulations prepared.
- Input from Western Australia into Commonwealth legislation to support the establishment of the National Offshore Petroleum Safety Authority has been completed. Drafting of necessary Western Australian legislative amendments has been progressed.
- Finalised a review of the Memorandum of Understanding between the Department and the Environmental Protection Authority for the environmental assessment of onshore mining projects in Western Australia.

Major Initiatives For 2004-05

- Finalise and implement Western Australian legislation amendments in support of the National Offshore Petroleum Safety Authority.
- Contribute to work at the national level to develop best practice approaches to safety standards applicable to the mining and petroleum sectors and dangerous goods industries.
- Develop and publish practical guidance material on safety legislation and safe working practices covering the mining and petroleum sectors, and dangerous goods industries.
- Provide advice and technical support to other agencies for the development of policies and procedures related to occupational health and safety, and dangerous goods.
- Implement legislative changes to mining safety and dangerous goods legislation.

Output 3: Investment Services

Benefits the Western Australian community by assisting private sector investment through facilitating the establishment and ongoing operation of major resource and industrial development and associated infrastructure projects, and by attracting interest in Western Australia from potential private sector industrial investors. Resource and industrial development projects include the production and processing of minerals and energy, wood processing, strategic industries and development of major land resources. Infrastructure projects include industrial land; transport, energy and water service facilities; and other services for the resources industry and specialised facilities for other industry including technology parks.

Products and services include:

- Facilitating and managing the interface between investors and government to ensure coordinated, timely government decision-making and approvals procedures;
- Providing advice to the Government and agencies on policy and strategic planning issues affecting resources development in Western Australia;
- Providing resource sector information services;
- Delivering investment attraction programs; and
- Providing support for the development of industry facilities projects.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 27,223 | 29,200 | 33,282 | 29,403 | |
| Less Revenues from Ordinary Activities | 797 | 641 | 688 | 581 | |
| Net Cost of Output | 26,426 | 28,559 | 32,594 | 28,822 | |
| Adjustments ^(a) | (3,200) | (1,102) | (5,645) | (1,621) | |
| Appropriation for delivery of Output 3 | 23,226 | 27,457 | 26,949 | 27,201 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Resource sector information services delivered | 8 | 8 | 8 | 8 | |
| Resource sector investment attraction programs delivered | 6 | 6 | 6 | 6 | |
| Infrastructure projects facilitated (a)..... | 47 | 37 | 44 | 44 | |
| Resource development projects facilitated..... | 94 | 83 | 83 | 88 | |
| Quality | | | | | |
| Rating by investors of the quality of resource sector information services delivered..... | 76% | 82% | 82% | 82% | |
| Potential investors that consider the resource sector investment attraction programs delivered improved their view of Western Australia as an investment location..... | 76% | 65% | 65% | 65% | |
| Investors satisfied with facilitation services provided..... | 88% | 87% | 87% | 87% | |
| Timeliness | | | | | |
| Resource sector information services delivered within an agreed timeframe | 100% | 92% | 92% | 95% | |
| Resource sector investment attraction programs completed within an agreed timeframe..... | 95% | 100% | 100% | 95% | |
| Infrastructure projects facilitated within an agreed timeframe | 91% | 92% | 92% | 95% | |
| Resource development projects facilitated within an agreed timeframe | 94% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per resource sector information service delivered..... | \$71 266 | \$73 000 | \$76 955 | \$73 508 | |
| Average cost per resource sector investment attraction program delivered | \$237 553 | \$243 332 | \$244 016 | \$245 025 | |
| Average cost per infrastructure project facilitated..... | \$442 759 | \$576 105 | \$576 040 | \$487 823 | |
| Average cost per resource development project facilitated | \$60 652 | \$70 361 | \$70 559 | \$66 825 | |
| Full Time Equivalents (FTEs) | 132 | 117 | 134 | 148 | |

(a) Twelve infrastructure projects were transferred from Industry Development Services

Major Achievements For 2003-04

- Negotiated the Gorgon Gas Processing and Infrastructure Project Agreement and secured ratification of the *Barrow Island Act* (which includes the Agreement). This followed Cabinet's in-principle approval in September 2003, for limited access to Barrow Island.
- Executed a Negotiation Framework Agreement with the Kimberley Land Council to facilitate settlement of the Ord Stage 2 native title and aboriginal heritage issues.
- Completed, to a draft form, the North West Alternative Sites Economic, Social and Environmental Study to inform government decision-making on further industrial land options.
- Facilitated project approvals, coordinated infrastructure requirements and worked to achieve the BHP Billiton Board's financial approval for the Ravensthorpe Nickel Project.
- Provided coordination support for construction of a new gas pipeline from Port Hedland to the Telfer gold mine.
- Provided coordination support for construction of the Wesbeam laminated veneer lumber processing plant.
- Coordinated the on-ground development of the first stage of the State's \$183.3 million infrastructure package to support gas processing industries on the Burrup Peninsula.
- Provided coordination support for construction of the second North West Shelf offshore gas trunkline and the fourth gas processing train on the Burrup Peninsula.
- Facilitated approval for a 600,000 tonnes per annum efficiency upgrade at Alcoa's Pinjarra alumina refinery.
- Facilitated major developments in the iron ore industry including several mine expansions, efficiency improvements at the Cape Lambert port facility, opening of new mines at Area C for BHP Billiton and at Eastern Range for Hamersley Iron, and the expansion of Portman's Koolyanobbing operations.
- In partnership with the Chamber of Minerals and Energy and academia, established a framework for a minerals tertiary education hub in Perth.
- Completed the Pilbara Coast Petroleum and Minerals Study, which identified the development potential of the Pilbara coastal area and the infrastructure required to service future projects.
- Promoted the establishment of a 1.45 teraflop high performance computer in Western Australia to service the commercial sector.

Major Initiatives For 2004-05

- Facilitate approvals for new project and infrastructure developments in the State's iron ore industry.
- Coordinate approvals for the Gorgon Gas Project and gas-based projects under development on the Burrup Peninsula.
- Continue Ord Stage 2 heritage work and develop a partnership agreement with traditional owners. Initiate the Ord Stage 2 M2 area tender process.
- Commence implementation of the Bentley Technology Precinct development Master Plan.
- Implement recommendations from the Keating Review of the Project Development Approvals System, including process timeline reforms for environmental, land and mining, petroleum title, planning and aboriginal heritage approvals.
- Undertake, with the Department for Planning and Infrastructure, the Pinjarra-Brunswick Sustainability Study to plan for a realistic and sustainable future for a number of South West communities.
- Build the State's high performance computing (HPC) capabilities by attracting to Western Australian global companies that have HPC requirements and are linked to the State's cornerstone industries.
- Finalise and release four major resource, infrastructure and planning studies focussed on the Pilbara coast, Port Hedland and West Kimberley.

- Coordinate local infrastructure and service requirements necessitated by the Ravensthorpe Nickel Project.
- Implement the marketing plan for the Australian Marine Complex (AMC) common user facility and complete establishment of core facilities in the AMC Technology Precinct.
- Continue development of the Burrup Industrial Park including establishment of basic infrastructure and implementation of the estate management plan.

Output 4: Geological Services

Benefits the Western Australian community by encouraging exploration and hence the discovery of mineral and petroleum deposits through maintaining an up-to-date geological framework and archive of the State and its mineral and petroleum resources.

Products and services include:

- Publishing maps, reports and data sets; and
- Providing access to a developing archive of geoscientific and resource exploration documents, samples and data.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 18,879 | 18,768 | 19,919 | 22,199 | |
| Less Revenues from Ordinary Activities | 211 | 225 | 264 | 176 | |
| Net Cost of Output | 18,668 | 18,543 | 19,655 | 22,023 | |
| Adjustments ^(a) | (1,420) | (435) | (856) | (1,345) | |
| Appropriation for delivery of Output 4 | 17,248 | 18,108 | 18,799 | 20,678 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Weighted total published products (WTPP) | 71.48 | 67 | 75 | 80 | |
| Weighted data transaction units (WDTU). Transactions include data receipt, accessioning, capture, storage and retrieval .. | 63 246 | 70 000 | 70 000 | 88 000 | |
| Quality | | | | | |
| Rating (1-5) of product quality by Geological Survey Liaison Committee | 4.2 | 4.0 | 4.0 | 4.2 | |
| Rating (1-5) of archive processes by the Exploration Data and Information Sub- Committee of the Geological Survey Liaison Committee | 4.2 | 4.0 | 4.0 | 4.2 | |
| Ratio of geoscientific papers published compared to number submitted to international, peer-reviewed journals..... | 83% | 70% | 70% | 70% | |
| Timeliness | | | | | |
| Average time for production of 1:100,000 maps released during the year..... | 20 months | 28 months | 28 months | 28 months | |
| Open-file reports made available for viewing within 24 hours of request | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost per weighted total published product..... | \$225 000 | \$234 781 | \$223 000 | \$234 781 | |
| Average cost per weighted data transaction unit..... | \$47 | \$39 | \$45 | \$39 | |
| Full Time Equivalents (FTEs) | 175 | 172 | 178 | 178 | |

Major Achievements For 2003-04

- Access to the West Musgrave area has been granted and fieldwork and data compilation has commenced to progress geoscientific mapping that will assist mineral exploration in the area.
- A release package for part of the Canning Basin has been published and seismic data interpretation has commenced.
- A bulletin promoting tantalum in Western Australia has been published.
- Mineral exploration has been encouraged and supported through the publishing of 45 manuscripts, 33 maps, and 25 data sets.

Major Initiatives For 2004-05

- Begin a \$12 million commitment over four years to double the area of the State covered by high-tech aerial geophysical surveys. The survey aims to reverse the decline in Western Australia's market share of world exploration expenditure. The priority areas for the surveys are the Murchison–Gascoyne region and the eastern Wheatbelt (highly prospective for nickel and gold); the Esperance through to Warburton area (potential base metal deposits); the Musgrave–Arunta region (base metals, nickel and gold); and the Kimberley (nickel, base metals, and diamonds). Expenditure planned in 2004-05 is \$3 million.
- Begin a three-year \$1.2 million commitment to release over 20,000 geological confidential reports submitted by mineral exploration companies over many years. An amendment to the *Mining Act* to allow this process to occur is expected to be passed by Parliament in the latter half of 2004. Expenditure planned in 2004-05 is \$400,000, enough to release up to 7000 reports.
- Begin a major 6 year program of geoscience field mapping in the Murchison region.
- Continue encouragement of mineral exploration all over Western Australia by publication of over 100 Geological Services Western Australia geoscience products.
- Publish a summary of the geology and mineral potential of the Earraheedy Basin to further promote the prospectivity of this greenfields area. This brings to an end over 5 years of work in the area, including the geoscience mapping of 11 map sheets.

Output 5: Scientific Services

Benefits the Western Australian community through the provision of high quality independent chemical information, advice and analytical services to government agencies, industry and research groups.

Products and services include:

- Scientific and research support in the areas of public and occupational health, conservation and the environment, industrial development, food and agriculture;
- Emergency and crises response services to government agencies and industry for chemical spills and related incidents and crises situations;
- Contributing to the development of national chemical conformance standards and guidelines; and
- Forensic scientific services support to the Police Service, State Coroner and the racing industry.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 8,987 | 9,082 | 8,861 | 9,278 | |
| Less Revenues from Ordinary Activities | 6,234 | 6,259 | 6,038 | 6,405 | |
| Net Cost of Output | 2,753 | 2,823 | 2,823 | 2,873 | |
| Adjustments ^(a) | - | (70) | (70) | - | |
| Appropriation for delivery of Output 5 | 2,753 | 2,753 | 2,753 | 2,873 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Chargeable hours of time involved in provision of services | 71 688 | 72 079 | 72 080 | 72 080 | |
| Quality | | | | | |
| Services provided to AS/NZS ISO 9001:2000 and ISO/IEC 17025:1999..... | 100% | 100% | 100% | 100% | |
| Timeliness | | | | | |
| Response rate from Client Surveys..... | 42% | 60% | 60% | 60% | |
| Satisfaction from Client Surveys | 63% | 63% | 63% | 63% | |
| Cost (Efficiency) | | | | | |
| Average cost per chargeable hour of providing service..... | \$128 | \$126 | \$126 | \$129 | |
| Full Time Equivalents (FTEs) | 92 | 92 | 92 | 92 | |

Major Achievements For 2003-04

- Training programs and skills enhancement exercises have been implemented to improve the capacity of the Chemistry Centre to respond to hazardous chemical incidents, chemical, biological and radiological (CBR) incidents, and clandestine laboratory investigations.
- New methods and capabilities for chemical detection have been introduced. These focus on organic compounds in air, veterinary drug residues, impurities in pharmaceuticals, trace metals in environmental samples, pesticide residues, carbonyl compounds and volatile organic compounds.

Major Initiatives For 2004-05

- Progress a response to the Chemistry Centre Steering Committee's recommendations on the future structure, governance and operations of the Centre and finalise an appropriate location for a building site in conjunction with one of the Universities.
- Undertake a strategic review of the analytical chemistry issues associated with technical trade barriers and commence the consolidation and development of methods to ensure that Western Australia's food and agriculture industries have access to comprehensive and responsive analytical services.
- Negotiate the sale or license of the system being developed to identify the characteristics of illicit drugs to both the European Union and the United States. The system will assist materially in locating the source of confiscated illicit drugs.

Output 6: Industry Development Services

Benefits the Western Australian community by facilitating the growth of internationally competitive industry within Western Australia, assisting indigenous clients to develop their business capability and promoting Western Australia as a source of internationally competitive products and services.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 31,630 | 26,367 | 24,361 | 24,591 | |
| Less Revenues from Ordinary Activities | 1,109 | 228 | 267 | 178 | |
| Net Cost of Output | 30,521 | 26,139 | 24,094 | 24,413 | |
| Adjustments ^(a) | (11,205) | (1,848) | (2,868) | (1,341) | |
| Appropriation for delivery of Output 6 | 19,316 | 24,291 | 21,226 | 23,072 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Industry and trade projects facilitated..... | 13 | 14 | 14 | 14 | |
| Aboriginal Economic Development projects facilitated | 7 | 7 | 7 | 7 | |
| Quality | | | | | |
| Client satisfaction with quality of projects | 64% | 75% | 75% | 75% | |
| Timeliness | | | | | |
| Client satisfaction with timeliness of projects.. | 65% | 75% | 75% | 75% | |
| Cost (Efficiency) | | | | | |
| Average cost of industry and trade projects facilitated | \$2 043 769 | \$1 555 642 | \$1 437 285 | \$1 475 428 | |
| Average cost of Aboriginal Economic Development projects facilitated | \$723 000 | \$655 428 | \$605 571 | \$562 142 | |
| Full Time Equivalents (FTEs) | 151 | 136 | 148 | 141 | |

Major Achievements For 2003-04

- Release of “Building Future Prosperity” (Western Australia’s first industry policy) and the Western Australian Trade and Investment Strategy.
- Announcement of \$500,000 funding for the “Innovation Capability Support Scheme” and an Innovation Centre to be established within Technology Park.
- Completion of the “Rugby World Cup” industry development and investment attraction project. This involved a website, visitor's desk and ten industry opportunity briefings and networking functions.
- Promotion of Western Australian business in the market place through a number of activities including the ‘Buy WA First’ campaign, the Building Local Industry Policy, the application of Industry Participation Plans for major capital projects and ongoing involvement in the national Tradestart program.

- The Premier and Governor of Hyogo (Japan) signed the revised sister state agreement to give it a strong commercial focus.
- Development of new and emerging Western Australian exporters through continued delivery to industry of export clinics, market research, industry sector trade missions to key international events, industry capability registers, market opportunities and in-market profiling through an extensive international office network.
- Development of partnerships with a range of bodies and groups to address strategic issues; support local indigenous business; and to provide employment, training, business development and wealth generation opportunities for indigenous businesses and communities.
- The Business Exit Assistance Scheme has supported approximately 11 businesses impacted by the "Protecting Our Old Growth Forests" Policy.
- Development of the North West Metro Corridor Economic Development Strategy has commenced with a strong focus on consultation.
- A comprehensive study of the communication needs of regional Western Australians was completed.

Major Initiatives For 2004-05

- A strong Western Australian presence is to be made at the 2005 World Exposition- Aichi Japan. The Expo will be used to showcase Western Australia's trade and investment success and potential, provide broad exposure for Ministerial led business delegations to key decision makers and industry leaders, deliver sector focussed business and investment seminars, and host business and investment matchmaking events.
- In response to the signing of the Australia–United States Free Trade Agreement, a United States market development and investment campaign will be developed with the ICT sector to maintain the momentum gained through 2003-04. The Department will target profiling opportunities at events such as the Centre for Office and Information Technology (CEBIT) in New York and Australia and New Zealand Technology Showcase Conference (ANZATECH) in San Francisco.
- Continued industry consultation and advocacy role in Australia's pursuit of bilateral trade agreements including those with Japan and China (Western Australia's major trading markets).
- Facilitate the implementation of Aboriginal Regional Plans, in relation to economic development. The plans will identify and prioritise Aboriginal needs.
- Implementation of the new Building Local Industry Policy will extend the effectiveness of Industry Participation Plans for major capital projects. This will also involve the 'Global Supply Chain' initiative to enable competitive Western Australian businesses to access opportunities in offshore capital projects.
- The Western Australian Biotechnology industry will be supported through the Minister for State Development leading a mission to Bio 2004 in San Francisco and support involvement with AusBiotech 2004 in Brisbane and 2005 in Perth to promote collaboration and investment in the industry.
- Strategies will be implemented to help diversify the State's economy by fostering a culture of innovation by providing support to innovators and encouraging a professional approach towards commercialisation and investment attraction. Venture capitalists and investors are being encouraged to view Western Australia as a highly prospective location for innovation and investment opportunities.
- Implementation of the "Trade and Investment Strategy" will build upon key relationships with China, Japan and the United States, diversifying into new markets in the Middle East and encouraging the growth of new sectors and exporters including the knowledge-based and services sectors.

CAPITAL WORKS PROGRAM

The Department's capital works expenditure of \$19.8 million in 2004-05 includes:

- construction of the Marine Industry Technology Park at Jervoise Bay, to complete the establishment of the Australian Marine Complex;
- continuation of the Ord River Irrigation Stage Two project; and
- Integrated Customer E-Commerce Infrastructure, to enable the Department to provide more efficient services to its clients.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Ord River Irrigation - Stage 2 | 15,539 | 6,189 | 2,689 | 3,350 |
| Coogee Redevelopment Implementation | 5,900 | 4,348 | - | 1,552 |
| Jervoise Bay Infrastructure | | | | |
| Marine Industry Technology Park | 23,150 | 14,650 | 1,223 | 8,500 |
| Southern Precinct | 127,300 | 126,500 | 8,071 | 100 |
| Maintenance of Chemistry Centre | 1,500 | 300 | 300 | 300 |
| Upgrading of security measures at Kalgoorlie and Baldivis explosives reserves... | 1,045 | 400 | 400 | 645 |
| COMPLETED WORKS | | | | |
| Migration of Information Systems from a mainframe to a web-based environment..... | 1,900 | 1,900 | 1,000 | - |
| Drill Core Storage Facility - Metropolitan Area | 5,000 | 5,000 | 1,381 | - |
| East Rockingham Wool Processing - Rectification | 6,000 | 6,000 | 623 | - |
| Woolscour Project | 14,218 | 14,218 | 539 | - |
| Jervoise Bay Infrastructure | | | | |
| Enhancement | 7,923 | 7,923 | 65 | - |
| Kalgoorlie Complex Stage 2 Planning & Construction | 3,525 | 300 | 300 | - |
| Asset Replacement Program | | | | |
| Computer Hardware and Software | | | | |
| 2003-04 Program | 1,137 | 1,137 | 1,137 | - |
| Furniture and Equipment | | | | |
| 2003-04 Program | 100 | 100 | 100 | - |
| Scientific Equipment | | | | |
| 2003-04 Program | 405 | 405 | 405 | - |
| New Computer and Office Equipment | | | | |
| 2003-04 Program | 163 | 163 | 163 | - |
| New Scientific Equipment | | | | |
| 2003-04 Program | 195 | 195 | 195 | - |
| NEW WORKS | | | | |
| Mineral House Air Conditioning | 2,020 | - | - | 120 |
| Facilities Storage Archives Processing Centre..... | 100 | - | - | 100 |
| Integrated Customer E Commerce Infrastructure | 3,200 | - | - | 3,200 |
| Asset Replacement Program | | | | |
| Computer Hardware and Software | | | | |
| 2004-05 Program | 1,105 | - | - | 1,105 |
| Furniture and Equipment | | | | |
| 2004-05 Program | 100 | - | - | 100 |
| Scientific Equipment | | | | |
| 2004-05 Program | 405 | - | - | 405 |
| New Computer and Office Equipment | | | | |
| 2004-05 Program | 163 | - | - | 163 |
| New Scientific Equipment | | | | |
| 2004-05 Program | 195 | - | - | 195 |
| | 222,288 | 189,728 | 18,591 | 19,835 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 55,159 | 12,895 | 18,591 | 19,835 | 11,500 | 5,082 | 4,318 |
| Working capital requirement | | | | | | | |
| Loan repayments and advances | 2,458 | 2,133 | 2,133 | 550 | 550 | 550 | 550 |
| | 57,617 | 15,028 | 20,724 | 20,385 | 12,050 | 5,632 | 4,868 |
| LESS | | | | | | | |
| Commonwealth Grants | 36,104 | - | 8,575 | - | - | - | - |
| Drawdowns from the Holding Account | 1,591 | 1,642 | 1,642 | 1,610 | 1,661 | 2,011 | 2,011 |
| Funding included in output appropriations ^(a) .. | 18,779 | 4,413 | 913 | 3,513 | 3,659 | 1,212 | 1,712 |
| Internal Funds and Balances | (4,910) | 3,200 | 5,641 | 13,352 | 560 | 100 | 100 |
| Capital Contribution | 6,053 | 5,773 | 3,953 | 1,910 | 6,170 | 2,309 | 1,045 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual ^(c) \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 54,552 | 57,351 | 58,951 | 55,618 | 57,705 | 59,487 | 60,485 |
| Superannuation | 7,984 | 5,644 | 6,644 | 6,482 | 6,516 | 6,564 | 6,564 |
| Cost of Goods Sold | 355 | 200 | 200 | 200 | 200 | 200 | 200 |
| Grants and subsidies ^(b) | 6,620 | 7,516 | 9,482 | 11,746 | 9,405 | 6,926 | 6,253 |
| Consultancies expense | 1,546 | 808 | 808 | 808 | 808 | 808 | 808 |
| Supplies and services | 32,927 | 32,244 | 30,050 | 27,884 | 32,562 | 30,914 | 31,207 |
| Accommodation | 6,219 | 5,689 | 5,689 | 5,780 | 5,780 | 5,780 | 5,879 |
| Borrowing costs | 707 | 521 | 521 | 426 | 345 | 297 | 297 |
| Capital User Charge | 7,273 | 6,549 | 6,138 | 6,363 | 6,638 | 6,638 | 6,638 |
| Depreciation and amortisation | 3,296 | 4,142 | 3,497 | 3,182 | 3,545 | 3,030 | 3,030 |
| Administration | 5,746 | 6,457 | 6,457 | 6,510 | 6,812 | 6,786 | 7,005 |
| Other expenses | 3,324 | 63 | 3,063 | 3,158 | 3,165 | 3,166 | 3,168 |
| TOTAL COST OF SERVICES | 130,549 | 127,184 | 131,500 | 128,157 | 133,481 | 130,596 | 131,534 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 9,333 | 8,993 | 8,993 | 8,674 | 8,857 | 9,046 | 9,241 |
| Regulatory Fees and Fines | 10,876 | 19,908 | 19,738 | 11,107 | 11,111 | 11,111 | 11,111 |
| Net Profit on disposal of non-current assets | 58 | 68 | 68 | 68 | 68 | 68 | - |
| Proceeds from disposal of non-current assets .. | 17 | - | - | - | - | - | - |
| Other Revenue | 89 | 89 | 89 | 71 | 71 | 71 | 71 |
| Total Revenues from Ordinary Activities | 20,373 | 29,058 | 28,888 | 19,920 | 20,107 | 20,296 | 20,423 |
| NET COST OF SERVICES | 110,176 | 98,126 | 102,612 | 108,237 | 113,374 | 110,300 | 111,111 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 94,676 | 96,795 | 94,245 | 100,576 | 107,802 | 107,157 | 107,902 |
| Resources received free of charge | 2,007 | 2,213 | 2,213 | 2,125 | 2,120 | 2,119 | 2,117 |
| Liabilities assumed by the Treasurer | 1,966 | 73 | 1,073 | 1,042 | 1,042 | 1,042 | 1,042 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 98,649 | 99,081 | 97,531 | 103,743 | 110,964 | 110,318 | 111,061 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | (11,527) | 955 | (5,081) | (4,494) | (2,410) | 18 | (50) |
| Change in Equity arising from transfer of assets/liabilities | 610 | 1,272 | 1,272 | 1,114 | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (10,917) | 2,227 | (3,809) | (3,380) | (2,410) | 18 | (50) |

(a) The Full Time Equivalent (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 929, 932 and 966 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

(c) Adjusted for comparability to reflect the transfer of functions from the former Department of Industry and Technology.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual ^(a) | 2003-04 Budget | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|----------------------------------|-------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 18,462 | 7,253 | 14,049 | 5,834 | 2,079 | 1,637 | 886 |
| Restricted cash | 384 | 271 | 384 | 113 | 113 | 113 | 113 |
| Receivables | 4,144 | 4,646 | 4,155 | 3,705 | 3,755 | 3,755 | 3,730 |
| Inventories | 5,298 | 4,057 | 4,701 | 4,540 | 4,379 | 4,247 | 4,247 |
| Amounts receivable for outputs | 4,741 | 1,611 | 1,610 | 1,661 | 2,011 | 2,011 | - |
| Prepayments | 709 | 389 | 724 | 739 | 754 | 754 | 754 |
| Other | 309 | 701 | 309 | 309 | 309 | 309 | 309 |
| Total current assets | 34,047 | 18,928 | 25,932 | 16,901 | 13,400 | 12,826 | 10,039 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | - | 6,607 | 4,986 | 6,507 | 8,041 | 9,060 | 12,090 |
| Land and Buildings | 58,352 | 59,923 | 62,501 | 61,650 | 60,799 | 61,212 | 60,361 |
| Plant, equipment and vehicles | 3,816 | 7,166 | 3,913 | 4,007 | 6,498 | 6,009 | 5,880 |
| Loans and Advances | 21,578 | 23,178 | 22,078 | 21,239 | 21,689 | 22,139 | 22,589 |
| Other | 10,208 | 6,156 | 7,446 | 12,333 | 14,832 | 15,607 | 16,375 |
| Total non-current assets | 93,954 | 103,030 | 100,924 | 105,736 | 111,859 | 114,027 | 117,295 |
| TOTAL ASSETS | 128,001 | 121,958 | 126,856 | 122,637 | 125,259 | 126,853 | 127,334 |
| CURRENT LIABILITIES | | | | | | | |
| Payables | 6,935 | 4,319 | 6,917 | 7,069 | 7,221 | 7,221 | 7,196 |
| Provision for employee entitlements | 9,349 | 7,208 | 9,335 | 9,326 | 9,316 | 9,316 | 9,316 |
| Interest-bearing liabilities | 267 | 346 | 267 | 267 | 267 | 267 | 267 |
| Monies in trust | 125 | - | 125 | 125 | 125 | 125 | 125 |
| Interest payable | 173 | 156 | 159 | 145 | 131 | 131 | 131 |
| Accrued Salaries | 1,508 | 3,041 | 1,541 | 1,104 | 1,006 | 1,067 | 1,128 |
| Amounts due to the Treasurer | 1,200 | 600 | 800 | 500 | 200 | - | - |
| Other | 110 | 1,541 | 110 | 110 | 110 | 110 | 110 |
| Total current liabilities | 19,667 | 17,211 | 19,254 | 18,646 | 18,376 | 18,237 | 18,273 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements | 5,300 | 5,818 | 4,981 | 4,695 | 4,408 | 4,408 | 4,408 |
| Interest-bearing liabilities | 8,298 | 7,662 | 7,741 | 5,886 | 5,305 | 4,711 | 4,161 |
| Total non-current liabilities | 13,598 | 13,480 | 12,722 | 10,581 | 9,713 | 9,119 | 8,569 |
| TOTAL LIABILITIES | 33,265 | 30,691 | 31,976 | 29,227 | 28,089 | 27,356 | 26,842 |
| EQUITY | | | | | | | |
| Contributed Equity | 43,607 | 59,385 | 47,560 | 49,470 | 55,640 | 57,949 | 58,994 |
| Accumulated surplus/(deficit) | 17,071 | (2,881) | 13,262 | 9,882 | 7,472 | 7,490 | 7,440 |
| Asset revaluation reserve | 34,058 | 34,763 | 34,058 | 34,058 | 34,058 | 34,058 | 34,058 |
| Total equity | 94,736 | 91,267 | 94,880 | 93,410 | 97,170 | 99,497 | 100,492 |
| TOTAL LIABILITIES AND EQUITY | 128,001 | 121,958 | 126,856 | 122,637 | 125,259 | 126,853 | 127,334 |

(a) Adjusted for comparability to reflect the transfer of functions from the former Department of Industry and Technology.

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 91,405 | 92,653 | 90,748 | 97,394 | 104,257 | 104,127 | 104,872 |
| Capital Contribution | 6,053 | 5,773 | 3,953 | 1,910 | 6,170 | 2,309 | 1,045 |
| Holding Account Drawdowns..... | 1,591 | 1,642 | 1,642 | 1,610 | 1,661 | 2,011 | 2,011 |
| Net cash provided by State government..... | 99,049 | 100,068 | 96,343 | 100,914 | 112,088 | 108,447 | 107,928 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (55,701) | (57,665) | (59,265) | (56,360) | (58,110) | (59,426) | (60,424) |
| Superannuation | (4,303) | (5,786) | (5,786) | (5,655) | (5,689) | (5,772) | (5,772) |
| Supplies and services..... | (34,309) | (30,933) | (28,739) | (26,636) | (31,319) | (29,737) | (30,032) |
| Grants and subsidies | (9,500) | (6,433) | (8,399) | (11,132) | (8,791) | (6,312) | (5,639) |
| Borrowing costs..... | (545) | (535) | (535) | (440) | (359) | (297) | (297) |
| Accommodation..... | (5,782) | (5,722) | (5,722) | (5,740) | (5,740) | (5,740) | (5,839) |
| Administration..... | (5,459) | (6,369) | (6,369) | (6,327) | (6,629) | (6,629) | (6,848) |
| Capital User Charge..... | (7,273) | (6,549) | (6,138) | (6,363) | (6,638) | (6,638) | (6,638) |
| Goods and Services Tax | (9,374) | (10,079) | (10,079) | (9,663) | (10,323) | (10,323) | (10,323) |
| Other..... | (2,867) | (63) | (3,063) | (3,158) | (3,165) | (3,166) | (3,168) |
| Receipts | | | | | | | |
| Regulatory fees and fines..... | 10,876 | 19,908 | 19,738 | 11,107 | 11,111 | 11,111 | 11,111 |
| User charges and fees | 8,831 | 8,933 | 8,933 | 8,667 | 8,850 | 9,039 | 9,234 |
| Goods and Services Tax | 12,515 | 10,098 | 10,098 | 10,157 | 10,317 | 10,317 | 10,317 |
| Other..... | 89 | 89 | 89 | 71 | 71 | 71 | 71 |
| Net cash from operating activities..... | (102,802) | (91,106) | (95,237) | (101,472) | (106,414) | (103,502) | (104,247) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (6,627) | (8,621) | (4,981) | (7,312) | (7,684) | (3,729) | (2,818) |
| Purchase of investments..... | (2,271) | (1,583) | (1,583) | - | - | - | - |
| Proceeds from sale of non-current assets | 208 | 730 | 730 | 200 | 200 | 200 | - |
| Net cash from investing activities..... | (8,690) | (9,474) | (5,834) | (7,112) | (7,484) | (3,529) | (2,818) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (632) | (957) | (957) | (2,155) | (881) | (794) | (550) |
| Other payments for financing activities | - | - | - | (1,064) | (1,064) | (1,064) | (1,064) |
| Other proceeds from financing activities | - | - | - | 1,289 | - | - | - |
| Net cash from financing activities | (632) | (957) | (957) | (1,930) | (1,945) | (1,858) | (1,614) |
| NET INCREASE/(DECREASE) IN CASH HELD | (13,075) | (1,469) | (5,685) | (9,600) | (3,755) | (442) | (751) |
| Cash assets at the beginning of the reporting period | 27,487 | 7,721 | 18,846 | 14,433 | 5,947 | 2,192 | 1,750 |
| Net cash transferred to/from other agencies..... | 4,434 | 1,272 | 1,272 | 1,114 | - | - | - |
| Cash assets at the end of the reporting period..... | 18,846 | 7,524 | 14,433 | 5,947 | 2,192 | 1,750 | 999 |

(a) Adjusted for comparability to reflect the transfer of functions from the former Department of Industry and Technology.

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

| | 2002-03 Actual ^(b) \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Grants and subsidies | 59,875 | 41,225 | 73,402 | 33,732 | 46,448 | 35,197 | 24,440 |
| Supplies and services | 392 | (1,272) | - | - | - | - | - |
| Borrowing costs | 87 | - | - | - | - | - | - |
| Other expenses | 496 | - | - | - | - | - | - |
| Receipts paid into Consolidated Fund | 1,175,985 | 1,076,989 | 1,054,583 | 1,116,794 | 1,101,443 | 1,079,456 | 1,084,456 |
| Transfer of Assets/Liabilities | 11,728 | 1,272 | 1,272 | 1,114 | - | - | - |
| TOTAL ADMINISTERED EXPENSES ^(a) .. | 1,248,563 | 1,118,214 | 1,129,257 | 1,151,640 | 1,147,891 | 1,114,653 | 1,108,896 |
| REVENUES | | | | | | | |
| Regulatory Fees and Fines | - | 40 | 40 | 40 | 40 | 40 | 40 |
| Mining royalties | 1,177,823 | 1,062,521 | 1,070,967 | 1,122,502 | 1,101,760 | 1,078,753 | 1,076,013 |
| Grants and subsidies | 36,108 | 2,500 | 25,000 | 4,500 | - | - | - |
| Interest | 178 | 140 | 140 | 140 | 140 | 140 | 140 |
| Fines and penalties | 6 | - | - | - | - | - | - |
| Appropriations | 64,247 | 38,725 | 63,553 | 28,096 | 46,448 | 35,197 | 24,440 |
| Transfer of Assets/Liabilities | 156,644 | - | - | - | - | - | - |
| TOTAL ADMINISTERED REVENUES | 1,435,006 | 1,103,926 | 1,159,700 | 1,155,278 | 1,148,388 | 1,114,130 | 1,100,633 |

(a) Further information is provided in the table "Details of the Administered Transactions Expenses".

(b) Adjusted for comparability to reflect the transfer of functions from the former Department of Industry and Technology.

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|--|-----------------------------|--|---|--|--|--|
| ADMINISTERED CURRENT ASSETS | | | | | | | |
| Cash..... | 22,201 | 13,534 | 20,400 | 9,650 | 9,650 | 9,650 | 9,650 |
| Restricted cash..... | 5,320 | 5,541 | - | - | - | - | - |
| Receivables..... | 186,330 | 195,850 | 203,897 | 210,799 | 212,359 | 212,912 | 204,649 |
| Other..... | - | 8 | - | - | - | - | - |
| Total Administered Current Assets | 213,851 | 214,933 | 224,297 | 220,449 | 222,009 | 222,562 | 214,299 |
| ADMINISTERED NON-CURRENT ASSETS | | | | | | | |
| Land and Buildings..... | 365 | 330 | 365 | 365 | 365 | 365 | 365 |
| Plant, equipment and vehicles..... | 8 | - | 8 | 8 | 8 | 8 | 8 |
| Loans and Advances | 24,045 | 22,874 | 31,042 | 30,028 | 28,965 | 27,889 | 27,889 |
| Other..... | 133,019 | 153,074 | 115,380 | 123,880 | 123,880 | 123,880 | 123,880 |
| Total Administered Non-Current Assets | 157,437 | 176,278 | 146,795 | 154,281 | 153,218 | 152,142 | 152,142 |
| TOTAL ADMINISTERED ASSETS | 371,288 | 391,211 | 371,092 | 374,730 | 375,227 | 374,704 | 366,441 |
| ADMINISTERED CURRENT LIABILITIES | | | | | | | |
| Payables..... | 797 | 911 | 797 | 797 | 797 | 797 | 797 |
| Monies in trust..... | 8,993 | 12,512 | 8,993 | 8,993 | 8,993 | 8,993 | 8,993 |
| Total Administered Current Liabilities | 9,790 | 13,423 | 9,790 | 9,790 | 9,790 | 9,790 | 9,790 |
| TOTAL ADMINISTERED LIABILITIES.. | 9,790 | 13,423 | 9,790 | 9,790 | 9,790 | 9,790 | 9,790 |

(a) Adjusted for comparability to reflect the transfer of functions from the former Department of Industry and Technology.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|--|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Supplies and services..... | (529) | 1,272 | - | - | - | - | - |
| Grants and subsidies | (54,943) | (36,225) | (68,402) | (33,732) | (46,448) | (35,197) | (24,440) |
| Borrowing costs..... | (87) | - | - | - | - | - | - |
| Goods and Services Tax | (3,787) | - | - | - | - | - | - |
| Other..... | (51,838) | - | - | - | - | - | - |
| Receipts paid into Consolidated Fund..... | (1,175,985) | (1,076,989) | (1,054,583) | (1,116,794) | (1,101,443) | (1,079,456) | (1,084,456) |
| Transfer of Assets/Liabilities..... | (3,271) | (1,272) | (1,272) | (1,114) | - | - | - |
| Financing Activities | | | | | | | |
| Other payments for financing activities | - | (5,000) | (13,000) | - | - | - | - |
| Investing Activities | | | | | | | |
| Purchase of non-current assets..... | (55,682) | - | (13,000) | (8,500) | - | - | - |
| Purchase of investments..... | (2,965) | - | - | - | - | - | - |
| TOTAL ADMINISTERED CASH OUTFLOWS..... | (1,349,087) | (1,118,214) | (1,150,257) | (1,160,140) | (1,147,891) | (1,114,653) | (1,108,896) |
| CASH INFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Mining royalties..... | 1,175,401 | 1,075,806 | 1,053,400 | 1,115,600 | 1,100,200 | 1,078,200 | 1,083,200 |
| Regulatory fees and fines..... | 3 | 40 | 40 | 40 | 40 | 40 | 40 |
| Interest..... | 178 | 140 | 140 | 140 | 140 | 140 | 140 |
| Goods and Services Tax | 3,779 | - | - | - | - | - | - |
| Grants and subsidies | 36,108 | 2,500 | 25,000 | 4,500 | - | - | - |
| Other..... | 47,384 | - | - | - | - | - | - |
| Appropriations..... | 64,247 | 38,725 | 63,553 | 28,096 | 46,448 | 35,197 | 24,440 |
| Financing Activities | | | | | | | |
| Other proceeds from financing activities | - | 1,003 | 1,003 | 1,014 | 1,063 | 1,076 | 1,076 |
| Investing Activities | | | | | | | |
| Proceeds from sale of investments..... | 383 | - | - | - | - | - | - |
| TOTAL ADMINISTERED CASH INFLOWS..... | 1,327,483 | 1,118,214 | 1,143,136 | 1,149,390 | 1,147,891 | 1,114,653 | 1,108,896 |
| NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS | (21,604) | - | (7,121) | (10,750) | - | - | - |

(a) Adjusted for comparability to reflect the transfer of functions from the former Department of Industry and Technology.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| Industry Development Financial Assistance.... | 5,998 | 6,730 | 8,696 | 11,090 | 8,749 | 6,270 | 5,597 |
| Chamber of Commerce - Industrial Supplies Office..... | 566 | 580 | 580 | 450 | 450 | 450 | 450 |
| School of Mines Scholarships | 56 | 56 | 56 | 56 | 56 | 56 | 56 |
| Resource projects | - | 150 | 150 | 150 | 150 | 150 | 150 |
| TOTAL | 6,620 | 7,516 | 9,482 | 11,746 | 9,405 | 6,926 | 6,253 |

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES | | | | | | | |
| Western Australian Minerals and Petroleum Education and Research Institute..... | 90 | - | - | - | - | - | - |
| STATUTORY AUTHORITIES | | | | | | | |
| Minerals and Energy Research Institute of Western Australia (MERIWA)..... | - | - | - | 916 | 922 | 928 | 933 |
| Bunbury Port Authority - interest costs | 65 | 95 | 95 | 95 | 95 | 95 | 95 |
| Western Power - gas lateral line to the Murchison area - interest costs..... | 832 | 832 | 832 | 832 | 832 | 832 | 832 |
| Western Power - Onslow gas fired power station - interest costs..... | 181 | 183 | 183 | 183 | 183 | 183 | 183 |
| Westrail - Albany woodchip mill - interest costs..... | 24 | - | - | - | - | - | - |
| Western Australian Land Authority - Oakajee industrial estate buffer expansion | - | - | 9,000 | - | - | - | - |
| Western Australian Land Authority - Kemerton industrial estate | - | - | 970 | - | - | - | - |
| Western Australian Land Authority - Kemerton industrial estate - expansion study | 100 | - | - | - | - | - | - |
| Western Australian Land Authority - Burrup service corridor- subsidy..... | - | 1,930 | 1,930 | 1,930 | 1,930 | 1,930 | 1,930 |
| Water Corporation - Burrup water system - subsidy..... | - | - | - | 6,500 | 6,700 | 6,800 | 7,000 |
| Dampier Port Authority - Burrup port infrastructure - subsidy | - | 520 | - | - | 8,000 | 8,000 | 8,000 |
| OTHER STATE SERVICES | | | | | | | |
| Refunds of Previous Years' Revenues | 4,219 | 1,960 | 8,600 | 1,960 | 1,960 | 1,960 | 1,960 |
| Mining tenement refunds..... | - | - | - | 4,000 | 8,000 | 6,000 | - |
| Aboriginal Lands Trust - Remuneration for mining on Aboriginal lands | 212 | 155 | 155 | 155 | 155 | 155 | 155 |
| Petroleum (Submerged Lands) Act 1982..... | 17,534 | 17,800 | 14,589 | 9,225 | 5,771 | 4,514 | 3,352 |
| Hearson Cove Road upgrade | - | - | 250 | 2,250 | - | - | - |
| BHP - hot briquetted iron plant..... | 3,745 | 3,300 | 3,300 | - | - | - | - |
| Goldfields eastern bypass road relocation..... | 1,567 | - | - | - | - | - | - |
| Leeuwin Centre - interest expense..... | 496 | - | - | - | - | - | - |
| Receipts paid into Consolidated Fund | 1,175,985 | 1,076,989 | 1,054,583 | 1,116,794 | 1,101,443 | 1,079,456 | 1,084,456 |
| Regional Headworks Scheme..... | 85 | - | 5,320 | - | - | - | - |
| WA Dairy Industry Scheme..... | 500 | - | - | - | - | - | - |
| "Protecting Our Old Growth Forests" Policy ... | 25,765 | 13,178 | 28,178 | 3,386 | - | - | - |
| Net Assets Transferred Out | 11,728 | 1,272 | 1,272 | 1,114 | - | - | - |
| CSIRO relocation | 1,197 | - | - | - | - | - | - |
| Marine Industry Technology Park | 388 | - | - | - | - | - | - |
| Ravensthorpe Nickel Project | - | - | - | 2,300 | 11,900 | 3,800 | - |
| Other | 3,850 | - | - | - | - | - | - |
| TOTAL | 1,248,563 | 1,118,214 | 1,129,257 | 1,151,640 | 1,147,891 | 1,114,653 | 1,108,896 |

DETAILS OF THE ADMINISTERED TRANSACTIONS REVENUE

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| ROYALTIES | | | | | | | |
| Petroleum - Commonwealth..... | 434,575 | 355,300 | 351,400 | 330,700 | 286,800 | 273,100 | 286,300 |
| Petroleum - State..... | 61,134 | 53,015 | 48,067 | 33,302 | 22,960 | 18,653 | 15,213 |
| Iron ore..... | 290,476 | 291,500 | 312,500 | 399,000 | 423,000 | 453,000 | 468,500 |
| Alumina..... | 51,528 | 53,500 | 52,500 | 57,000 | 60,000 | 61,000 | 63,000 |
| Diamonds..... | 90,852 | 68,500 | 47,500 | 51,000 | 62,000 | 39,500 | 7,500 |
| Mineral Sands..... | 25,436 | 23,500 | 25,000 | 21,000 | 22,500 | 23,500 | 22,000 |
| Nickel..... | 52,127 | 46,000 | 68,000 | 66,000 | 59,000 | 56,000 | 62,500 |
| Gold..... | 82,690 | 76,000 | 79,000 | 73,000 | 70,500 | 63,500 | 60,500 |
| Other..... | 52,582 | 57,500 | 48,000 | 50,500 | 52,000 | 47,500 | 47,500 |
| Lease Rentals..... | 36,423 | 37,706 | 39,000 | 41,000 | 43,000 | 43,000 | 43,000 |
| FINES | | | | | | | |
| Regulatory Fines..... | 6 | 40 | 40 | 40 | 40 | 40 | 40 |
| OTHER | | | | | | | |
| Commonwealth Contribution - Jervoise Bay... | 36,108 | - | 13,000 | - | - | - | - |
| Contribution from Regional Investment Fund. | - | 2,500 | 12,000 | 4,500 | - | - | - |
| Appropriations..... | 64,247 | 38,725 | 63,553 | 28,096 | 46,448 | 35,197 | 24,440 |
| Net Assets Transferred In..... | 156,644 | - | - | - | - | - | - |
| Other Revenue..... | 178 | 140 | 140 | 140 | 140 | 140 | 140 |
| TOTAL | 1,435,006 | 1,103,926 | 1,159,700 | 1,155,278 | 1,148,388 | 1,114,130 | 1,100,633 |

TRUST ACCOUNT DETAILS**Wittenoom Relocation Trust Account**

The Wittenoom Relocation Trust Account is primarily controlled through the Industry Development Services Output. It is utilised to allow for the relocation of residents from Wittenoom and the purchase of land in Wittenoom.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|-----------------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance..... | 162 | 46 | 51 | 51 |
| Receipts: | | | | |
| Appropriations..... | - | - | - | - |
| Other..... | - | - | - | - |
| | 162 | 46 | 51 | 51 |
| Payments..... | 111 | 46 | - | 51 |
| CLOSING BALANCE..... | 51 | - | 51 | - |

Forest Residue Utilisation Levy Trust Fund

The Forest Residue Utilisation Levy Trust Fund is controlled through the Investment Services Output. It is utilised for the purpose of funding studies and programs which add value to forest residues. Funding is provided from monies received under the *Wood Chipping Industry Agreement Act*.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|-----------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 61 | 61 | 61 | 61 |
| Receipts: | | | | |
| Appropriations..... | - | - | - | - |
| Other | - | - | - | - |
| | 61 | 61 | 61 | 61 |
| Payments | - | - | - | - |
| CLOSING BALANCE..... | 61 | 61 | 61 | 61 |

Western Australian Government/China Economic and Technical Research Trust Fund

The Western Australian Government/China Economic and Technical Research Trust Fund is controlled through the Investment Services Output. It is utilised for the purpose of funding joint studies to promote economic cooperation between China and Western Australia in the development, processing and marketing of the State's mineral resources.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|-----------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 652 | - | 20 | - |
| Receipts: | | | | |
| Appropriations..... | - | - | - | - |
| Other | - | - | - | - |
| | 652 | - | 20 | - |
| Payments | 632 | - | 20 | - |
| CLOSING BALANCE..... | 20 | - | - | - |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Proceeds from petroleum permits and licences..... | 6,625 | 14,812 | 14,642 | 5,812 |
| Proceeds from prospecting, exploration and other mining licences | 3,237 | 4,026 | 4,026 | 4,203 |
| Proceeds from dangerous goods and explosives regulations..... | 1,014 | 1,070 | 1,070 | 1,092 |
| Proceeds from departmental fees and charges | 2,166 | 2,033 | 2,033 | 2,008 |
| Proceeds from the provision of chemical, mineralogical, metallurgical and related scientific investigative and advisory services..... | 5,159 | 6,209 | 6,209 | 6,113 |
| Goods and services tax | 12,515 | 10,098 | 10,098 | 10,157 |
| TOTAL..... | 30,716 | 38,248 | 38,078 | 29,385 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

Part 12

Minister for Education and Training

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 869 | Education and Training | | | |
| | – Delivery of Outputs | 2,407,485 | 2,445,979 | 2,520,642 |
| | – Capital Contribution | 94,823 | 95,823 | 101,451 |
| | Total | 2,502,308 | 2,541,802 | 2,622,093 |
| 892 | Country High School Hostels Authority | | | |
| | – Delivery of Outputs | 5,331 | 4,980 | 5,402 |
| | – Capital Contribution | 517 | 517 | 542 |
| | Total | 5,848 | 5,497 | 5,944 |
| 899 | Curriculum Council | | | |
| | – Delivery of Outputs | 11,039 | 11,039 | 10,974 |
| | – Capital Contribution | 1,079 | 79 | 79 |
| | Total | 12,118 | 11,118 | 11,053 |
| 912 | Education Services | | | |
| | – Delivery of Outputs | 13,651 | 13,651 | 13,608 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 191,693 | 191,493 | 201,214 |
| | Total | 205,344 | 205,144 | 214,822 |
| | GRAND TOTAL | | | |
| | – Delivery of Outputs | 2,437,506 | 2,475,649 | 2,550,626 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 191,693 | 191,493 | 201,214 |
| | – Capital Contribution | 96,419 | 96,419 | 102,072 |
| | Total | 2,725,618 | 2,763,561 | 2,853,912 |

EDUCATION AND TRAINING

PART 12 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 51

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 85 Net amount appropriated to deliver outputs | 2,314,472 | 2,407,260 | 2,445,754 | 2,520,113 | 2,582,007 | 2,677,156 | 2,732,235 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 344 | 225 | 225 | 529 | 529 | 529 | 529 |
| Total appropriations provided to deliver outputs | 2,314,816 | 2,407,485 | 2,445,979 | 2,520,642 | 2,582,536 | 2,677,685 | 2,732,764 |
| CAPITAL | | | | | | | |
| Item 149 Capital Contribution | 86,036 | 94,823 | 95,823 | 101,451 | 97,548 | 104,000 | 99,000 |
| GRAND TOTAL | 2,400,852 | 2,502,308 | 2,541,802 | 2,622,093 | 2,680,084 | 2,781,685 | 2,831,764 |

MISSION

To ensure that all government school students and all adults have an ongoing opportunity to develop the skills, knowledge and confidence to achieve their individual potential and contribute to the social and economic development of Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- Teachers need to maintain and extend their professional knowledge and expertise to respond to the growing diversity of the student population and emerging educational changes, including those relating to the introduction of explicit standards of student achievement and reforms to post-compulsory education.
- Community expectations of public education continue to rise, generating a demand for even higher standards of student achievement and student behaviour. In particular, the outcomes for Aboriginal learners must be improved.
- Improving the retention and participation rates of 15 to 19 year olds remains a high priority for the education and training sectors. The completion of Year 12 or its equivalent is now regarded by many as the minimum standard for entry to employment, training or further education, and involves the attainment of high levels of literacy and numeracy as well as more specialised competencies.
- The development of more flexible and improved pathways between schools, vocational education and training (VET), universities and the community sector is essential to support the growing demand for more diverse and varied learning opportunities.
- The widespread use of information and communication technologies in the workplace requires students to be technology-smart, teachers to be skilled in the use of technology in teaching and schools to have state-of-the-art infrastructure.
- Legislative requirements and societal expectations demand more inclusive and supportive learning environments, particularly for children with disabilities.
- Significant changes in social structures and community values and attitudes are creating the need for a greater emphasis in public schools on values education and pastoral care.
- Major demographic changes that drive the continuing pressure to build new schools and rationalise or refurbish existing facilities provide a major challenge for the capital works and maintenance programs.

- Vocational education and training is becoming widely recognised as having an important contribution to make to capacity building and the development of social capital within communities and regions.
- A focus on lifelong learning for all, including meeting the skills development and retraining needs of existing and older workers will place increasing demands on the training system.
- Career development strategies are assuming a more important role nationally and internationally, to assist individuals to respond effectively to changes in the world of work, the influence of globalisation and their own changing career aspirations.

Major Achievements 2003-04

- Government schooling was provided to 251,182 students (February 2004 census figures excluding part-time secondary students). Kindergarten education was provided to 16,562 students (excluding students enrolled in kindergarten programs at community kindergartens); and pre-primary education to 19,943 students.
- The Department's Plan for Government Schools 2004-2007, which provides an overview of the strategic direction for schools for the next four years, was published and is being implemented.
- Explicit standards for Years 3, 5, 7 and 9 have been defined and a phased approach to implementation has commenced including the development of support materials and a comprehensive professional learning program.
- The curriculum, assessment and reporting policy was revised including the introduction of a common approach to reporting to parents in all government schools. This is being supported by a comprehensive professional learning program for all school leaders.
- MSE9, a new assessment for Year 9 students in government schools, has been launched under the successful Monitoring Standards in Education program currently implemented by the Department.
- The Assessment Literacy Initiative was introduced to schools providing additional assistance in analysing and using student performance data, including the Western Australian Literacy and Numeracy Assessments (WALNA) and Tertiary Entrance Examinations (TEE) results.
- The Behaviour Management and Discipline initiative provided additional resources to schools with significant numbers of 'difficult to manage' students.
- The Review of Educational Services for Students with Disabilities in Government Schools was completed. Implementation of the Building Inclusive Schools strategy, designed to ensure safe and inclusive learning environments, commenced.
- A new certified agreement for teaching staff in schools is in place.
- Initiatives to recruit and retain teachers have been effective including 112 scholarships in particular learning areas and country incentives programs such as the Remote Teaching Service and the Difficult to Staff program.
- Increased bandwidth has been provided to all government school sites, including Schools of Isolated and Distance Education and the Schools of the Air.
- The Notebooks for Teachers program has provided over 14,000 Notebooks to teachers.
- Professional learning programs and hardware for schools in the first phase of the 100 Schools Project have been delivered.
- Cross-cultural awareness training for teachers and the teaching of Aboriginal studies became compulsory for all government schools.
- The aspirants program for Aboriginal secondary students is operational and Managers of Aboriginal Education have been allocated to districts.
- Web-based financial and payroll systems have been introduced which allow for an easier transition for the Department to a shared services environment, following the merger of the two agencies of Education and Training.
- Significant planning is underway, involving schools, district offices and TAFE colleges in order to encourage greater participation by 15 to 19 year olds in education and training.

- The Premier's Summer Reading Challenge initiative was introduced and attracted participation by over 6,000 Western Australian children.
- In the vocational education and training sector, 26.7 million student curriculum hours were delivered in 2003.
- The First Click program funded 69 community-based organisations for the provision of basic computer literacy courses for 5,500 mature aged people throughout Western Australia.
- The Burrup action plan was implemented providing 15,000 training places in areas related to the sector and included a number of short courses which were provided for metal trade people to upgrade their skills.
- A TAFE-University Pathways initiative, including guidelines for credit transfer and articulation arrangements between universities and TAFE colleges, has been developed.
- In the first half of the year 25,380 clients received assistance from the Employment Directions strategy to develop key career development skills.
- Since 2001, the Department has provided assistance to 831 workers under the Regional Forests Agreement Workers Assistance Package.
- The number of apprentices and trainees in training increased by 2,939, well above the planned target of 1,250.
- The number of school-based trainees in training was 660. Of these, 418 were Aboriginal school-based trainees, exceeding the target of 350 set for Indigenous young people by 2006.
- A broad range of professional development programs were introduced to upgrade and enhance teaching, learning and assessment practices in the vocational education and training sector.

Major Initiatives 2004-05

- To support the introduction of standards, professional development will be provided for all Year 3 teachers and all Year 9 teachers in English and Mathematics.
- Every Year 9 student in government schools will be assessed in aspects of English and Mathematics as part of the MSE9 program. Parents will receive an individual report on their child's performance.
- A cross-sectoral strategy will be developed and implemented to address the needs of 15 to 19 year old students with a particular focus on those who are at risk of dropping out of education and training. Public consultation forums on raising the school leaving age will be conducted during the year.
- The major recommendations of the Review of Educational Services for Students with Disabilities in Government Schools will be implemented including strategies to ensure compliance with the Australian Government's *Disabilities Discrimination Act* Standards for Education.
- Behaviour management and discipline initiatives will be expanded including providing additional teachers to schools with significant numbers of 'difficult to manage' students; developing a new policy on behaviour management describing explicit standards of behaviour expected of all students; and extending parenting programs and counselling programs for students.
- The focus on values and pastoral care will be strengthened including the provision of assessment instruments to schools that will assist them to assess the personal and social development of students.
- The review of government school performance will be strengthened and more rigorous accountability measures and processes introduced. This will include a focus on post-compulsory (i.e. TEE) performance.
- Rural incentives will be extended to 30 more schools to recruit and retain quality teachers in country locations.
- Teaching excellence will be recognised by the announcement of the first winner of the Premier's Teacher of the Year Award, increasing the number of teachers who access Level 3 Classroom Teacher status and the finalisation of a statement of competencies expected of teachers in government schools.
- The 100 Schools Project will continue with phase 2 and 3 schools receiving planning support, professional learning programs and upgrades to their technology infrastructure. Further increases in bandwidth will be provided to 190 regional schools.

- An expanded capital works program will allow the building of new schools, upgraded schools and TAFE facilities.
- A target of 25,500 apprentices and trainees in training by 2005 has been set, including a target of 800 school-based trainees.
- Job placement and career development services under the TAFEPlus WA model will be expanded to all TAFEWA colleges to facilitate the placement of graduates into jobs and improved access to career advice for mature aged students.
- \$850,000 will be allocated to the Small Business Smart Business program to assist approximately 4,000 small businesses across the State access training.
- The Western Australian Strategy for Adult Community Education designed to engage the breadth of community education and enhance the systems capacity to engage learners from diverse backgrounds will be implemented.
- The TAFE College network will continue to work collaboratively and, in particular, will explore opportunities for improved sharing of staff across the network.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|---|--|--|--|
| ANTA matching obligations..... | 1,500 | 13,000 | 19,700 | 19,700 |
| Deferral of revenue increases | 1,925 | 3,850 | 4,813 | 4,813 |
| School building maintenance..... | - | - | 10,000 | 10,000 |
| Students with disabilities..... | 3,196 | 7,504 | 12,630 | 16,580 |
| Wages policy - Education Assistants..... | 7,980 | 8,220 | 8,466 | 8,466 |
| Wages policy - Teachers' Certified Agreement..... | 30,170 | 38,345 | 40,280 | 40,280 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Primary education..... | 1,382,348 | 1,402,271 | 1,443,444 | 1,491,771 | | | |
| Output 2: | | | | | | | |
| Secondary education..... | 926,624 | 953,380 | 978,566 | 1,003,198 | | | |
| Output 3: | | | | | | | |
| Vocational education and training services..... | 415,518 | 442,392 | 438,739 | 438,474 | | | |
| Output 4: | | | | | | | |
| Employment programs | 33,385 | 24,499 | 22,499 | 22,345 | | | |
| Total Cost of Outputs..... | 2,757,875 | 2,822,542 | 2,883,248 | 2,955,788 | 3,022,168 | 3,109,040 | 3,165,511 |
| <i>Less Revenues from Ordinary Activities</i> | <i>434,543</i> | <i>422,350</i> | <i>438,498</i> | <i>443,486</i> | <i>452,643</i> | <i>458,309</i> | <i>458,637</i> |
| Net Cost of Outputs..... | 2,323,332 | 2,400,192 | 2,444,750 | 2,512,302 | 2,569,525 | 2,650,731 | 2,706,874 |
| Adjustments ^(a) | (8,516) | 7,293 | 1,229 | 8,340 | 13,011 | 26,954 | 25,890 |
| Appropriation provided to deliver Outputs. | 2,314,816 | 2,407,485 | 2,445,979 | 2,520,642 | 2,582,536 | 2,677,685 | 2,732,764 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b)..... | 86,036 | 94,823 | 95,823 | 101,451 | 97,548 | 104,000 | 99,000 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 2,400,852 | 2,502,308 | 2,541,802 | 2,622,093 | 2,680,084 | 2,781,685 | 2,831,764 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Director General and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Quality education for all Western Australians who choose government schooling. | 1. Primary education 2. Secondary education |
| | Maximise training and employment opportunities for Western Australians. | 3. Vocational education and training services 4. Employment programs |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Quality education for all Western Australians who choose government schooling. | | | | | |
| Secondary Graduation rate (proportion of year 8 cohort achieving Secondary Graduation in year 12) | 53% | 53% | 53% | 53% | |
| Outcome: Maximise training and employment opportunities for Western Australians. | | | | | |
| Graduate achieved or partly achieved main reason for undertaking the course..... | 77% | 80% | 78% | 80% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Primary education

The provision of access to education in government schools for eligible persons aged generally from 4 years and 6 months to 12 years.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 1,382,348 | 1,402,271 | 1,443,444 | 1,491,771 | |
| Less Revenues from Ordinary Activities | 178,046 | 165,143 | 172,849 | 172,730 | |
| Net Cost of Output | 1,204,302 | 1,237,128 | 1,270,595 | 1,319,041 | |
| Adjustments ^(a) | (16,838) | 2,711 | (833) | 738 | |
| Appropriation for delivery of Output 1 | 1,187,464 | 1,239,839 | 1,269,762 | 1,319,779 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Student FTE ^(a) | 157,868 | 157,874 | 157,044 | 156,167 | |
| Quality | | | | | |
| Year 3 students achieving national benchmarks: | | | | | |
| Reading | 94% | 94% | 94% | 94% | |
| Writing | 84% | 84% | 84% | 84% | |
| Spelling ^(b) | 83% | 83% | 78% | 83% | |
| Numeracy..... | 85% | 90% | 87% | 87% | |
| Year 5 students achieving national benchmarks: | | | | | |
| Reading | 93% | 93% | 92% | 93% | |
| Writing | 86% | 86% | 85% | 86% | |
| Spelling ^(b) | 78% | 80% | 81% | 81% | |
| Numeracy..... | 84% | 86% | 88% | 88% | |
| Year 7 students achieving national benchmarks : | | | | | |
| Reading ^(b) | 83% | 83% | 81% | 83% | |
| Writing ^(b) | 75% | 76% | 75% | 75% | |
| Spelling ^(b) | 74% | 78% | 78% | 78% | |
| Numeracy ^(b) | 79% | 79% | 77% | 79% | |
| Timeliness | | | | | |
| Primary education is delivered during the four terms comprising the designated government schools year. | | | | | |
| Cost (Efficiency) | | | | | |
| Average cost per student FTE..... | \$8,756 | \$8,882 | \$9,191 | \$9,552 | |
| Full Time Equivalents (FTEs) | 16,233 | 16,642 | 16,959 | 17,237 | |

- (a) The estimated student FTEs value for 2003-04 is the average of semester two, 2003 actual and semester one, 2004 estimate, and for 2004-05, the average of semester two, 2004 estimate and semester one, 2005 estimate.
- (b) The data for Spelling for Years 3 and 5 and all Year 7 data are based on provisional benchmarks because national agreement has not been reached on their locations on the measuring scales.

Supplementary information on Quantity, Quality and Effectiveness

| | 2002-03 Actual | 2003-04 Estimated |
|--|-------------------|----------------------|
| Quantity | | |
| Student FTE, Aboriginal | 12,180 | 12,116 |
| Student FTE, non-Aboriginal | 145,688 | 144,928 |
| Student FTE, metropolitan | 106,326 | 105,771 |
| Student FTE, non-metropolitan | 51,542 | 51,273 |
| Student FTE, with disabilities..... | 4,978.1 | 5,000 |
| Other information | | |
| Number of primary schools | 552 | 548 |
| Number of district high schools..... | 60 | 60 |
| Number of education support schools and centres with primary students..... | 53 | 52 |
| Number of other schools with primary students | 1 | 1 |
| Student-teacher ratio, primary | 17.6 | 15.8 |

| | 2002-03 Actual | 2003-04 Estimated |
|--|-------------------|----------------------|
| Quality and Effectiveness (Details of subgroups and detail over time) | | |
| Year 3 students achieving the national benchmark in Reading: | | |
| All students..... | 94% | 94% |
| Female students..... | 95% | 95% |
| Male students..... | 93% | 93% |
| Aboriginal students..... | 79% | 78% |
| Students from a language background other than English students (LBOTE)..... | 93% | 92% |
| Year 3 students achieving the national benchmark in Writing: | | |
| All students..... | 84% | 84% |
| Female students..... | 89% | 89% |
| Male students..... | 80% | 80% |
| Aboriginal students..... | 53% | 57% |
| Students from a language background other than English students (LBOTE)..... | 84% | 83% |
| Year 3 students achieving the national benchmark (provisional) in Spelling: | | |
| All students..... | 83% | 78% |
| Female students..... | 87% | 83% |
| Male students..... | 80% | 74% |
| Aboriginal students..... | 52% | 47% |
| Students from a language background other than English students (LBOTE)..... | 82% | 78% |
| Year 3 students achieving the national benchmark in Numeracy: | | |
| All students..... | 85% | 87% |
| Female students..... | 85% | 87% |
| Male students..... | 86% | 88% |
| Aboriginal students..... | 58% | 61% |
| Students from a language background other than English students (LBOTE)..... | 82% | 84% |
| Year 5 students achieving the national benchmark in Reading: | | |
| All students..... | 93% | 92% |
| Female students..... | 95% | 94% |
| Male students..... | 92% | 90% |
| Aboriginal students..... | 73% | 70% |
| Students from a language background other than English students (LBOTE)..... | 90% | 87% |
| Year 5 students achieving the national benchmark (provisional) in Writing: | | |
| All students..... | 86% | 85% |
| Female students..... | 91% | 90% |
| Male students..... | 81% | 80% |
| Aboriginal students..... | 58% | 55% |
| Students from a language background other than English students..... | 82% | 82% |
| Year 5 students achieving the national benchmark (provisional) in Spelling: | | |
| All students..... | 78% | 81% |
| Female students..... | 84% | 85% |
| Male students..... | 73% | 76% |
| Aboriginal students..... | 48% | 50% |
| Students from a language background other than English students (LBOTE)..... | 75% | 79% |
| Year 5 students achieving the national benchmark in Numeracy: | | |
| All students..... | 84% | 88% |
| Female students..... | 84% | 88% |
| Male students..... | 84% | 87% |
| Aboriginal students..... | 48% | 59% |
| Students from a language background other than English students (LBOTE)..... | 78% | 82% |
| Year 7 students achieving the national benchmark (provisional) in Reading: | | |
| All students..... | 83% | 81% |
| Female students..... | 86% | 84% |
| Male students..... | 80% | 79% |
| Aboriginal students..... | 43% | 45% |
| Students from a language background other than English students (LBOTE)..... | 75% | 72% |
| Year 7 students achieving the national benchmark in Writing: | | |
| All students..... | 75% | 75% |
| Female students..... | 83% | 82% |
| Male students..... | 68% | 67% |
| Aboriginal students..... | 39% | 42% |
| Students from a language background other than English students (LBOTE)..... | 73% | 69% |
| Year 7 students achieving the national benchmark (provisional) in Spelling: | | |
| All students..... | 74% | 78% |
| Female students..... | 80% | 84% |
| Male students..... | 69% | 73% |
| Aboriginal students..... | 41% | 50% |
| Students from a language background other than English students (LBOTE)..... | 73% | 75% |
| Year 7 students achieving the national benchmark in Numeracy: | | |
| All students..... | 79% | 77% |
| Female students..... | 78% | 77% |
| Male students..... | 79% | 77% |
| Aboriginal students..... | 38% | 39% |
| Students from a language background other than English students (LBOTE)..... | 72% | 70% |

Supplementary information on Quality and Effectiveness - latest Monitoring Standards in Education data

| | Female | Male | Aboriginal | LBOTE | All |
|---|--------|------|------------|-------|-----|
| Year 3 students tested by Monitoring Standards in Education achieving at or above Level 2 ^(a) in Working Mathematically ^(b) : | 83% | 80% | 58% | 70% | 82% |
| Year 7 students tested by Monitoring Standards in Education achieving at or above Level 3 ^(a) in Working Mathematically ^(b) : | 92% | 91% | 73% | 86% | 92% |

(a) Monitoring Standards in Education measures student performance against the Outcomes and Standards Framework, which is consistent with the Curriculum Framework and which describes expected outcomes for each Learning Area. Each learning area is divided into Strands, and the outcomes are described within a framework of eight levels of increasing difficulty within each Strand. The results for Year 3 are reported against Level 2, and for Year 7 Level 3, in each Strand.

(b) Different learning areas are measured each year.

Output 2: Secondary education

The provision of access to education in government schools for eligible persons aged generally 12 years and over.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output ^(a) | 926,624 | 953,380 | 978,566 | 1,003,198 | |
| Less Revenues from Ordinary Activities | 137,151 | 130,861 | 139,303 | 143,232 | |
| Net Cost of Output | 789,473 | 822,519 | 839,263 | 859,966 | |
| Adjustments ^(b) | 5,388 | 1,866 | (654) | 8,399 | |
| Appropriation for delivery of Output 2 | 794,861 | 824,385 | 838,609 | 868,365 | |

(a) Total Cost of Output has been adjusted for comparability purposes to reflect the additional transfer of costs associated with Senior Colleges between Output 2 and Output 3.

(b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Student FTE ^(a) | 83,041 | 82,078 | 82,952 | 83,371 | |
| Quality | | | | | |
| Year 10 students tested by Monitoring Standards in Education achieving at or above Level 4 ^(b) in: | | | | | |
| Working Mathematically | - ^(c) | - ^(c) | 78% | - ^(d) | |
| Number | - ^(c) | - ^(c) | 85% | - ^(d) | |
| Space | - ^(c) | - ^(c) | 53% | - ^(d) | |
| Chance and Data | - ^(c) | - ^(c) | 84% | - ^(d) | |
| Measurement | - ^(c) | - ^(c) | 81% | - ^(d) | |
| Apparent retention rate (proportion of Year 8 cohort studying in Year 12) ^(c) | 63% | 63% | 63% | 63% | |
| Timeliness | | | | | |
| Secondary education is delivered during the four terms comprising the designated government schools year. | | | | | |
| Cost (Efficiency) | | | | | |
| Average cost per student FTE | \$11,159 | \$11,616 | \$11,797 | \$12,033 | |
| Full Time Equivalents (FTEs) | 9,989 | 10,047 | 10,262 | 10,320 | |

- (a) Estimated student FTEs for 2003-04 is the average of semester two, 2003 actual and semester one, 2004 estimate, and for 2004-05, the average of semester two, 2004 estimate and semester one, 2005 estimate.
- (b) Monitoring Standards in Education measures student performance against the Outcomes and Standards Framework, which is consistent with the Curriculum Framework and which describes expected outcomes for each Learning Area. Each learning area is divided into Strands, and the outcomes are described within a framework of eight levels of increasing difficulty within each Strand. The results for Year 10 are reported against Level 4 in each Strand.
- (c) Data are not available because Monitoring Standards in Education does not measure performance in Mathematics every year.
- (d) Measurement of the quality of outputs using Monitoring Standards in Education enables comparisons of trends over time but does not provide for the construction of targets as different subject mixes are measured each year.
- (e) The 2004-05 Targets are based on the 2003-04 Estimated as there is no basis on which to set a target for improvement.

Supplementary information on Quantity, Quality and Effectiveness

2002-03
Actual 2003-04
Estimated

Quantity

| | | |
|-------------------------------------|---------|--------|
| Student FTE, Aboriginal..... | 4,774 | 4,769 |
| Student FTE, non-Aboriginal | 78,267 | 78,183 |
| Student FTE, metropolitan | 56,532 | 56,471 |
| Student FTE, non-metropolitan | 26,509 | 26,481 |
| Student FTE, with disabilities..... | 2,362.5 | 2,500 |

Other information

| | | |
|---|------|------|
| Number of senior high, high and community high schools..... | 84 | 81 |
| Number of district high schools..... | 60 | 60 |
| Number of education support schools and centres with secondary students | 30 | 31 |
| Number of other schools with secondary students | 44 | 47 |
| Student-teacher ratio, secondary..... | 12.4 | 12.4 |

Quality and Effectiveness (Details of subgroups and detail over time)

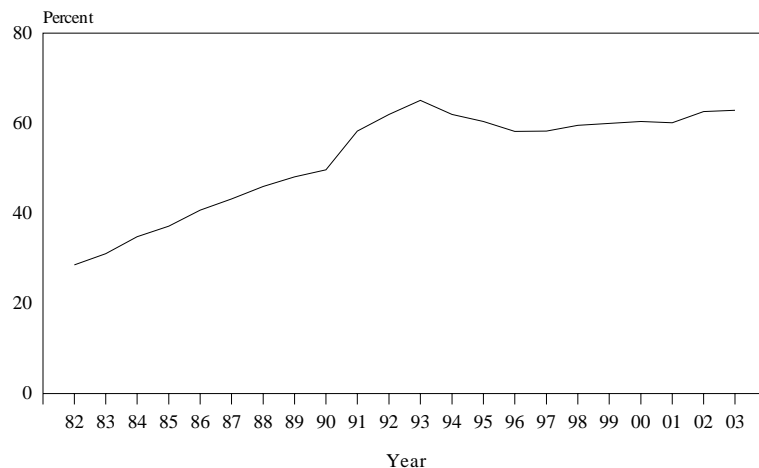
Secondary graduation rates (proportion of year 8 cohort achieving secondary graduation in year 12):

| | | |
|-----------------------|------|------|
| Female students | 59.2 | 58.5 |
| Male students..... | 47.4 | 48.6 |

Apparent retention rates (proportion of year 8 cohort studying in year 12):

| | | |
|--------------------------------|------|------|
| Female students | 67.5 | 66.6 |
| Male students..... | 58.0 | 59.4 |
| Aboriginal students..... | 20.4 | 21.6 |
| Non-Aboriginal students..... | 65.5 | 65.6 |
| Metropolitan students | 69.2 | 68.6 |
| Non-metropolitan students..... | 49.7 | 51.9 |

Apparent retention rate trends, 1982-2003 (proportion of year 8 cohort studying in year 12):



Supplementary information on Quality and Effectiveness - latest Monitoring Standards in Education data

| | Female | Male | Aboriginal | LBOTE | All |
|---|--------|------|------------|-------|-----|
| Year 10 students tested by Monitoring Standards in Education achieving at or above Level 4 ^(a) in: | | | | | |
| Working Mathematically ^(b) | 81% | 75% | 41% | 67% | 78% |
| Number ^(b) | 86% | 84% | 47% | 86% | 85% |
| Space ^(b) | 54% | 51% | 30% | 46% | 53% |
| Chance and Data ^(b) | 85% | 82% | 62% | 88% | 84% |
| Measurement ^(b) | 81% | 81% | 54% | 73% | 81% |

- (a) Monitoring Standards in Education measures student performance against the Outcomes and Standards Framework, which is consistent with the Curriculum Framework and which describes expected outcomes for each Learning Area. Each learning area is divided into Strands, and the outcomes are described within a framework of eight levels of increasing difficulty within each Strand. The results for Year 10 are reported against Level 4 in each Strand.
- (b) Different learning areas are measured each year.

Output 3: Vocational education and training services

The strategic management of the investment of government resources in the State VET system including the planning, purchasing and monitoring of VET services.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|--|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output ^(a) | 415,518 | 442,392 | 438,739 | 438,474 | |
| Less Revenues from Ordinary Activities | 117,903 | 122,786 | 122,786 | 123,943 | |
| Net Cost of Output | 297,615 | 319,606 | 315,953 | 314,531 | |
| Adjustments ^(b) | 2,242 | 2,534 | 2,534 | (2,444) | |
| Appropriation for delivery of Output 3 ^(c) | 299,857 | 322,140 | 318,487 | 312,087 | |

- (a) Total Cost of Output has been adjusted for comparability purposes to reflect the additional transfer of costs associated with Senior Colleges between Output 2 and Output 3.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Appropriation of funds is for delivery of VET services by TAFE Colleges (minimum of 80%) and through Competitively Allocated Training by either TAFE Colleges or private providers (up to 20%).

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Student Curriculum Hours (SCH) delivered - | | | | | |
| Apprentices/Trainees ^{(a) (b)} | 4,230,670 | 4,600,000 | 4,513,485 | 4,600,000 | |
| SCH delivered - Other students ^(a) | 21,439,608 | 22,100,000 | 22,464,865 | 22,100,000 | |
| Participation rate (15 - 64 year olds) ^(c) | 8.4% | 9.8% | 8.5% | 8.5% | |
| Quality | | | | | |
| Successful training completions - Module | | | | | |
| Load Completion Rate (MLCR) - | | | | | |
| Apprentices/Trainees ^(d) | 84.9% | 80% | 88.5% | 88% | |
| Successful training completions - (MLCR) - | | | | | |
| Other students ^(d) | 70.6% | 69% | 70.7% | 71% | |
| Employers feedback on relevance of skills and | | | | | |
| knowledge - Apprentices/Trainees ^(e) | 56% | - ^(e) | - | - | |
| Employers feedback on relevance of skills and | | | | | |
| knowledge - Other students ^(e) | 65% | - ^(e) | - | - | |
| Student satisfaction - Apprentices/Trainees ^(f) | 80.3% | 84% | 87.5% | 85% | Spike in satisfaction level for apprentices and trainees for 2003-04. The target for 2004-05 is more realistic based on smoothed trends over time. |
| Student satisfaction - Other students ^(f) | 83.3% | 80% | 85% | 84% | |
| Timeliness | | | | | |
| College Delivery and Performance | | | | | |
| Agreements issued | December | November | December | November | |
| Cost (Efficiency) | | | | | |
| Average cost per SCH- Apprentices/Trainees | | | | | |
| ^{(g) (h)} | \$16.66 | \$16.37 | \$16.57 | \$16.54 | |
| Average cost per SCH - Other students ^(g) | \$16.09 | \$16.61 | \$16.20 | \$16.40 | Increase due to slightly reduced target SCH delivery levels for other students. |
| Full Time Equivalents (FTEs) | 362 | 365 | 358 | 355 | |

- (a) These performance measures are adjusted for Invalid Module Enrolments (IME) and calculated from calendar year data. The 2003-04 estimate assumes the same IME rate as for 2002, i.e. 3.02%. The target for 2004-05 assumes the same IME rate. The SCH delivered in 2002-03 has been adjusted for the inclusion of Tuart and Canning Senior Colleges.
- (b) It is estimated that 25,500 apprentices/trainees will be in training at any point in time during the course of 2004-05.
- (c) The participation rate is the proportion of Western Australians aged 15 to 64 years enrolled in VET courses funded by the Department of Education and Training. It is a measure of the Department's responsiveness in meeting industry and community needs for a highly skilled workforce. The scope includes all delivery claimed under the State ANTA Agreement (ANTA Scope) plus Commonwealth/State Specific Funding. This is a change in scope from previous years to correspond with the participation rate figures presented in the Department's Annual Report, rather than those presented in the Australian National Training Authority (ANTA) Annual Report. As a consequence of data collection methods and to ensure viable State and Territory comparisons, the ANTA figure includes more delivery in its calculation and hence the higher reported budget figure for 2003-04.
- (d) Successful training completions, or MLCR, is the sum of SCH for successfully completed modules expressed as a proportion of total SCH across all module enrolments, for which a definite outcome could be expected. Historically, students undertaking an apprenticeship/traineeship where their studies are linked to an employment contract, have higher MLCR than other award course students.
- (e) The 2002-03 actual figures are based on the 2001 National Survey of Employer Satisfaction. No data is available for 2003-04 budget or estimated actual as the survey was not undertaken during 2003 as originally planned. A new National Survey of Employers will be undertaken in late 2004 by the National Centre for Vocational Education and Research. However, targets have not been provided as the composition of the survey questions is yet to be determined.
- (f) A student satisfaction survey is undertaken across the State, including apprentices and trainees, annually with 10,685 respondents in 2003 from a population of over 40,000 students. The percentages represent those apprentices/trainees or other students responding 'satisfied/very satisfied' to the question 'how satisfied are you overall with your course of study'. Further information on survey results is presented in the Department's annual report. Caution should be used in comparing information across the survey years due to changes in survey methodologies and populations.
- (g) The average cost per SCH is calculated by dividing the total expenditure for publicly funded VET by the total SCH. The total expenditure includes costs associated with labour market, regional and community analyses; policy, research and development; and delivery profiling and contracts purchasing, quality monitoring and support services.
- (h) The average cost per SCH (apprentices and trainees) is similar to the formula outlined in (g) above. However, there are an additional number of services/costs for apprentices/trainees including: the training records system (which involves the collection, monitoring and central administration of reporting of employment contracts) and travel and accommodation costs.

Output 4: Employment programs

The development, promotion and strategic management of career development services. The role of the Department is to improve the employment environment in Western Australia through initiatives that assist job-seekers, industry and the community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 33,385 | 24,499 | 22,499 | 22,345 | |
| Less Revenues from Ordinary Activities | 1,443 | 3,560 | 3,560 | 3,581 | |
| Net Cost of Output | 31,942 | 20,939 | 18,939 | 18,764 | |
| Adjustments ^(a) | 692 | 182 | 182 | 1,647 | |
| Appropriation for delivery of Output 4 | 32,634 | 21,121 | 19,121 | 20,411 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| People assisted through employment strategies ^(a) | 45,000 | 45,000 | 45,000 | 45,000 | |
| People supported in apprenticeships and traineeships ^(b) | 23,773 | 23,000 | 25,000 | 25,500 | |
| People assisted through Regional Forest Workers Assistance Package ^(c) | 569 | 156 | 476 | 325 | The Workers Assistance Package is a three-year program that will assist approximately 1,000 people. Generally people receive assistance over two years. |
| Quality | | | | | |
| In development for 2004-05 ^(d) | - | - | - | - | |
| Timeliness | | | | | |
| Labour market programs funded annually at commencement of financial year | Yes | Yes | Yes | Yes | |
| Cost (Efficiency) | | | | | |
| Average cost per person assisted through employment strategies | \$333 | \$325 | \$274 | \$285 | |
| Average cost per person supported in apprenticeships and traineeships ^(e) | \$270 | \$277 | \$200 | \$216 | |
| Average cost per person assisted through Regional Forest Workers Assistance Package ^(c) | \$21,056 | \$22,500 | \$10,860 | \$12,307 | |
| Full Time Equivalents (FTEs) | 121 | 121 | 119 | 118 | |

(a) This figure is a combined count from all career development and employment services and activities and may include people who receive assistance from more than one of the services offered.

(b) This is an estimated point in time figure as at 30 June for the relevant year. The number of persons supported in apprenticeships and traineeships has been amended to include those on suspension on that day to be consistent with data standards used in the national system by the Australian National Training Authority and the National Centre for Vocational Education Research.

(c) The Department will manage the Regional Forests Agreement Workers Assistance Package from 2001-02 to 2004-05 with a total budget of \$28.6 million. The package assists approximately 1,000 workers in the native forest hardwood timber industry directly affected by the Government's new forest policy and includes redundancy payments, relocation allowances, re-skilling and retraining initiatives. As people generally receive assistance over two years the actuals, estimated actuals and target figures are cumulative. For example, the target of 325 for 2004-05 includes 216 people who first received assistance in 2003-04 plus an estimated 109 new registrations for 2004-05. In addition, the carry forward of funds from previous years means that the estimated actual expenditure figure for 2003-04 is higher than the annual budget allocated to the program for that year. The 2003-04 budget figure of 156 people assisted did not include the people who first received assistance in 2002-03 and may have been eligible for further assistance in 2003-04. The average cost per person assisted through the program in the 2003-04 Budget column is inflated as a consequence.

(d) A satisfaction measure to determine quality of service has been developed and will be implemented during 2004-05.

(e) Reduction in average costs reflects the significant increase in the number of apprentices and trainees in training.

CAPITAL WORKS PROGRAM**Education**

The planned capital works expenditure for schools in 2004-05 is \$151.8 million and relates primarily to the provision of adequate infrastructure for government schools throughout the State. The program includes:

- Completion of four replacement primary schools at Melville, Onslow, Wanneroo and Willagee and four new primary schools at Canning Vale (North), Carramar, East Marrangaroo and Landsdale (Ashdale Gardens). The eight primary schools, which will be completed at a total cost of \$44.8 million, will open for the 2005 school year.
- Funding to commence the construction of four new primary schools and three replacement primary schools. Three new schools will be constructed at Hopetoun, Settlers Hill (Baldivis) and Two Rocks and a fourth at a location to be determined. The replacement schools will be constructed at Coolbellup (Koorilla), Manjimup and Shark Bay. The seven primary schools, which will be constructed at a total cost of \$37.1 million, will open in 2006.
- Commencement of a new middle school at Secret Harbour at a total cost of \$17.0 million with expenditure of \$5.0 million in 2004-05. The school will open in February 2006 with an expected enrolment of 250 students.
- A commitment of \$26.0 million for the replacement of Kwinana Senior High School. The current high school, built in 1956, will be progressively replaced with a middle school and a senior campus linked to TAFEWA and Murdoch University. Completion is expected by the end of 2006.
- A commitment of \$3.4 million to complete major additions at Warnbro Community High School.
- Continuation of the redevelopment of Mount Lawley Senior High School with an allocation of \$9.8 million in 2004-05 for Stages 2 and 3.
- Completion of the primary and secondary schools upgrade programs with an allocation of \$2.6 million in 2004-05.
- Major additions, extensions and improvements at a number of primary and secondary schools throughout the State.
- \$5.0 million for the final stage of the \$40.0 million Secondary Schools Refurbishment Program. Six secondary schools will benefit from this program during 2004-05.
- \$3.0 million to complete the covered assembly area program (\$8.0 million over four years) and \$3.4 million to continue the automatic reticulation program in schools.
- A new commitment of \$1.0 million to improve traffic management and parking around schools.
- \$5.0 million new works commitment to provide library resource centres, upgrade administration and staff facilities and replace or upgrade toilet facilities in schools.
- \$15.2 million to purchase and develop land for the construction of new schools.

Training

The planned capital works expenditure supporting the delivery of vocational education and training in 2004-05 is \$38.1 million and relates primarily to the redevelopment of existing infrastructure and the development of new infrastructure to support training delivery by TAFE Colleges. The program includes:

- Central Metropolitan College of TAFE - Funding for a major redevelopment which will relocate training programs and delivery from Mount Lawley and Wembley to the Northbridge campus. The project has a total allocation of \$4.6 million including \$3.2 million in 2004-05.
- Central West College of TAFE - Establishment of the Batavia Coast Marine Centre to provide training and support for research in the fishing and aquaculture industries in the Mid West/Gascoyne region with an allocation of \$4.2 million in 2004-05.

- Challenger College of TAFE - Upgrade and extension to the existing Western Australian Centre for Maritime Studies with an allocation of \$5.5 million in 2004-05. Funding for the relocation of the Marine Training Centre at Henderson to the proposed Jervoise Bay Marine Technology Park with an allocation of \$2.0 million in 2004-05.
- Kalgoorlie College of TAFE - Completion of the new collaborative learning centre on the Esperance Senior High School site, which will increase vocational education and training learning opportunities for 15 to 19 year olds, with an allocation of \$1.4 million in 2004-05.
- Pilbara TAFE - Redevelopment of administration facilities and systems and the realignment of workshop learning facilities to support the increased training demands resulting from industry development at the Burrup with an allocation of \$1.5 million in 2004-05.
- Swan TAFE - Relocation of the administration functions of Swan TAFE to the Midland Workshop Redevelopment. The allocation for the project in 2004-05 is \$1.2 million.
- Universal Access Program - Funding to continue a minor works program to improve the physical access of all TAFE clients whose access may be restricted due to physical disability with an allocation of \$0.5 million in 2004-05.
- West Coast College of TAFE - Completion of the new \$7.9 million Hospitality Training Institute at the Joondalup campus with an allocation of \$5.3 million in 2004-05.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Education | | | | |
| Additional Stages at High Schools - | | | | |
| Warnbro..... | 4,000 | 585 | 585 | 3,415 |
| Additions and Improvements to High Schools - | | | | |
| Gosnells..... | 5,000 | 611 | 554 | 4,389 |
| Melville..... | 3,600 | 203 | 203 | 3,397 |
| Mount Lawley - Sports Hall & Performing Arts facilities..... | 9,460 | 9,190 | 4,526 | 270 |
| Mount Lawley - Stage 2..... | 13,674 | 6,849 | 5,011 | 6,825 |
| Mount Lawley - Stage 3..... | 7,710 | 210 | 210 | 3,000 |
| South Fremantle - Music Centre..... | 1,500 | 122 | 122 | 1,378 |
| Thornlie..... | 3,000 | 2,540 | 2,499 | 460 |
| Tom Price - Sports Hall..... | 4,130 | 2,130 | 1,862 | 2,000 |
| Upgrade Program..... | 4,275 | 2,648 | 2,648 | 1,627 |
| Additions and Improvements to District High Schools - | | | | |
| Kununurra..... | 2,500 | 160 | 160 | 2,340 |
| New Primary Schools - | | | | |
| Canning Vale (North)..... | 5,000 | 1,219 | 1,219 | 3,781 |
| Carramar..... | 5,000 | 1,568 | 1,448 | 3,432 |
| East Marangaroo..... | 5,000 | 2,682 | 2,607 | 2,318 |
| Koorilla replacement..... | 5,200 | 16 | 16 | 4,084 |
| Landsdale (Ashdale Gardens)..... | 5,000 | 1,282 | 1,162 | 3,718 |
| Melville replacement..... | 5,500 | 1,046 | 1,016 | 4,454 |
| Onslow replacement..... | 7,000 | 1,432 | 1,349 | 5,568 |
| Wanneroo replacement..... | 6,800 | 1,387 | 1,357 | 5,413 |
| Willagee replacement..... | 5,500 | 853 | 853 | 4,647 |
| Additions and Improvements to Primary Schools - | | | | |
| South Kalgoorlie..... | 2,000 | 505 | 505 | 1,495 |
| Upgrade Program..... | 12,100 | 11,100 | 7,721 | 1,000 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| Other School Facilities - | | | | |
| Administration Upgrade - 2003-04 Program | 1,900 | 100 | 100 | 1,800 |
| Art/Craft and Music Facilities - 2003-04 Program | 1,000 | 400 | 400 | 600 |
| Covered Assembly Areas - 2001-02 Program | 8,000 | 5,000 | 2,609 | 3,000 |
| Library Resource Centres - 2003-04 Program | 1,675 | 184 | 184 | 1,491 |
| Student Services - Improvements 2003-04 Program | 1,000 | 100 | 100 | 900 |
| Toilet Replacement Program - 2003-04 Program | 2,400 | 687 | 687 | 1,713 |
| Miscellaneous - | | | | |
| Automatic Reticulation - 2002-03 Program | 5,000 | 1,722 | 1,613 | 3,278 |
| Secondary School Refurbishment Program | | | | |
| Esperance SHS | 1,500 | 772 | 764 | 728 |
| Hampton SHS | 1,106 | 1,020 | 984 | 86 |
| Kent St SHS | 1,040 | 535 | 522 | 505 |
| Mount Lawley SHS | 5,000 | 3,000 | 2,000 | 2,000 |
| Safety Bay SHS | 1,000 | 587 | 587 | 413 |
| Training | | | | |
| New Buildings and Additions at TAFE Colleges and Centres - | | | | |
| Central TAFE | | | | |
| Perth Campus - Redevelopment Stage 1 | 4,550 | 50 | 50 | 3,230 |
| Central West College - | | | | |
| Geraldton - Batavia Coast Marine Centre | 5,920 | 1,340 | 841 | 4,230 |
| Challenger TAFE | | | | |
| Fremantle Stage 1 - Maritime | 7,156 | 1,666 | 1,460 | 5,490 |
| Henderson Marine | 6,000 | 96 | 50 | 2,000 |
| Kalgoorlie College | | | | |
| Esperance - VTEC | 2,000 | 600 | 600 | 1,400 |
| Pilbara College | | | | |
| Burrup | 1,500 | 50 | 50 | 1,450 |
| Swan TAFE - | | | | |
| Midland College Realignment | 2,000 | 800 | 800 | 1,200 |
| West Coast College - | | | | |
| Hospitality Centre | 7,859 | 2,516 | 2,434 | 5,343 |
| COMPLETED WORKS | | | | |
| Education | | | | |
| New High Schools - | | | | |
| Canning Vale College | 15,876 | 15,876 | 9,368 | - |
| Eaton | 18,099 | 18,099 | 104 | - |
| Kinross Middle School | 15,046 | 15,046 | 123 | - |
| Mindarie Senior Campus | 14,735 | 14,735 | 187 | - |
| Additions and Improvements to High Schools - | | | | |
| Albany | 6,641 | 6,641 | 46 | - |
| City Beach | 365 | 365 | 358 | - |
| John Curtin | 2,500 | 2,500 | 611 | - |
| John Forrest | 266 | 266 | 260 | - |
| Mandurah | 3,249 | 3,249 | 2,928 | - |
| New Primary Schools - | | | | |
| Brighton | 5,345 | 5,345 | 4,516 | - |
| Clayton View (Koongamia replacement) | 4,924 | 4,924 | 3,624 | - |
| Dalyellup | 5,782 | 5,782 | 5,565 | - |
| Djidi Djidi replacement | 4,565 | 4,565 | 3,738 | - |
| East Maylands replacement | 4,895 | 4,895 | 3,800 | - |
| Ellenbrook | 5,278 | 5,278 | 4,712 | - |
| Midvale replacement | 4,891 | 4,891 | 2,670 | - |
| South Atwell | 6,748 | 6,748 | 6,372 | - |
| Stanford Gardens | 5,377 | 5,377 | 76 | - |
| West Midland replacement (Woodbridge) | 5,029 | 5,029 | 3,709 | - |
| Remote Community Schools | | | | |
| 2003-04 Program | 1,497 | 1,497 | 1,431 | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| Additions and Improvements to Primary Schools - | | | | |
| Dunsborough | 1,406 | 1,406 | 7 | - |
| Roebuck | 4,840 | 4,840 | 4,428 | - |
| Upper Swan | 1,647 | 1,647 | 1,134 | - |
| Yale | 344 | 344 | 72 | - |
| Other School Facilities - | | | | |
| Administration Upgrade - | | | | |
| 2001-02 Program | 3,032 | 3,032 | 101 | - |
| 2002-03 Program | 891 | 891 | 87 | - |
| Canteens - | | | | |
| 2003-04 Program | 50 | 50 | 50 | - |
| Central Reserve Schools - | | | | |
| 2002-03 Program | 503 | 503 | 168 | - |
| 2003-04 Program | 521 | 521 | 521 | - |
| Communication Upgrades - | | | | |
| 2002-03 Program | 500 | 500 | 119 | - |
| Early Childhood Program - | | | | |
| 2003-04 Program | 1,188 | 1,188 | 1,188 | - |
| Ground Developments - | | | | |
| 2003-04 Program | 266 | 266 | 266 | - |
| Library Resource Centres - | | | | |
| 2002-03 Program | 1,642 | 1,642 | 845 | - |
| Rural Integration Program - | | | | |
| 2003-04 Program | 135 | 135 | 135 | - |
| Student Services - Improvements | | | | |
| 2002-03 Program | 1,300 | 1,300 | 1,092 | - |
| Toilet Replacement Program - | | | | |
| 2002-03 Program | 1,058 | 1,058 | 600 | - |
| Miscellaneous - | | | | |
| Air Cooling - | | | | |
| 2001-02 Program | 5,468 | 5,468 | 1,405 | - |
| Consultants Fees - | | | | |
| 2003-04 Program | 715 | 715 | 715 | - |
| Contingencies - | | | | |
| 2003-04 Program | 502 | 502 | 502 | - |
| Fire Compliance Upgrade - | | | | |
| 2002-03 Program | 156 | 156 | 55 | - |
| 2003-04 Program | 250 | 250 | 250 | - |
| Land Acquisition - | | | | |
| 2003-04 Program | 7,426 | 7,426 | 7,426 | - |
| Motor Vehicles - | | | | |
| 2003-04 Program | 300 | 300 | 300 | - |
| Office Refurbishment - | | | | |
| 2003-04 Program | 262 | 262 | 262 | - |
| Security Alarm Systems - | | | | |
| 2003-04 Program | 515 | 515 | 465 | - |
| Sewer Connections - | | | | |
| 2002-03 Program | 741 | 741 | 21 | - |
| 2003-04 Program | 445 | 445 | 445 | - |
| Traffic Management - | | | | |
| 2002-03 Program | 1,000 | 1,000 | 732 | - |
| Transportable Classrooms - | | | | |
| 2002-03 Program | 3,604 | 3,604 | 272 | - |
| 2003-04 Program | 2,940 | 2,940 | 2,940 | - |
| Transportable Relocation - | | | | |
| 2003-04 Program | 5,400 | 5,400 | 5,400 | - |
| Secondary School Refurbishment Program | | | | |
| Beverley DHS | 560 | 560 | 35 | - |
| Busselton SHS | 1,615 | 1,615 | 343 | - |
| Geraldton Secondary College | 2,547 | 2,547 | 944 | - |
| Girrawheen SHS | 1,000 | 1,000 | 965 | - |
| Gosnells SHS | 2,413 | 2,413 | 51 | - |
| Hamilton SHS | 1,360 | 1,360 | 297 | - |
| Harvey SHS | 497 | 497 | 138 | - |
| John Curtin COA | 2,503 | 2,503 | 2,187 | - |
| Karratha SHS | 500 | 500 | 500 | - |
| Katanning SHS | 1,015 | 1,015 | 44 | - |
| Newton Moore SHS | 943 | 943 | 3 | - |
| Rossmoyne SHS | 2,276 | 2,276 | 1,807 | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| Training | | | | |
| New Buildings and Additions at TAFE Colleges and Centres - | | | | |
| Central TAFE | | | | |
| Internal Shared Services - Perth..... | 810 | 810 | 802 | - |
| IT Relocation - East Perth..... | 500 | 500 | 37 | - |
| Central West College - | | | | |
| Exmouth Facilities Upgrade | 390 | 390 | 390 | - |
| Geraldton - Training Vessel..... | 1,790 | 1,790 | 560 | - |
| Great Southern Regional College - | | | | |
| Albany - Agriculture and Landcare..... | 750 | 750 | 750 | - |
| Canteen - Student Services | 800 | 800 | 698 | - |
| Kimberley College - | | | | |
| Derby - Campus Refurbishment | 480 | 480 | 480 | - |
| Pilbara College | | | | |
| Program of Works | 1,000 | 1,000 | 1,000 | - |
| Pundulmurra - Upgrade existing facilities | 690 | 690 | 578 | - |
| Roebourne - Workshop Building | 450 | 450 | 450 | - |
| South West Regional College - | | | | |
| Margaret River Campus..... | 5,200 | 5,200 | 4,021 | - |
| Swan TAFE - | | | | |
| Bentley - Administration Demountables..... | 326 | 326 | 188 | - |
| Thornlie - Heavy Fabrication/ Welding Roof Structure..... | 70 | 70 | 70 | - |
| Thornlie - Hydraulic & Pneumatic Training Centre..... | 170 | 170 | 170 | - |
| Thornlie - Signwriting | 450 | 450 | 34 | - |
| West Coast College - | | | | |
| Decant Carine Campus to Joondalup | 1,000 | 1,000 | 211 | - |
| Joondalup Site Realignment with Education Precinct..... | 149 | 149 | 111 | - |
| Other Projects - | | | | |
| Land Acquisition | | | | |
| E Central - East Perth | 6,000 | 6,000 | 6,000 | - |
| Mandurah..... | 323 | 323 | 35 | - |
| Minor Works - | | | | |
| 2003-04 Program..... | 2,120 | 2,120 | 2,120 | - |
| Plant and Equipment - | | | | |
| 2002-03 Program..... | 7,602 | 7,602 | 1,704 | - |
| 2003-04 Program..... | 2,190 | 2,190 | 2,190 | - |
| Project Initiation Planning - | | | | |
| 2000-01 to 2002-03 Program..... | 579 | 579 | 154 | - |
| 2003-04 Program..... | 190 | 190 | 190 | - |
| Skills Centres - | | | | |
| 2003-04 Program | 2,000 | 2,000 | 2,000 | - |
| Systemwide Upgrades of Roofing and Plant - | | | | |
| 2000-01 to 2002-03 Program..... | 2,731 | 2,731 | 382 | - |
| 2003-04 Program..... | 620 | 620 | 620 | - |
| Universal Access Program - | | | | |
| 2000-01 to 2002-03 Program..... | 1,770 | 1,770 | 460 | - |
| 2003-04 Program..... | 1,500 | 1,500 | 1,500 | - |
| NEW WORKS | | | | |
| Education | | | | |
| New High Schools - | | | | |
| Kwinana Senior High School replacement | 26,000 | - | - | 6,000 |
| Secret Harbour Middle School..... | 17,000 | - | - | 5,000 |
| Additions and Improvements to High Schools - | | | | |
| Cecil Andrews | 3,000 | - | - | 1,000 |
| Esperance..... | 7,200 | - | - | 1,000 |
| Additions and Improvements to District High Schools - | | | | |
| Ravensthorpe..... | 500 | - | - | 100 |
| New Primary Schools - | | | | |
| Hopetoun | 4,000 | - | - | 1,000 |
| Manjimup replacement | 6,000 | - | - | 750 |
| Settlers Hill (Baldivis) | 3,400 | - | - | 3,400 |
| Shark Bay replacement..... | 7,500 | - | - | 500 |
| Two Rocks..... | 6,000 | - | - | 500 |
| Other new school - to be determined | 5,000 | - | - | 500 |
| Interim schools | | | | |
| 2004-05 Program | 500 | - | - | 500 |
| Remote Community Schools | | | | |
| 2004-05 Program | 900 | - | - | 900 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| Additions and Improvements to Primary Schools - | | | | |
| Brookman | 800 | - | - | 800 |
| Roebuck | 3,500 | - | - | 1,000 |
| Other School Facilities - | | | | |
| Administration Upgrade - 2004-05 Program | 2,000 | - | - | 200 |
| Canteens - 2004-05 Program | 50 | - | - | 50 |
| Central Reserve Schools - 2004-05 Program | 400 | - | - | 400 |
| Communication Upgrades - 2004-05 Program | 700 | - | - | 700 |
| Early Childhood Program - 2004-05 Program | 1,500 | - | - | 1,500 |
| Ground Developments - 2004-05 Program | 1,900 | - | - | 1,900 |
| Library Resource Centres - 2004-05 Program | 2,000 | - | - | 713 |
| Rural Integration Program - 2004-05 Program | 500 | - | - | 500 |
| Student Services - Improvements 2004-05 Program | 1,000 | - | - | 100 |
| Toilet Replacement Program - 2004-05 Program | 1,000 | - | - | 100 |
| Miscellaneous - | | | | |
| Automatic Reticulation - 2004-05 Program | 100 | - | - | 100 |
| Consultants Fees - 2004-05 Program | 700 | - | - | 700 |
| Contaminated Sites Investigation - 2004-05 Program | 500 | - | - | 500 |
| Contingencies - 2004-05 Program | 729 | - | - | 729 |
| Fire Compliance Upgrade - 2004-05 Program | 500 | - | - | 500 |
| Land Acquisition - 2004-05 Program | 15,200 | - | - | 15,200 |
| Motor Vehicles - 2004-05 Program | 250 | - | - | 250 |
| Office Refurbishment - 2004-05 Program | 500 | - | - | 500 |
| Planning Fees - New High Schools - 2004-05 Program | 500 | - | - | 500 |
| Power Supply Upgrade - 2004-05 Program | 500 | - | - | 500 |
| Security Alarm Systems - 2004-05 Program | 500 | - | - | 500 |
| Sewer Connections - 2004-05 Program | 500 | - | - | 500 |
| Traffic Management - 2004-05 Program | 1,000 | - | - | 500 |
| Transportable Classrooms - 2004-05 Program | 3,700 | - | - | 3,700 |
| Transportable Relocation - 2004-05 Program | 6,000 | - | - | 6,000 |
| Secondary School Refurbishment Program | | | | |
| Bullsbrook DHS | 500 | - | - | 500 |
| Fitzroy Crossing DHS | 1,500 | - | - | 1,500 |
| Hedland SHS | 500 | - | - | 500 |
| Kalamunda SHS | 1,000 | - | - | 1,000 |
| Mirrabooka SHS | 1,000 | - | - | 1,000 |
| Thornlie SHS | 1,000 | - | - | 1,000 |
| Wanneroo SHS | 1,000 | - | - | 1,000 |
| Training | | | | |
| New Buildings and Additions at TAFE Colleges and Centres - | | | | |
| Central TAFE | | | | |
| East Perth - New Centre - Stage 1 | 6,000 | - | - | 200 |
| Perth Campus - Redevelopment Stage 2 | 5,000 | - | - | 1,400 |
| Central West College - Geraldton - Sea Water Intake | 500 | - | - | 500 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| Other Projects - | | | | |
| Land Acquisition | | | | |
| South West - Busselton..... | 1,000 | - | - | 1,000 |
| Minor Works - | | | | |
| 2004-05 to 2006-07 Program..... | 7,582 | - | - | 2,732 |
| Plant and Equipment - | | | | |
| 2004-05 Program..... | 4,350 | - | - | 4,350 |
| Project Initiation Planning - | | | | |
| 2004-05 to 2006-07 Program..... | 720 | - | - | 200 |
| Skills Centres - | | | | |
| 2004-05 to 2006-07 Program..... | 6,000 | - | - | 2,000 |
| Systemwide Upgrades of Roofing and Plant - | | | | |
| 2004-05 to 2006-07 Program..... | 2,655 | - | - | 860 |
| Universal Access Program - | | | | |
| 2004-05 Program..... | 500 | - | - | 500 |
| | 604,925 | 309,597 | 175,888 | 189,902 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 155,133 | 166,818 | 175,888 | 189,902 | 170,528 | 171,376 | 170,560 |
| | 155,133 | 166,818 | 175,888 | 189,902 | 170,528 | 171,376 | 170,560 |
| LESS | | | | | | | |
| Asset Sales | - | 140 | 6,615 | 8,300 | - | - | - |
| Commonwealth Grants..... | 37,451 | 42,868 | 41,743 | 47,954 | 42,331 | 41,566 | 45,750 |
| Drawdowns from the Holding Account..... | 17,782 | 18,156 | 18,156 | 18,905 | 19,144 | 19,144 | 19,144 |
| Funding included in output appropriations ^(a) .. | 12,492 | 7,831 | 1,831 | 3,804 | 6,905 | 6,666 | 6,666 |
| Internal Funds and Balances..... | 1,372 | 3,000 | 11,720 | 9,488 | 4,600 | - | - |
| Capital Contribution..... | 86,036 | 94,823 | 95,823 | 101,451 | 97,548 | 104,000 | 99,000 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 1,370,561 | 1,400,603 | 1,445,957 | 1,518,258 | 1,573,915 | 1,620,434 | 1,652,561 |
| Superannuation | 134,101 | 133,407 | 136,066 | 150,452 | 153,272 | 159,832 | 160,172 |
| Grants and subsidies ^(b) | 359,718 | 382,585 | 382,585 | 364,232 | 372,268 | 378,205 | 378,215 |
| Capital User Charge..... | 302,799 | 308,524 | 310,255 | 317,988 | 322,621 | 331,301 | 340,656 |
| Depreciation and amortisation | 75,721 | 81,190 | 81,396 | 83,656 | 76,651 | 80,738 | 80,738 |
| Direct schools expenses..... | 207,763 | 189,044 | 189,226 | 192,535 | 195,898 | 197,207 | 197,107 |
| School Support Services | 139,605 | 141,015 | 152,515 | 145,766 | 143,016 | 151,989 | 151,989 |
| Other supplies and services..... | 166,157 | 185,929 | 183,366 | 181,564 | 183,538 | 187,219 | 200,894 |
| Other expenses..... | 1,450 | 245 | 1,882 | 1,337 | 989 | 2,115 | 3,179 |
| TOTAL COST OF SERVICES | 2,757,875 | 2,822,542 | 2,883,248 | 2,955,788 | 3,022,168 | 3,109,040 | 3,165,511 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 20,437 | 20,883 | 20,669 | 20,999 | 21,576 | 21,809 | 22,037 |
| Grants and subsidies | 319,746 | 317,425 | 333,787 | 340,806 | 348,853 | 353,606 | 353,706 |
| School contributions, charges, fees and recoveries | 71,708 | 66,877 | 66,877 | 67,544 | 68,217 | 68,897 | 68,897 |
| Other Revenue..... | 22,652 | 17,165 | 17,165 | 14,137 | 13,997 | 13,997 | 13,997 |
| Total Revenues from Ordinary Activities | 434,543 | 422,350 | 438,498 | 443,486 | 452,643 | 458,309 | 458,637 |
| NET COST OF SERVICES..... | 2,323,332 | 2,400,192 | 2,444,750 | 2,512,302 | 2,569,525 | 2,650,731 | 2,706,874 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 2,314,816 | 2,407,485 | 2,445,979 | 2,520,642 | 2,582,536 | 2,677,685 | 2,732,764 |
| Resources received free of charge..... | 515 | 873 | 873 | 633 | 633 | 633 | 633 |
| Liabilities assumed by the Treasurer..... | 11,575 | 4,270 | 4,270 | 4,341 | 4,412 | 4,485 | 4,600 |
| Initial recognition of assets not previously included | 8,377 | - | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 2,335,283 | 2,412,628 | 2,451,122 | 2,525,616 | 2,587,581 | 2,682,803 | 2,737,997 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 11,951 | 12,436 | 6,372 | 13,314 | 18,056 | 32,072 | 31,123 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 26,705, 27,698 and 28,030 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 221,430 | 159,506 | 211,717 | 229,153 | 223,375 | 226,502 | 229,363 |
| Restricted cash | 47,773 | 65,729 | 55,501 | 324 | 5,824 | 11,624 | 17,724 |
| Receivables | 21,672 | 20,384 | 21,433 | 20,758 | 19,938 | 19,121 | 18,194 |
| Inventories | 3,241 | 2,082 | 3,241 | 3,241 | 3,241 | 3,241 | 3,241 |
| Amounts receivable for outputs | 18,156 | 20,358 | 18,905 | 19,144 | 19,144 | 19,144 | 19,144 |
| Other | 8,922 | 12,637 | 9,124 | 9,321 | 9,438 | 9,482 | 9,482 |
| Total current assets | 321,194 | 280,696 | 319,921 | 281,941 | 280,960 | 289,114 | 297,148 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | 126,478 | 197,474 | 197,511 | 270,524 | 336,928 | 408,117 | 479,306 |
| Land and Buildings | 3,714,103 | 3,733,946 | 3,771,103 | 3,823,442 | 3,858,605 | 3,912,724 | 3,973,592 |
| Plant, equipment and vehicles | 71,183 | 53,036 | 58,010 | 50,919 | 54,065 | 54,047 | 54,554 |
| Other | 34,951 | 53,092 | 33,029 | 18,035 | 18,800 | 30,590 | 32,329 |
| Total non-current assets | 3,946,715 | 4,037,548 | 4,059,653 | 4,162,920 | 4,268,398 | 4,405,478 | 4,539,781 |
| TOTAL ASSETS | 4,267,909 | 4,318,244 | 4,379,574 | 4,444,861 | 4,549,358 | 4,694,592 | 4,836,929 |
| CURRENT LIABILITIES | | | | | | | |
| Payables | 12,111 | 36,483 | 25,122 | 43,739 | 44,751 | 45,704 | 46,122 |
| Provision for employee entitlements | 192,638 | 187,768 | 206,440 | 213,734 | 219,703 | 225,845 | 229,683 |
| Accrued Salaries | 53,707 | 48,503 | 47,840 | 56 | 6,071 | 6,376 | 6,676 |
| Other | 4,464 | 7,569 | 9,881 | 9,881 | 9,881 | 9,881 | 9,881 |
| Total current liabilities | 262,920 | 280,323 | 289,283 | 267,410 | 280,406 | 287,806 | 292,362 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements | 164,931 | 153,057 | 165,143 | 170,007 | 175,423 | 180,472 | 188,130 |
| Finance leases | - | 3 | - | - | - | - | - |
| Total non-current liabilities | 164,931 | 153,060 | 165,143 | 170,007 | 175,423 | 180,472 | 188,130 |
| TOTAL LIABILITIES | 427,851 | 433,383 | 454,426 | 437,417 | 455,829 | 468,278 | 480,492 |
| EQUITY | | | | | | | |
| Contributed Equity | 183,121 | 239,495 | 261,839 | 330,821 | 398,850 | 499,563 | 598,563 |
| Accumulated surplus/(deficit) | 386,061 | 363,092 | 392,433 | 405,747 | 423,803 | 455,875 | 486,998 |
| Asset revaluation reserve | 3,270,876 | 3,282,274 | 3,270,876 | 3,270,876 | 3,270,876 | 3,270,876 | 3,270,876 |
| Total equity | 3,840,058 | 3,884,861 | 3,925,148 | 4,007,444 | 4,093,529 | 4,226,314 | 4,356,437 |
| TOTAL LIABILITIES AND EQUITY | 4,267,909 | 4,318,244 | 4,379,574 | 4,444,861 | 4,549,358 | 4,694,592 | 4,836,929 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 2,231,010 | 2,317,753 | 2,356,041 | 2,428,485 | 2,496,988 | 2,587,352 | 2,642,431 |
| Capital Contribution | 86,036 | 94,823 | 95,823 | 101,451 | 97,548 | 104,000 | 99,000 |
| Holding Account Drawdowns..... | 17,782 | 18,156 | 18,156 | 18,905 | 19,144 | 19,144 | 19,144 |
| Net cash provided by State government..... | 2,334,828 | 2,430,732 | 2,470,020 | 2,548,841 | 2,613,680 | 2,710,496 | 2,760,575 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (1,329,968) | (1,379,147) | (1,420,547) | (1,541,266) | (1,556,179) | (1,608,644) | (1,640,771) |
| Superannuation | (122,417) | (129,137) | (131,796) | (141,202) | (148,741) | (155,232) | (155,572) |
| Grants and subsidies | (361,583) | (382,585) | (382,585) | (364,232) | (372,268) | (378,205) | (378,215) |
| Direct schools payments | (207,017) | (189,044) | (189,226) | (192,535) | (195,898) | (197,207) | (197,183) |
| Schools Support Services..... | (127,455) | (140,934) | (152,434) | (145,686) | (142,970) | (151,970) | (151,970) |
| Other supplies and services..... | (165,154) | (184,971) | (181,611) | (180,118) | (182,511) | (186,105) | (199,780) |
| Capital User Charge..... | (302,604) | (308,524) | (310,255) | (317,988) | (322,621) | (331,301) | (340,656) |
| Goods and Services Tax | (39,832) | (59,828) | (59,828) | (62,023) | (62,405) | (63,150) | (63,150) |
| Receipts | | | | | | | |
| User charges and fees | 21,292 | 21,169 | 20,011 | 20,957 | 21,552 | 21,775 | 22,037 |
| Goods and Services Tax | 37,905 | 60,798 | 60,798 | 62,814 | 63,324 | 64,077 | 64,077 |
| Grants and subsidies | 318,257 | 317,425 | 333,787 | 340,806 | 348,853 | 353,606 | 353,706 |
| School contributions, charges, fees and recoveries | 77,882 | 66,804 | 66,804 | 67,470 | 68,142 | 68,821 | 68,897 |
| Other..... | 16,624 | 15,221 | 17,165 | 14,137 | 13,997 | 13,997 | 13,997 |
| Net cash from operating activities | (2,184,070) | (2,292,753) | (2,329,717) | (2,438,866) | (2,467,725) | (2,549,538) | (2,604,583) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (141,807) | (141,288) | (142,288) | (147,716) | (146,233) | (152,031) | (147,031) |
| Proceeds from sale of non-current assets | 211 | - | - | - | - | - | - |
| Finance lease repayment of principal..... | (3) | - | - | - | - | - | - |
| Net cash from investing activities | (141,599) | (141,288) | (142,288) | (147,716) | (146,233) | (152,031) | (147,031) |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | 9,159 | (3,309) | (1,985) | (37,741) | (278) | 8,927 | 8,961 |
| Cash assets at the beginning of the reporting period | 260,044 | 228,544 | 269,203 | 267,218 | 229,477 | 229,199 | 238,126 |
| Cash assets at the end of the reporting period..... | 269,203 | 225,235 | 267,218 | 229,477 | 229,199 | 238,126 | 247,087 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| Contracts and agreements for delivery of training and employment services: | | | | | | | |
| TAFE Colleges | 308,418 | 339,636 | 339,636 | 327,304 | 324,336 | 325,016 | 325,026 |
| Other..... | 51,300 | 42,949 | 42,949 | 36,928 | 47,932 | 53,189 | 53,189 |
| TOTAL | 359,718 | 382,585 | 382,585 | 364,232 | 372,268 | 378,205 | 378,215 |

TRUST ACCOUNT DETAILS**School Development and Improvement Trust Account**

The School Development and Improvement Trust Account is controlled through the Primary and Secondary education Outputs. It is utilised to provide for the maintenance and renovation of school facilities.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|-----------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 912 | - | 271 | - |
| Receipts: | | | | |
| Appropriations..... | 3,000 | 3,564 | 3,564 | 10,066 |
| Other | 794 | 70 | 350 | 70 |
| | 4,706 | 3,634 | 4,185 | 10,136 |
| Payments | 4,435 | 3,634 | 4,185 | 10,136 |
| CLOSING BALANCE..... | 271 | - | - | - |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Departmental: | | | | |
| Fees - Agricultural Colleges | 2,205 | 2,613 | 2,571 | 2,731 |
| Fees - Senior Colleges | 2,852 | 3,292 | 3,169 | 3,292 |
| Fees - Swimming Classes | 1,078 | 1,246 | 1,220 | 1,167 |
| Fees - Other | 787 | 535 | 535 | 635 |
| Farm School Revenue..... | 3,155 | 3,200 | 3,200 | 3,200 |
| Physical Education Camp Schools Revenue..... | 1,639 | 1,442 | 1,419 | 1,508 |
| Proceeds from Commercial Activities of Institutions | 12,731 | 12,041 | 11,097 | 11,624 |
| Recoveries and Refunds - Teachers Salaries..... | 3,190 | 1,970 | 4,970 | 4,970 |
| Refunds - Workers' Compensation | 3,554 | 3,945 | 3,945 | 3,945 |
| Revenue - Other..... | 5,821 | 3,106 | 2,050 | 2,022 |
| Revenue - Other Capital | 904 | 3,000 | 3,000 | - |
| Commonwealth Programs: | | | | |
| Aboriginal School Education | 9,056 | 9,466 | 10,224 | 10,505 |
| Aboriginal Training Programs | 2,175 | 3,800 | 3,800 | 3,800 |
| Adult Migrant Education Programs | 786 | 673 | 673 | 673 |
| Employment Related Programs | 1,323 | 1,200 | 1,200 | 1,200 |
| Indian Ocean Territories | 7,975 | 8,154 | 7,777 | 8,166 |
| Schools Assistance | 165,283 | 162,094 | 178,528 | 184,695 |
| Schools Capital Program | 23,527 | 23,000 | 23,000 | 23,000 |
| Special Projects | 8,154 | 2,483 | 2,732 | 2,732 |
| Vocational Education and Training | 84,786 | 86,687 | 85,985 | 90,523 |
| Vocational Education and Training - Capital Program | 15,192 | 19,868 | 19,868 | 15,512 |
| GST input credits..... | 37,334 | 58,991 | 58,991 | 60,950 |
| GST receipts on sales | 571 | 1,807 | 1,807 | 1,864 |
| TOTAL..... | 394,078 | 414,613 | 431,761 | 438,714 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

COUNTRY HIGH SCHOOL HOSTELS AUTHORITY

PART 12 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 52

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 86 Net amount appropriated to deliver outputs | 5,061 | 5,331 | 4,980 | 5,402 | 5,763 | 6,308 | 6,597 |
| Total appropriations provided to deliver outputs | 5,061 | 5,331 | 4,980 | 5,402 | 5,763 | 6,308 | 6,597 |
| CAPITAL | | | | | | | |
| Item 150 Capital Contribution | 571 | 517 | 517 | 542 | 549 | 675 | 675 |
| GRAND TOTAL | 5,632 | 5,848 | 5,497 | 5,944 | 6,312 | 6,983 | 7,272 |

MISSION

To provide an opportunity for students in remote areas to attend primary and secondary schools and TAFE colleges by providing affordable, good quality, supervised student accommodation, care and services in strategic locations.

SIGNIFICANT ISSUES AND TRENDS

- The introduction of the new proposed school leaving age will place pressure on regional boarding facilities and educational services.
- Local interest indicates an emerging demand for a boarding service in the Kimberleys (to cater for the post primary educational needs of Indigenous students living in remote communities).

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Establishment, operation and maintenance of residential colleges | 9,824 | 10,549 | 9,954 | 10,608 | | | |
| Total Cost of Outputs | 9,824 | 10,549 | 9,954 | 10,608 | 10,879 | 11,421 | 11,956 |
| <i>Less</i> Revenues from Ordinary Activities | 4,796 | 5,173 | 5,072 | 5,206 | 5,457 | 5,839 | 6,053 |
| Net Cost of Outputs | 5,028 | 5,376 | 4,882 | 5,402 | 5,422 | 5,582 | 5,903 |
| Adjustments ^(a) | 33 | (45) | 98 | - | 341 | 726 | 694 |
| Appropriation provided to deliver Outputs. | 5,061 | 5,331 | 4,980 | 5,402 | 5,763 | 6,308 | 6,597 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 571 | 517 | 517 | 542 | 549 | 675 | 675 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | | | | | | | |
| | 5,632 | 5,848 | 5,497 | 5,944 | 6,312 | 6,983 | 7,272 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer, the Chairperson and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|---|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Quality accommodation, care and services for isolated students who have to board away from home to attend school. | 1. Establishment, operation and maintenance of residential colleges |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Quality accommodation, care and services for isolated students who have to board away from home to attend school. | | | | | |
| Average Residential College Occupancy Rate. | 79% | 81% | 77% | 78% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Establishment, operation and maintenance of residential colleges

The establishment, operation and maintenance of residential colleges that provide good quality accommodation, care and services for isolated students who have to board away from home to attend school. The Authority operates residential colleges in eight country centres in close proximity to senior high schools and primary schools, and in some cases non-government schools and Technical and Further Education (TAFE) colleges.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 9,824 | 10,549 | 9,954 | 10,608 | |
| Less Revenues from Ordinary Activities | 4,796 | 5,173 | 5,072 | 5,206 | |
| Net Cost of Output | 5,028 | 5,376 | 4,882 | 5,402 | |
| Adjustments ^(a) | 33 | (45) | 98 | - | |
| Appropriation for delivery of Output 1 | 5,061 | 5,331 | 4,980 | 5,402 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Students..... | 688 | 688 | 668 | 665 | |
| Quality | | | | | |
| Families rating accommodation, care and services as good or better..... | 90% | 90% | 90% | 90% | |
| Timeliness | | | | | |
| Not applicable | na | na | na | na | |
| Cost (Efficiency) | | | | | |
| Average cost per student..... | 14,278 | 15,333 | 14,901 | 15,952 | |
| Full Time Equivalents (FTEs) | 100 | 100 | 99 | 98 | |

Major Achievements For 2003-04

- The Authority completed its strategic plan for the 2004-07 triennium.
- The Authority's care and supervision standards were reviewed and became fully operational.
- Residential college supervisory staff are progressively gaining formal residential care accreditation.
- New student accommodation at the Narrogin Residential College was completed in time for the commencement of 2004.

Major Initiatives For 2004-05

- Implementation of the 2004-07 strategic plan with its focus on student engagement, responsible care and strategic asset management.

CAPITAL WORKS PROGRAM

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Computing and Office Equipment Replacement - 2003-04 Program | 9 | 9 | 9 | - |
| Family Accommodation for Residential Managers - Moora | 300 | 300 | 300 | - |
| Maintenance Program - Residential Hostels - 2003-04 Program | 300 | 300 | 300 | - |
| Merredin Residential College - Planning, design and analysis | 25 | 25 | 25 | - |
| Motor Vehicles - Purchase of College Buses 2003-04 Program | 102 | 102 | 102 | - |
| Narrogin Residential College - College Improvements - Stage 1 | 7,310 | 7,310 | 5,734 | - |
| Operational Equipment - Fire Safety Upgrade | 892 | 892 | 159 | - |
| NEW WORKS | | | | |
| Computing and Office Equipment Replacement - 2004-05 Program | 24 | - | - | 24 |
| Family Accommodation for Residential Managers - Adamson House – Northam | 120 | - | - | 120 |
| Maintenance Program - Residential Hostels - 2004-05 Program | 400 | - | - | 400 |
| Esperance - upgrade of front entrance and re-roofing | 750 | - | - | 750 |
| Motor Vehicles - Purchase of College Buses | 100 | - | - | 100 |
| | 10,332 | 8,938 | 6,629 | 1,394 |

CAPITAL CONTRIBUTION

The sale of assets at Geraldton and Northam will enable the Authority to undertake a major upgrade of the Esperance Residential College's front entrance and roofing. The Authority's capital asset replacement program will be increased to \$400,000 in 2004-05 enabling ageing buildings to be restored.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 1,967 | 1,331 | 6,629 | 1,394 | 1,167 | 5,377 | 2,715 |
| Working capital requirement | | | | | | | |
| Loan repayments | 262 | 508 | 350 | 518 | 533 | 675 | 675 |
| | 2,229 | 1,839 | 6,979 | 1,912 | 1,700 | 6,052 | 3,390 |
| LESS | | | | | | | |
| Asset Sales | - | 620 | - | 870 | - | - | - |
| Borrowings | 1,200 | 300 | 6,000 | - | 500 | 4,720 | 2,000 |
| Drawdowns from the Holding Account | - | 240 | 240 | 320 | 400 | 400 | 400 |
| Funding included in output appropriations ^(a) .. | - | 60 | 60 | 80 | 100 | 100 | 100 |
| Internal Funds and Balances | 458 | 102 | 162 | 100 | 151 | 157 | 215 |
| Capital Contribution | 571 | 517 | 517 | 542 | 549 | 675 | 675 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 3,955 | 3,855 | 3,985 | 4,023 | 4,100 | 4,250 | 4,343 |
| Superannuation | 322 | 300 | 317 | 325 | 333 | 341 | 350 |
| Supplies and services | 2,296 | 2,650 | 2,350 | 2,518 | 2,576 | 2,688 | 2,785 |
| Borrowing costs | 425 | 864 | 634 | 820 | 855 | 920 | 1,050 |
| Capital User Charge | 1,468 | 1,480 | 1,280 | 1,410 | 1,470 | 1,560 | 1,680 |
| Depreciation and amortisation | 944 | 1,100 | 948 | 1,070 | 1,101 | 1,208 | 1,294 |
| Doubtful Debts | 23 | - | 20 | 20 | 20 | 20 | 20 |
| Other expenses | 391 | 300 | 420 | 422 | 424 | 434 | 434 |
| TOTAL COST OF SERVICES | 9,824 | 10,549 | 9,954 | 10,608 | 10,879 | 11,421 | 11,956 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 4,203 | 4,837 | 4,680 | 4,804 | 5,045 | 5,417 | 5,731 |
| Interest | 17 | 25 | 22 | 22 | 22 | 22 | 22 |
| Proceeds from disposal of non-current assets .. | 38 | - | - | - | - | - | - |
| Other Revenue | 538 | 311 | 370 | 380 | 390 | 400 | 300 |
| Total Revenues from Ordinary Activities | 4,796 | 5,173 | 5,072 | 5,206 | 5,457 | 5,839 | 6,053 |
| NET COST OF SERVICES | 5,028 | 5,376 | 4,882 | 5,402 | 5,422 | 5,582 | 5,903 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 5,061 | 5,331 | 4,980 | 5,402 | 5,763 | 6,308 | 6,597 |
| Resources received free of charge | 22 | 19 | 23 | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 5,083 | 5,350 | 5,003 | 5,402 | 5,763 | 6,308 | 6,597 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 55 | (26) | 121 | - | 341 | 726 | 694 |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 55 | (26) | 121 | - | 341 | 726 | 694 |

(a) The Full Time Equivalent (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 100, 99 and 98 respectively.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 1,129 | 1,334 | 1,216 | 1,240 | 1,557 | 2,218 | 2,868 |
| Receivables..... | 225 | 373 | 198 | 181 | 104 | 77 | 52 |
| Amounts receivable for outputs..... | 240 | 320 | 320 | 400 | 400 | 400 | 400 |
| Prepayments..... | 7 | 10 | 7 | 7 | 7 | 7 | 7 |
| Total current assets..... | 1,601 | 2,037 | 1,741 | 1,828 | 2,068 | 2,702 | 3,327 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 1,748 | 2,539 | 2,388 | 3,065 | 3,779 | 4,594 | 5,498 |
| Land and Buildings..... | 21,770 | 27,950 | 27,381 | 26,721 | 26,598 | 30,588 | 31,806 |
| Plant, equipment and vehicles..... | 527 | 331 | 566 | 600 | 689 | 768 | 871 |
| Total non-current assets..... | 24,045 | 30,820 | 30,335 | 30,386 | 31,066 | 35,950 | 38,175 |
| TOTAL ASSETS..... | 25,646 | 32,857 | 32,076 | 32,214 | 33,134 | 38,652 | 41,502 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 226 | 260 | 248 | 286 | 286 | 275 | 292 |
| Provision for employee entitlements..... | 345 | 257 | 352 | 354 | 362 | 367 | 372 |
| Interest-bearing liabilities (Borrowings) | 508 | 981 | 518 | 533 | 675 | 700 | 700 |
| Interest payable..... | 107 | 186 | 151 | 191 | 247 | 307 | 367 |
| Accrued Salaries..... | 89 | 90 | 92 | 96 | 96 | 96 | 96 |
| Other..... | 542 | 482 | 598 | 608 | 598 | 598 | 650 |
| Total current liabilities..... | 1,817 | 2,256 | 1,959 | 2,068 | 2,264 | 2,343 | 2,477 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 164 | 181 | 169 | 184 | 188 | 204 | 221 |
| Provision for employee entitlements..... | 275 | 250 | 280 | 285 | 290 | 292 | 297 |
| Interest-bearing liabilities (Borrowings) | 6,853 | 11,970 | 12,493 | 11,960 | 11,785 | 15,805 | 17,130 |
| Total non-current liabilities..... | 7,292 | 12,401 | 12,942 | 12,429 | 12,263 | 16,301 | 17,648 |
| TOTAL LIABILITIES..... | 9,109 | 14,657 | 14,901 | 14,497 | 14,527 | 18,644 | 20,125 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 980 | 1,497 | 1,497 | 2,039 | 2,588 | 3,263 | 3,938 |
| Accumulated surplus/(deficit)..... | 6,790 | 6,883 | 6,911 | 6,911 | 7,252 | 7,978 | 8,672 |
| Asset revaluation reserve..... | 8,767 | 9,820 | 8,767 | 8,767 | 8,767 | 8,767 | 8,767 |
| Total equity..... | 16,537 | 18,200 | 17,175 | 17,717 | 18,607 | 20,008 | 21,377 |
| TOTAL LIABILITIES AND EQUITY..... | 25,646 | 32,857 | 32,076 | 32,214 | 33,134 | 38,652 | 41,502 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 3,980 | 4,220 | 4,020 | 4,325 | 4,649 | 5,093 | 5,293 |
| Capital Contribution | 571 | 517 | 517 | 542 | 549 | 675 | 675 |
| Holding Account Drawdowns..... | - | 240 | 240 | 320 | 400 | 400 | 400 |
| Net cash provided by State government..... | 4,551 | 4,977 | 4,777 | 5,187 | 5,598 | 6,168 | 6,368 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (3,814) | (3,840) | (3,970) | (4,012) | (4,087) | (4,243) | (4,333) |
| Superannuation..... | (312) | (292) | (314) | (322) | (329) | (336) | (346) |
| Supplies and services..... | (2,422) | (2,579) | (2,310) | (2,498) | (2,556) | (2,688) | (2,735) |
| Borrowing costs..... | (419) | (839) | (590) | (780) | (799) | (860) | (990) |
| Capital User Charge..... | (1,468) | (1,480) | (1,280) | (1,410) | (1,470) | (1,560) | (1,680) |
| Goods and Services Tax | (361) | (170) | (400) | (400) | (400) | (400) | (400) |
| Other..... | (310) | (380) | (380) | (405) | (427) | (457) | (447) |
| Receipts | | | | | | | |
| User charges and fees | 4,349 | 4,820 | 4,700 | 4,824 | 5,075 | 5,447 | 5,781 |
| Interest..... | 17 | 25 | 22 | 22 | 22 | 22 | 22 |
| Goods and Services Tax | 423 | 170 | 400 | 400 | 400 | 400 | 400 |
| Other..... | 575 | 322 | 380 | 380 | 390 | 400 | 300 |
| Net cash from operating activities..... | (3,742) | (4,243) | (3,742) | (4,201) | (4,181) | (4,275) | (4,428) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (1,967) | (1,271) | (6,598) | (1,314) | (1,067) | (5,277) | (2,615) |
| Proceeds from sale of non-current assets | - | 620 | - | 870 | - | - | - |
| Net cash from investing activities..... | (1,967) | (651) | (6,598) | (444) | (1,067) | (5,277) | (2,615) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (262) | (508) | (350) | (518) | (533) | (675) | (675) |
| Proceeds from borrowings..... | 1,200 | 300 | 6,000 | - | 500 | 4,720 | 2,000 |
| Net cash from financing activities..... | 938 | (208) | 5,650 | (518) | (33) | 4,045 | 1,325 |
| NET INCREASE/(DECREASE) IN CASH HELD | (220) | (125) | 87 | 24 | 317 | 661 | 650 |
| Cash assets at the beginning of the reporting period | 1,349 | 1,459 | 1,129 | 1,216 | 1,240 | 1,557 | 2,218 |
| Cash assets at the end of the reporting period..... | 1,129 | 1,334 | 1,216 | 1,240 | 1,557 | 2,218 | 2,868 |

CURRICULUM COUNCIL

PART 12 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 53

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 87 Net amount appropriated to deliver outputs | 10,248 | 11,039 | 11,039 | 10,974 | 11,578 | 12,522 | 14,198 |
| Total appropriations provided to deliver outputs | 10,248 | 11,039 | 11,039 | 10,974 | 11,578 | 12,522 | 14,198 |
| CAPITAL | | | | | | | |
| Item 151 Capital Contribution | 1,509 | 1,079 | 79 | 79 | 1,579 | 9 | 11 |
| GRAND TOTAL | 11,757 | 12,118 | 11,118 | 11,053 | 13,157 | 12,531 | 14,209 |

MISSION

To set curriculum policy directions for Kindergarten to Year 12 schooling in Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- Outcomes-focused accountability and standards benchmarking are significant national and international trends, which are impacting on curriculum provision, accreditation, assessment and certification.
- The five-year phasing in period for the implementation of the new Curriculum Framework commenced in 1999. The Curriculum Framework, which shifts the emphasis in curriculum from course inputs to the learning outcomes that students are expected to achieve, represents a major challenge to teachers and to schools.
- Schools require significant assistance in the form of curriculum support materials and professional development advice to enable them to implement the Curriculum Framework.
- Implementation of the Kindergarten to Year 12 (K-12) Curriculum Framework in Years 11 and 12 represents a major challenge, as the current inputs-based subject structure needs to be changed to be consistent with the learning outcomes approach of the Curriculum Framework.
- As a consequence of a three-year review into post-compulsory education, resources have been provided to develop and implement a new system as outlined in the report *Our Youth, Our Future*. The system is to be tested through action research over the next five years. This is a major reform intended to implement the Curriculum Framework in Years 11 and 12, whilst at the same time addressing issues such as:
 - changing school-leaver labour market expectations and requirements;
 - promoting and catering for all students to continue to Year 12 or equivalent;
 - more flexible university entrance requirements;
 - new national requirements for the recognition of vocational education and training (VET); and
 - the emergence of vocational education in schools, the need to accommodate this within the Western Australian Certificate of Education and to implement quality assurance measures.
- There is significant public interest in the provision and maintenance of a fair and equitable system for assessing and reporting student achievement. At the end of schooling in Western Australia, student achievement must be reported in a manner that is valid and which recognises school leaver destinations.
- There is a strong expectation that there will be widespread consultation on all matters concerning implementation of the Curriculum Framework and the Curriculum Council's review of post-compulsory education.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Post Compulsory Education Review implementation..... | - | - | 698 | 1,509 |
| Vocational Education and Training in Schools - ensure nationally consistent data | - | 365 | 382 | 400 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Curriculum Implementation and Maintenance..... | 4,361 | 4,851 | 5,347 | 4,773 | | | |
| <i>Output 2:</i> | | | | | | | |
| Course Development and Approval..... | 1,318 | 1,428 | 1,654 | 1,477 | | | |
| <i>Output 3:</i> | | | | | | | |
| Student Assessment and Certification | 4,705 | 5,572 | 6,419 | 5,730 | | | |
| Total Cost of Outputs..... | 10,384 | 11,851 | 13,420 | 11,980 | 12,586 | 13,543 | 15,233 |
| <i>Less Revenues from Ordinary Activities</i> | <i>1,119</i> | <i>801</i> | <i>801</i> | <i>784</i> | <i>784</i> | <i>793</i> | <i>811</i> |
| Net Cost of Outputs..... | 9,265 | 11,050 | 12,619 | 11,196 | 11,802 | 12,750 | 14,422 |
| Adjustments ^(a) | 983 | (11) | (1,580) | (222) | (224) | (228) | (224) |
| Appropriation provided to deliver Outputs..... | 10,248 | 11,039 | 11,039 | 10,974 | 11,578 | 12,522 | 14,198 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 1,509 | 1,079 | 79 | 79 | 1,579 | 9 | 11 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 11,757 | 12,118 | 11,118 | 11,053 | 13,157 | 12,531 | 14,209 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer, the Chairperson and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|--|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Continuous development of student learning and curriculum for Western Australian schools. | 1. Curriculum Implementation and Maintenance 2. Course Development and Approval |
| | An equitable student assessment system to ensure confidence is maintained in Western Australian education standards. | 3. Student Assessment and Certification |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|----------------|----------------|-------------------|----------------|---|
| Outcome: Continuous development of student learning and curriculum for Western Australian schools. | | | | | |
| Teachers who have commenced implementation of Curriculum Framework | 99% | 100% | 100% | 100% | |
| Acceptance by stakeholders that the courses developed or reviewed and approved were relevant to student learning needs..... | 100% | 100% | 100% | 100% | |
| Outcome: An equitable student assessment system to ensure confidence is maintained in Western Australian education standards. | | | | | |
| Acceptance by stakeholders that the measures of student achievement were valid and credible | 100% | 100% | 100% | 100% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Curriculum Implementation and Maintenance

The development and support provided for implementation of the Curriculum Framework for schooling which, taking account of the needs of students, sets out the knowledge, understandings, skills, values and attitudes that students are expected to acquire.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|--------------------------|--------------------------|------------------------------------|-----------------------------------|---|
| Total Cost of Output..... | 4,361 | 4,851 | 5,347 | 4,773 | Variation between 2004-05 budget and 2003-04 estimated actual is due to one-off carry forward expenditure in 2003-04. |
| Less Revenues from Ordinary Activities | 225 | 43 | 11 | 53 | |
| Net Cost of Output | 4,136 | 4,808 | 5,336 | 4,720 | |
| Adjustments ^(a) | 1,039 | (289) | 166 | 722 | |
| Appropriation for delivery of Output 1 | 5,175 | 4,519 | 5,502 | 5,442 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Teachers provided with documents, advice, information, consultation and monitoring..... | 30,000 | 30,000 | 31,830 | 31,830 | |
| Teachers provided with professional development | 30,000 | 30,000 | 31,830 | 31,830 | |
| Quality | | | | | |
| Satisfaction with documents, information, consultation and monitoring advice (including advice for professional development)..... | 83% | 90% | 90% | 90% | |
| Timeliness | | | | | |
| Satisfaction with response and delivery time... | 87% | 85% | 85% | 85% | |
| Cost (Efficiency) | | | | | |
| Average cost per teacher for documents, advice, information, consultation and monitoring | \$97 | \$115 | \$126 | \$112 | |
| Average cost per teacher for professional development | \$48 | \$47 | \$42 | \$38 | |
| Full Time Equivalents (FTEs) | 20 | 21 | 25 | 25 | |

Major Achievements For 2003-04

- The Making Progress series of materials to support implementation of the Curriculum Framework was promoted in schools through ongoing professional development by school system/sectors. Ways of using the Making Progress website explained through communication to teachers and schools.
- Development of curriculum guides through collaboration with school system/sectors. Scope and sequence statements of the content that students would need to be taught to achieve the outcomes in the Curriculum Framework developed and a design brief for publication and distribution of the materials endorsed.
- Reporting requirements for implementation of the Curriculum Framework communicated to schools, including guidelines for exemptions. Operational details negotiated with school system/sectors.
- Final version of Curriculum Framework Progress Maps developed in collaboration with school system/sectors. These maps support implementation of the Curriculum Framework in that they provide teachers with descriptions of student progressive achievement of the outcomes. A design brief for publication and distribution to all schools negotiated.

Major Initiatives For 2004-05

- Publication and distribution of curriculum guides in print and electronic forms to all teachers to support teachers and schools with the implementation of the Curriculum Framework.
- Curriculum Framework Progress Maps – to be used to monitor student achievement of Curriculum Framework outcomes and will be published for use by teachers and schools.
- Reporting requirements on implementation of the Curriculum Framework for the 2004-05 Annual Report will be completed based on the requirements, which have been negotiated with school sector/systems.

Output 2: Course Development and Approval

Course development facilitates the adjustment of courses to ensure they are relevant to the continuously changing requirements of student learning needs.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 1,318 | 1,428 | 1,654 | 1,477 | Variation between 2004-05 budget and 2003-04 estimated actual is due to one-off carry forward expenditure in 2003-04. |
| Less Revenues from Ordinary Activities | 39 | 29 | 40 | 20 | |
| Net Cost of Output | 1,279 | 1,399 | 1,614 | 1,457 | |
| Adjustments ^(a) | (171) | (68) | (440) | (220) | |
| Appropriation for delivery of Output 2 | 1,108 | 1,331 | 1,174 | 1,237 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Courses developed or reviewed and approved. | 360 | 390 | 340 | 340 | |
| Quality | | | | | |
| Support of the stakeholders for courses developed or reviewed and approved..... | 100% | 70% | 100% | 100% | |
| Timeliness | | | | | |
| Courses developed or reviewed in time for approval and notification | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost per course developed or reviewed and approved | \$3,650 | \$3,662 | \$4,865 | \$4,344 | The decrease in average cost from 2003-04 to 2004-05 is mainly due to the progressive removal from the accredited list of subjects that are not currently taken by any students or offered by any schools. This applies particularly to the vocational education area. |
| Full Time Equivalent (FTEs) | 10 | 12 | 15 | 15 | |

Major Achievements For 2003-04

- All existing post-compulsory courses of study were reviewed and where necessary amended to make them more relevant to student learning needs.
- There was wide consultation and action research on the first 11 post-compulsory courses of study and support materials.
- Development work on the remaining 39 post-compulsory courses of study was commenced.
- Materials developed to support school delivery of VET competencies in revised and new training packages as part of general education programs.
- A professional development plan for the implementation of the new post-compulsory courses of study was developed and endorsed.

Major Initiatives For 2004-05

- Consultation, evaluation and redrafting of the initial 11 post-compulsory courses of study will be completed and they will be endorsed for implementation.
- There will be wide consultation and action research on the remaining 39 post-compulsory courses of study in preparation for endorsement.
- Development of support materials will commence for the remaining post-compulsory courses of study.
- Professional development for teachers and administrators will commence.
- Materials to support school course development for delivery of VET competencies in revised and new training packages will be developed.

Output 3: Student Assessment and Certification

To ensure that valid and credible information on student achievement of schooling in their post-compulsory courses of study is provided to facilitate their post school choice and to inform the community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 4,705 | 5,572 | 6,419 | 5,730 | Variation between 2004-05 budget and 2003-04 estimated actual is due to one-off carry forward expenditure in 2003-04. |
| Less Revenues from Ordinary Activities | 855 | 729 | 750 | 711 | |
| Net Cost of Output | 3,850 | 4,843 | 5,669 | 5,019 | |
| Adjustments ^(a) | 115 | 346 | (1,306) | (724) | |
| Appropriation for delivery of Output 3 | 3,965 | 5,189 | 4,363 | 4,295 | |

- (a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| School subject combinations awarding numerical assessment and/or grades | 12,400 | 12,000 | 12,700 | 12,700 | |
| Students receiving a Statement of Results | 42,391 | 44,000 | 43,500 | 44,000 | |
| Quality | | | | | |
| Support of stakeholders for comparability of assessment and grading..... | 77% | 75% | 100% | 100% | |
| Timeliness | | | | | |
| Investigation of appeals against assessments are completed within agreed timeframes | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost per school subject combination.. | \$106 | \$130 | \$141 | \$126 | |
| Average cost per student receiving a Statement of Results | \$80 | \$91 | \$106 | \$94 | |
| Full Time Equivalents (FTEs) | 38 | 39 | 43 | 43 | |

Major Achievements For 2003-04

- Moderation strategies were implemented for Year 11 and Year 12 to ensure subjects have stakeholders' acceptance of school assessment and grading.
- Assessment strategies and moderation processes were refined, in line with the directions of the report, Our Youth, Our Future.
- In 2003, 20,359 Year 12 students received a Statement of Results, 17,576 full-time eligible students achieved a Western Australian Certificate of Education, and 12,426 students sat for at least one TEE subject.
- Quality assurance arrangements for VET in Schools were re-negotiated.
- The procedures and timeline for implementing Ministerial Council for Education, Employment, Training and Youth Affairs decisions on national reporting arrangements for VET in Schools student achievement were negotiated and the consequent data base redevelopment was undertaken.
- Negotiations were commenced for registration of non-school and overseas Western Australian Certificate of Education providers.
- The specifications for the new student records management system were completed and development work commenced.

Major Initiatives For 2004-05

- Continue to implement negotiated moderation strategies and at the same time adapt moderation procedures to implement the report, Our Youth, Our Future.
- Finalise the negotiated procedures for registering non-school and overseas providers of Western Australian Certificate of Education.
- Quality assurance strategies for VET in Schools will be further developed to ensure comparability of assessment of student achievement of competencies to be included on the Western Australian Certificate of Education.
- The relationship between external examination and school assessment will be further developed and the implications of changing technology for the conduct of external examinations will be researched.

- A new standard for English Language Competence will be developed and agreed for the new Western Australian Certificate of Education.
- Implement new Australian Vocational Education and Training Management Information System Standards compliant procedures for collecting data on VET achievement for national reporting purposes.
- Continue the development of the student records management system.
- Development and implementation of a strategy for teacher interpretation of the new standardised distribution in the marks adjustment process.
- Implementation of a new process for the collection of student data and publishing of a data manual to assist with the transmission of this data.
- Review the Curriculum Council's policies, procedures and guidelines in the light of the Disabilities Standards for Education.
- Improve the quality of the external examination process as endorsed by the Curriculum Council. This includes the eligibility of English as a Second Language speakers, choice within examination papers, the inclusivity of the papers and the current English Language Competence Test.

CAPITAL WORKS PROGRAM

The estimated expenditure of \$1.5 million for the Student Records System in 2004-05, as part of a total commitment of \$4.2 million, has been expanded to include specifications to meet the implementation of the recommendations of the Post-Compulsory Education Review.

The 2004-05 capital works program also provides \$70,000 for the ongoing replacement and upgrade of computer hardware and software and \$80,000 to meet the Council's long term asset replacement plan.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Post Compulsory Education Review - Replacement of Student Records System..... | 4,211 | 800 | 419 | 1,500 |
| COMPLETED WORKS | | | | |
| Computer Hardware and Software - 2003-04 Program | 79 | 79 | 79 | - |
| Information Technology Upgrade and Replacement - 2003-04 Program | 80 | 80 | 80 | - |
| NEW WORKS | | | | |
| Computer Hardware and Software - 2004-05 Program | 70 | - | - | 70 |
| Information Technology Upgrade and Replacement - 2004-05 Program | 80 | - | - | 80 |
| | 4,520 | 959 | 578 | 1,650 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 245 | 1,150 | 578 | 1,650 | 2,061 | 147 | 190 |
| Working capital requirement | | | | | | | |
| Loan repayments | 11 | 9 | 9 | 9 | 9 | 9 | 11 |
| | 256 | 1,159 | 587 | 1,659 | 2,070 | 156 | 201 |
| LESS | | | | | | | |
| Asset Sales | 2 | - | - | - | - | - | - |
| Drawdowns from the Holding Account..... | 70 | 80 | 80 | 80 | 80 | 147 | 190 |
| Internal Funds and Balances..... | (1,325) | - | 428 | 1,500 | 411 | - | - |
| Capital Contribution..... | 1,509 | 1,079 | 79 | 79 | 1,579 | 9 | 11 |

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 4,001 | 4,788 | 4,931 | 4,541 | 4,897 | 5,012 | 5,622 |
| Superannuation | 752 | 493 | 493 | 473 | 515 | 542 | 604 |
| Grants and subsidies ^(b) | 1,453 | 1,503 | 1,360 | 1,210 | 610 | 10 | 315 |
| Supplies and services | 3,461 | 3,978 | 5,874 | 4,987 | 5,750 | 7,142 | 7,385 |
| Accommodation | 496 | 460 | 460 | 460 | 460 | 465 | 535 |
| Borrowing costs | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Capital User Charge | 90 | 151 | 202 | 186 | 225 | 237 | 227 |
| Depreciation and amortisation | 82 | 139 | 89 | 89 | 94 | 100 | 509 |
| State Taxes | 37 | 328 | - | - | - | - | - |
| Other expenses | 1 | - | - | 23 | 24 | 24 | 25 |
| TOTAL COST OF SERVICES | 10,384 | 11,851 | 13,420 | 11,980 | 12,586 | 13,543 | 15,233 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 858 | 761 | 761 | 744 | 744 | 753 | 771 |
| Grants and subsidies | 258 | 40 | 40 | 40 | 40 | 40 | 40 |
| Other Revenue | 3 | - | - | - | - | - | - |
| Total Revenues from Ordinary Activities | 1,119 | 801 | 801 | 784 | 784 | 793 | 811 |
| NET COST OF SERVICES | 9,265 | 11,050 | 12,619 | 11,196 | 11,802 | 12,750 | 14,422 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 10,248 | 11,039 | 11,039 | 10,974 | 11,578 | 12,522 | 14,198 |
| Resources received free of charge | 245 | 23 | 245 | 222 | 221 | 223 | 222 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 10,493 | 11,062 | 11,284 | 11,196 | 11,799 | 12,745 | 14,420 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 1,228 | 12 | (1,335) | - | (3) | (5) | (2) |
| Extraordinary items | - | (12) | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 1,228 | - | (1,335) | - | (3) | (5) | (2) |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 68, 83 and 83 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 3,892 | 134 | 2,141 | 641 | 107 | 126 | 139 |
| Receivables..... | 22 | 28 | 22 | 22 | 22 | 22 | 22 |
| Inventories..... | 244 | 222 | 244 | 244 | 244 | 244 | 244 |
| Amounts receivable for outputs..... | 80 | 80 | 80 | 80 | 147 | 190 | 190 |
| Prepayments..... | 92 | 24 | 92 | 92 | 92 | 83 | 83 |
| Total current assets..... | 4,330 | 488 | 2,579 | 1,079 | 612 | 665 | 678 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 145 | 204 | 204 | 213 | 160 | 70 | 389 |
| Plant, equipment and vehicles..... | 108 | 118 | 178 | 239 | 295 | 342 | 23 |
| Other..... | 255 | 3,585 | 674 | 2,174 | 4,085 | 4,085 | 4,085 |
| Total non-current assets..... | 508 | 3,907 | 1,056 | 2,626 | 4,540 | 4,497 | 4,497 |
| TOTAL ASSETS | 4,838 | 4,395 | 3,635 | 3,705 | 5,152 | 5,162 | 5,175 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 90 | 142 | 90 | 90 | 90 | 90 | 90 |
| Provision for employee entitlements..... | 537 | 410 | 564 | 564 | 564 | 564 | 564 |
| Interest-bearing liabilities (Borrowings)..... | 9 | 7 | 9 | 10 | 11 | 11 | 11 |
| Accrued Salaries..... | 96 | 78 | 96 | 96 | 96 | 96 | 96 |
| Other..... | 198 | 155 | 333 | 333 | 198 | 198 | 198 |
| Total current liabilities..... | 930 | 792 | 1,092 | 1,093 | 959 | 959 | 959 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 750 | 895 | 750 | 750 | 750 | 750 | 750 |
| Provision for employee entitlements..... | 190 | 215 | 213 | 213 | 213 | 213 | 213 |
| Interest-bearing liabilities (Borrowings)..... | 123 | 117 | 114 | 104 | 94 | 85 | 74 |
| Other..... | 123 | 134 | - | - | 15 | 30 | 45 |
| Total non-current liabilities..... | 1,186 | 1,361 | 1,077 | 1,067 | 1,072 | 1,078 | 1,082 |
| TOTAL LIABILITIES | 2,116 | 2,153 | 2,169 | 2,160 | 2,031 | 2,037 | 2,041 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 2,645 | 3,724 | 2,724 | 2,803 | 4,382 | 4,391 | 4,402 |
| Accumulated surplus/(deficit)..... | 77 | (1,482) | (1,258) | (1,258) | (1,261) | (1,266) | (1,268) |
| Total equity | 2,722 | 2,242 | 1,466 | 1,545 | 3,121 | 3,125 | 3,134 |
| TOTAL LIABILITIES AND EQUITY | 4,838 | 4,395 | 3,635 | 3,705 | 5,152 | 5,162 | 5,175 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 10,160 | 10,900 | 10,900 | 10,885 | 11,484 | 12,422 | 13,689 |
| Capital Contribution | 1,509 | 1,079 | 79 | 79 | 1,579 | 9 | 11 |
| Holding Account Drawdowns..... | 70 | 80 | 80 | 80 | 80 | 147 | 190 |
| Net cash provided by State government..... | 11,739 | 12,059 | 11,059 | 11,044 | 13,143 | 12,578 | 13,890 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (4,007) | (4,788) | (4,881) | (4,541) | (4,897) | (5,012) | (5,622) |
| Superannuation | (752) | (493) | (493) | (473) | (515) | (516) | (604) |
| Supplies and services..... | (3,372) | (3,955) | (5,617) | (4,765) | (5,649) | (6,924) | (7,130) |
| Grants and subsidies | (1,452) | (1,503) | (1,360) | (1,210) | (610) | (10) | (315) |
| Borrowing costs..... | (14) | (11) | (11) | (11) | (11) | (11) | (11) |
| Accommodation..... | (496) | (460) | (460) | (460) | (460) | (462) | (535) |
| Capital User Charge..... | (90) | (151) | (202) | (186) | (225) | (237) | (227) |
| State Taxes | (37) | (328) | - | - | - | - | - |
| Goods and Services Tax | (522) | (614) | (614) | (615) | (615) | (615) | (615) |
| Other..... | - | - | - | (23) | (24) | (24) | (25) |
| Receipts | | | | | | | |
| User charges and fees | 963 | 761 | 761 | 744 | 744 | 753 | 753 |
| Goods and Services Tax | 465 | 614 | 614 | 615 | 615 | 615 | 615 |
| Grants and subsidies | 258 | 40 | 40 | 40 | 40 | 40 | 40 |
| Net cash from operating activities | (9,056) | (10,888) | (12,223) | (10,885) | (11,607) | (12,403) | (13,676) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (245) | (1,150) | (578) | (1,650) | (2,061) | (147) | (190) |
| Net cash from investing activities | (245) | (1,150) | (578) | (1,650) | (2,061) | (147) | (190) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (11) | (9) | (9) | (9) | (9) | (9) | (11) |
| Net cash from financing activities | (11) | (9) | (9) | (9) | (9) | (9) | (11) |
| NET INCREASE/(DECREASE) IN CASH HELD | 2,427 | 12 | (1,751) | (1,500) | (534) | 19 | 13 |
| Cash assets at the beginning of the reporting period | 1,465 | 122 | 3,892 | 2,141 | 641 | 107 | 126 |
| Cash assets at the end of the reporting period..... | 3,892 | 134 | 2,141 | 641 | 107 | 126 | 139 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|---|--|--|--|
| Professional Development Grants | 1,443 | 1,500 | 1,350 | 1,200 | 600 | - | 305 |
| Scholarships and other grants | 10 | 3 | 10 | 10 | 10 | 10 | 10 |
| TOTAL | 1,453 | 1,503 | 1,360 | 1,210 | 610 | 10 | 315 |

EDUCATION SERVICES

PART 12 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 54

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 88 Net amount appropriated to deliver outputs | 4,578 | 13,511 | 13,511 | 13,468 | 15,111 | 16,417 | 17,487 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 140 | 140 | 140 | 140 | 140 | 140 | 140 |
| Total appropriations provided to deliver outputs | 4,718 | 13,651 | 13,651 | 13,608 | 15,251 | 16,557 | 17,627 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 89 Amount provided for Administered Grants, Subsidies and Other Transfer Payments | 172,077 | 191,693 | 191,493 | 201,214 | 215,119 | 232,551 | 253,515 |
| GRAND TOTAL | 176,795 | 205,344 | 205,144 | 214,822 | 230,370 | 249,108 | 271,142 |

MISSION

To contribute to the achievement of quality and accessible education by Western Australian universities; non-university providers of higher education; non-government schools; and providers of education services to full fee overseas students.

SIGNIFICANT ISSUES AND TRENDS

- The passage of the Commonwealth *Higher Education Support Act 2003* initiates a new era in Commonwealth/State relations in higher education. Issues will include new national university governance protocols, the allocation of additional student places, new university reporting and compliance arrangements, an increased private sector involvement in higher education, a new higher education management system, increased focus on links between vocational education and training (VET) and higher education and a new framework for Commonwealth/State negotiations. Greater deregulation for the university sector means an enhanced State role and the need for a stronger partnership with the Commonwealth.
- Issues surrounding long term implications of trends in enrolment share between public and private schools; appropriate levels of resourcing for all Australian schools to achieve the National Goals of Schooling; methods of determining needs and levels of public funding to private schools; and accountability of private schools for the public funding they receive, are likely to continue to dominate discussions at State and national levels and affect future policies on establishing and funding private schools.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Assistance to Catholic Education "C" level schools | 1,100 | - | - | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Planning, Regulatory and Funding Services | 12,198 | 18,622 | 18,622 | 19,214 | | | |
| Total Cost of Outputs | 12,198 | 18,622 | 18,622 | 19,214 | 20,911 | 22,556 | 23,625 |
| <i>Less</i> Revenues from Ordinary Activities | 4,283 | 4,700 | 4,700 | 5,101 | 5,426 | 5,765 | 5,764 |
| Net Cost of Outputs | 7,915 | 13,922 | 13,922 | 14,113 | 15,485 | 16,791 | 17,861 |
| Adjustments ^(a) | (3,197) | (271) | (271) | (505) | (234) | (234) | (234) |
| Appropriation provided to deliver Outputs. | 4,718 | 13,651 | 13,651 | 13,608 | 15,251 | 16,557 | 17,627 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Appropriation for Administered Grants, Subsidies and Transfer Payments | 172,077 | 191,693 | 191,493 | 201,214 | 215,119 | 232,551 | 253,515 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 176,795 | 205,344 | 205,144 | 214,822 | 230,370 | 249,108 | 271,142 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|---|--|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Quality and accessible education by Western Australian universities; non-university providers of higher education; non-government schools; and providers of education services to full fee overseas students. | 1. Planning, Regulatory and Funding Services |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Quality and accessible education by Western Australian universities; non-university providers of higher education; non-government schools; and providers of education services to full fee overseas students | | | | | |
| Average rate of compliance with regulatory requirements | 97% | 97% | 97% | 97% | |
| Annual percentage change in Australian Government funded university places in Western Australia | 0.8% | 0.6% | 0.6% | 4.3% | Allocation of additional places to Western Australia due to national reforms. |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Planning, Regulatory and Funding Services

Provision of appropriate planning, regulatory and funding services, as required under legislation or by government policy, to support delivery of quality and accessible education at the relevant institutions.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output | 12,198 | 18,622 | 18,622 | 19,214 | |
| Less Revenues from Ordinary Activities | 4,283 | 4,700 | 4,700 | 5,101 | |
| Net Cost of Output | 7,915 | 13,922 | 13,922 | 14,113 | |
| Adjustments ^(a) | (3,197) | (271) | (271) | (505) | |
| Appropriation for delivery of Output 1 | 4,718 | 13,651 | 13,651 | 13,608 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Number of higher education providers given planning support | 5 | 5 | 5 | 5 | |
| Number of institutions registered | 453 | 455 | 461 | 476 | |
| Number of recipients and loans provided with funding services | 108,155 | 115,909 | 113,180 | 116,567 | |
| Number of projects administered..... | 5 | 5 | 5 | 5 | |
| Quality | | | | | |
| Percentage consistency between actual practice and Departmental policies and guidelines for relevancy and accuracy in delivering planning, regulatory and funding services | 95% | 95% | 95% | 95% | |
| Timeliness | | | | | |
| Percentage consistency between actual practice and Departmental policies and guidelines for timeliness in delivering planning, regulatory and funding services. ... | 95% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Cost of planning services per higher education provider | \$185,274 | \$266,864 | \$291,822 | \$309,524 | |
| Cost of regulatory services per registered institution..... | \$1,285 | \$1,832 | \$1,977 | \$2,031 | |
| Cost of funding services per recipient and loan | \$88 | \$131 | \$131 | \$130 | |
| Cost of project services per project..... | \$233,290 | \$262,074 | \$286,584 | \$303,968 | |
| Full Time Equivalents (FTEs) | 23 | 23 | 26 | 26 | |

Major Achievements For 2003-04

- Planning analysis and advice was provided which led to the granting of \$6.0 million, some 14% of additional Australian Government funding, from the Capital Development Pool for 2006 for the universities to expand the provision of higher education in Western Australia including rural areas. The State's submission to the Australian Government in relation to the allocation of 24,883 fully funded university places to states and territories was prepared, an outcome of which was the allocation of 17 per cent (4,214) to Western Australia over the period 2005-08.
- Seven non-university private providers of higher education were accredited and/or registered to deliver courses that comply with the National Protocols for Higher Education Approval Processes, endorsed by the Ministerial Council on Education, Employment, Training and Youth Affairs.
- A review of the funding model for allocating State per capita grants to non-government schools involving analyses of the Average Government School Recurrent Cost (AGSRC) and the distribution of grants across non-government schools was completed. The review assessed current levels of funding against the Government's election commitment to provide funds to at least 25% of the relevant AGSRC.
- As required by the *School Education Act 1999* and *School Education Regulations 2000*, a statement of standards and other requirements for the registration and re-registration of non-government schools was developed following consultation with the Association of Independent Schools and Catholic Education Office; and implementation of a program to inspect and re-register independent non-government schools was commenced.
- The Western Australian College of Teaching Bill 2003 was prepared for consideration by the Parliament. The Bill, once enacted, will establish the College as an independent body for the recognition, promotion and regulation of the teaching profession in Western Australia.

Major Initiatives For 2004-05

- Develop strategies, in collaboration with the Department of Education and Training, to improve articulation between the VET and higher education sectors, including the possible delivery by TAFEWA colleges of higher education awards or qualifications, including associate degrees.
- Participate in national multilateral consultations on higher education issues in relation to (a) the implementation of the outcomes of the Australian Government's national review of higher education and (b) the implementation of the National Protocols for Higher Education Processes.
- Develop drafting instructions for amendments to university Acts and the *School Education Act 1999* as required, and draft a Bill that will give effect to the Government's intentions in respect to the statutory school leaving age.
- Develop a planning framework, jointly with the Department of Education and Training, to accommodate (a) planning processes for government schools, and (b) the requirements of the *School Education Act 1999* and *School Education Regulations 2000*, and associated planning criteria, for evaluating applications to establish and register new and significantly changing non-government schools. Improved processes for approving the establishment and registration of new non-government schools is necessary to ensure duplication of student places and public funding, particularly in localities with static or declining student populations, is minimised.
- Aim to achieve further improvement of industry standards and quality of service for international students studying at institutions within the State, through representation on the Australian Government's review of related Commonwealth legislation. Western Australia has experience over 13 years in regulating the international education industry through the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*.
- In anticipation of enactment of the *Western Australian College of Teaching Act*, proceed with registering teachers in Western Australia by developing regulations and establishing an appropriate database containing individual personal and professional teacher information. This will enable the Board of the Western Australian College of Teaching to accredit teachers as members of the profession and create a state-wide register of qualified teachers.

CAPITAL WORKS PROGRAM

An amount of \$43,000 will be provided in 2004-05 to replace furniture and equipment.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Office Equipment and Computer Replacement Program | 240 | 137 | 73 | 43 |
| COMPLETED WORKS | | | | |
| Office Fitout - 2003-04 Program | 450 | 450 | 450 | - |
| College of Teaching Database | 200 | 200 | 200 | - |
| | 890 | 787 | 723 | 43 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 50 | 237 | 723 | 43 | 60 | 60 | 60 |
| | 50 | 237 | 723 | 43 | 60 | 60 | 60 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account | 50 | 37 | 37 | 43 | 60 | 60 | 60 |
| Internal Funds and Balances | - | 200 | 686 | - | - | - | - |
| Capital Contribution | - | - | - | - | - | - | - |

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 1,555 | 1,921 | 1,921 | 2,205 | 2,143 | 2,072 | 2,110 |
| Superannuation | 207 | 300 | 300 | 300 | 300 | 300 | 300 |
| Grants and subsidies ^(b) | 285 | 200 | 213 | 225 | 225 | 213 | 213 |
| Supplies and services | 1,227 | 1,666 | 1,986 | 1,865 | 1,974 | 1,862 | 1,893 |
| Borrowing costs | 8,774 | 14,420 | 14,027 | 14,340 | 15,988 | 17,828 | 18,828 |
| Capital User Charge | 106 | 35 | 95 | 95 | 95 | 95 | 95 |
| Depreciation and amortisation | 18 | 50 | 50 | 130 | 130 | 130 | 130 |
| Other expenses | 26 | 30 | 30 | 54 | 56 | 56 | 56 |
| TOTAL COST OF SERVICES | 12,198 | 18,622 | 18,622 | 19,214 | 20,911 | 22,556 | 23,625 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 30 | 104 | 104 | 85 | 82 | 81 | 80 |
| Grants and subsidies | 674 | 525 | 525 | 525 | 525 | 525 | 525 |
| Interest | 3,510 | 3,981 | 3,981 | 4,401 | 4,729 | 5,069 | 5,069 |
| Other Revenue | 69 | 90 | 90 | 90 | 90 | 90 | 90 |
| Total Revenues from Ordinary Activities | 4,283 | 4,700 | 4,700 | 5,101 | 5,426 | 5,765 | 5,764 |
| NET COST OF SERVICES | 7,915 | 13,922 | 13,922 | 14,113 | 15,485 | 16,791 | 17,861 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 4,718 | 13,651 | 13,651 | 13,608 | 15,251 | 16,557 | 17,627 |
| Resources received free of charge | 215 | 40 | 160 | 82 | 180 | 180 | 180 |
| Liabilities assumed by the Treasurer | 35 | 61 | 61 | 54 | 54 | 54 | 54 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 4,968 | 13,752 | 13,872 | 13,744 | 15,485 | 16,791 | 17,861 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | (2,947) | (170) | (50) | (369) | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (2,947) | (170) | (50) | (369) | - | - | - |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 23, 26 and 26 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 2,155 | 595 | 1,390 | 1,108 | 1,098 | 1,088 | 1,078 |
| Restricted cash..... | 77 | - | 87 | - | 10 | 20 | 30 |
| Investments..... | 11,456 | 14,778 | 14,778 | 15,275 | 16,140 | 17,390 | 18,640 |
| Receivables..... | 6 | 69 | 6 | 6 | 6 | 6 | 6 |
| Interest receivable..... | 512 | 600 | 512 | 512 | 512 | 512 | 512 |
| Amounts receivable for outputs..... | 37 | 43 | 43 | 60 | 60 | 60 | 60 |
| Prepayments..... | 10 | - | - | - | - | - | - |
| Total current assets..... | 14,253 | 16,085 | 16,816 | 16,961 | 17,826 | 19,076 | 20,326 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 13 | 20 | 20 | 90 | 160 | 230 | 300 |
| Land and Buildings..... | 484 | 470 | 504 | 524 | 544 | 564 | 584 |
| Plant, equipment and vehicles..... | 72 | 64 | 59 | 52 | 62 | 72 | 82 |
| Loans and Advances..... | 160,205 | 173,973 | 175,488 | 186,713 | 197,073 | 206,183 | 212,793 |
| Other..... | - | - | 647 | 567 | 487 | 407 | 327 |
| Total non-current assets..... | 160,774 | 174,527 | 176,718 | 187,946 | 198,326 | 207,456 | 214,086 |
| TOTAL ASSETS..... | 175,027 | 190,612 | 193,534 | 204,907 | 216,152 | 226,532 | 234,412 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 88 | - | 22 | 22 | 22 | 22 | 22 |
| Provision for employee entitlements..... | 272 | 235 | 272 | 272 | 272 | 272 | 272 |
| Interest-bearing liabilities (Borrowings)..... | 11,456 | 14,778 | 14,778 | 15,275 | 16,140 | 17,390 | 18,640 |
| Interest payable..... | 2,252 | - | 2,252 | 2,252 | 2,252 | 2,252 | 2,252 |
| Accrued Salaries..... | 46 | - | 44 | 44 | 44 | 44 | 44 |
| Total current liabilities..... | 14,114 | 15,013 | 17,368 | 17,865 | 18,730 | 19,980 | 21,230 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 129 | 174 | 129 | 129 | 129 | 129 | 129 |
| Interest-bearing liabilities (Borrowings)..... | 160,205 | 173,973 | 175,488 | 186,713 | 197,073 | 206,183 | 212,793 |
| Total non-current liabilities..... | 160,334 | 174,147 | 175,617 | 186,842 | 197,202 | 206,312 | 212,922 |
| TOTAL LIABILITIES..... | 174,448 | 189,160 | 192,985 | 204,707 | 215,932 | 226,292 | 234,152 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Accumulated surplus/(deficit)..... | 475 | 1,362 | 425 | 56 | 56 | 56 | 56 |
| Asset revaluation reserve..... | 54 | 40 | 74 | 94 | 114 | 134 | 154 |
| Total equity..... | 579 | 1,452 | 549 | 200 | 220 | 240 | 260 |
| TOTAL LIABILITIES AND EQUITY..... | 175,027 | 190,612 | 193,534 | 204,907 | 216,152 | 226,532 | 234,412 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 4,668 | 13,601 | 13,601 | 13,478 | 15,121 | 16,427 | 17,497 |
| Holding Account Drawdowns..... | 50 | 37 | 37 | 43 | 60 | 60 | 60 |
| Net cash provided by State government..... | 4,718 | 13,638 | 13,638 | 13,521 | 15,181 | 16,487 | 17,557 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (1,486) | (1,921) | (1,921) | (2,205) | (2,143) | (2,072) | (2,110) |
| Superannuation..... | (161) | (239) | (239) | (246) | (246) | (246) | (246) |
| Supplies and services..... | (1,134) | (1,626) | (1,826) | (1,783) | (1,794) | (1,682) | (1,713) |
| Grants and subsidies..... | (285) | (200) | (213) | (225) | (225) | (213) | (213) |
| Borrowing costs..... | (4,709) | (14,420) | (14,027) | (14,340) | (15,988) | (17,828) | (18,828) |
| Capital User Charge..... | (56) | (35) | (150) | (95) | (95) | (95) | (95) |
| Goods and Services Tax..... | (189) | (150) | (150) | (156) | (158) | (158) | (158) |
| Other..... | (28) | (30) | (30) | (54) | (56) | (56) | (56) |
| Receipts | | | | | | | |
| User charges and fees..... | 30 | 104 | 104 | 85 | 82 | 81 | 80 |
| Interest..... | 3,441 | 3,981 | 3,981 | 4,401 | 4,729 | 5,069 | 5,069 |
| Goods and Services Tax..... | 193 | 150 | 150 | 156 | 158 | 158 | 158 |
| Grants and subsidies..... | 674 | 525 | 525 | 525 | 525 | 525 | 525 |
| Other..... | 82 | 90 | 90 | 90 | 90 | 90 | 90 |
| Net cash from operating activities..... | (3,628) | (13,771) | (13,706) | (13,847) | (15,121) | (16,427) | (17,497) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (46) | (37) | (687) | (43) | (60) | (60) | (60) |
| Net cash from investing activities..... | (46) | (37) | (687) | (43) | (60) | (60) | (60) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (9,947) | (13,947) | (11,456) | (14,778) | (15,275) | (16,140) | (18,640) |
| Other payments for financing activities..... | (31,500) | (31,000) | (30,061) | (26,500) | (26,500) | (26,500) | (26,500) |
| Proceeds from borrowings..... | 32,439 | 31,000 | 30,061 | 26,500 | 26,500 | 26,500 | 26,500 |
| Other proceeds from financing activities..... | 9,947 | 13,947 | 11,456 | 14,778 | 15,275 | 16,140 | 18,640 |
| Net cash from financing activities..... | 939 | - | - | - | - | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 1,983 | (170) | (755) | (369) | - | - | - |
| Cash assets at the beginning of the reporting period..... | 249 | 765 | 2,232 | 1,477 | 1,108 | 1,108 | 1,108 |
| Cash assets at the end of the reporting period..... | 2,232 | 595 | 1,477 | 1,108 | 1,108 | 1,108 | 1,108 |

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Grants and subsidies ^(a) | 172,076 | 191,693 | 191,493 | 201,214 | 215,119 | 232,551 | 253,515 |
| Borrowing costs..... | 2,238 | 1,895 | 1,895 | 1,554 | 1,229 | 912 | 631 |
| TOTAL ADMINISTERED EXPENSES | 174,314 | 193,588 | 193,388 | 202,768 | 216,348 | 233,463 | 254,146 |
| REVENUES | | | | | | | |
| Interest..... | 2,238 | 1,895 | 1,895 | 1,554 | 1,229 | 912 | 631 |
| Appropriations..... | 172,077 | 191,693 | 191,493 | 201,214 | 215,119 | 232,551 | 253,515 |
| TOTAL ADMINISTERED REVENUES | 174,315 | 193,588 | 193,388 | 202,768 | 216,348 | 233,463 | 254,146 |

(a) Further information is provided in the table "Details of the Administered Transactions Expenses".

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| ADMINISTERED CURRENT ASSETS | | | | | | | |
| Cash..... | 1,761 | 131 | 1,763 | 1,765 | 1,767 | 1,769 | 1,771 |
| Investments..... | 14,447 | 12,194 | 12,462 | 10,808 | 8,891 | 7,615 | 6,755 |
| Receivables..... | 9 | 251 | 9 | 9 | 9 | 9 | 9 |
| Interest receivable..... | 176 | 138 | 151 | 127 | 103 | 80 | 60 |
| Total Administered Current Assets | 16,393 | 12,714 | 14,385 | 12,709 | 10,770 | 9,473 | 8,595 |
| ADMINISTERED NON-CURRENT ASSETS | | | | | | | |
| Loans and Advances | 56,987 | 45,336 | 44,525 | 33,717 | 24,826 | 17,211 | 10,456 |
| Total Administered Non-Current Assets | 56,987 | 45,336 | 44,525 | 33,717 | 24,826 | 17,211 | 10,456 |
| TOTAL ADMINISTERED ASSETS | 73,380 | 58,050 | 58,910 | 46,426 | 35,596 | 26,684 | 19,051 |
| ADMINISTERED CURRENT LIABILITIES | | | | | | | |
| Payables..... | 15 | - | 15 | 15 | 15 | 15 | 15 |
| Interest-bearing liabilities (Borrowings) | 14,447 | 12,194 | 12,462 | 10,808 | 8,891 | 7,615 | 6,755 |
| Monies in trust..... | 33 | 37 | 35 | 37 | 39 | 41 | 43 |
| Interest payable..... | 176 | 138 | 151 | 127 | 103 | 80 | 60 |
| Total Administered Current Liabilities | 14,671 | 12,369 | 12,663 | 10,987 | 9,048 | 7,751 | 6,873 |
| ADMINISTERED NON-CURRENT LIABILITIES | | | | | | | |
| Interest-bearing liabilities (Borrowings) | 56,987 | 45,336 | 44,525 | 33,717 | 24,826 | 17,211 | 10,456 |
| Total Administered Non-Current Liabilities | 56,987 | 45,336 | 44,525 | 33,717 | 24,826 | 17,211 | 10,456 |
| TOTAL ADMINISTERED LIABILITIES.. | 71,658 | 57,705 | 57,188 | 44,704 | 33,874 | 24,962 | 17,329 |

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Grants and subsidies | (172,085) | (191,693) | (191,493) | (201,214) | (215,119) | (232,551) | (253,515) |
| Borrowing costs..... | (2,267) | (1,920) | (1,920) | (1,578) | (1,253) | (935) | (651) |
| Goods and Services Tax | (16,712) | (19,219) | (19,219) | (20,941) | (23,242) | (23,242) | (25,346) |
| Financing Activities | | | | | | | |
| Repayment of borrowings..... | (15,059) | (14,120) | (14,447) | (12,462) | (10,808) | (8,891) | (7,615) |
| TOTAL ADMINISTERED CASH OUTFLOWS..... | (206,123) | (226,952) | (227,079) | (236,195) | (250,422) | (265,619) | (287,127) |
| CASH INFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Interest..... | 2,269 | 1,920 | 1,922 | 1,580 | 1,255 | 937 | 653 |
| Goods and Services Tax | 16,954 | 19,219 | 19,219 | 20,941 | 23,242 | 23,242 | 25,346 |
| Output Appropriations | 172,077 | 191,693 | 191,493 | 201,214 | 215,119 | 232,551 | 253,515 |
| Financing Activities | | | | | | | |
| Other proceeds from financing activities | 15,059 | 14,120 | 14,447 | 12,462 | 10,808 | 8,891 | 7,615 |
| TOTAL ADMINISTERED CASH INFLOWS..... | 206,359 | 226,952 | 227,081 | 236,197 | 250,424 | 265,621 | 287,129 |
| NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS | 236 | - | 2 | 2 | 2 | 2 | 2 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--------------------------|-----------------------------|-----------------------------|--|---|--|--|--|
| Other Scholarships | 285 | 200 | 213 | 225 | 225 | 213 | 213 |
| TOTAL | 285 | 200 | 213 | 225 | 225 | 213 | 213 |

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES | | | | | | | |
| Per Capita Grants to Non-Government | | | | | | | |
| Schools | 162,574 | 181,386 | 180,450 | 190,074 | 203,658 | 220,837 | 241,126 |
| Grants for Special Education Students..... | 2,411 | 2,155 | 2,891 | 3,113 | 3,340 | 3,590 | 3,874 |
| Psychology Services Grant..... | 1,758 | 1,891 | 1,891 | 1,941 | 2,038 | 2,140 | 2,500 |
| Australian Music Examinations Board Grant .. | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| All other grants..... | 675 | 735 | 735 | 643 | 644 | 645 | 646 |
| STATUTORY AUTHORITIES | | | | | | | |
| Curtin University of Technology - Debt Charges..... | | | | | | | |
| | 55 | 59 | 59 | 43 | 39 | 35 | 30 |
| SUBSIDIES AND CONCESSIONS | | | | | | | |
| Interest Subsidy (on loans taken out before commencement of Low Interest Loan Scheme)..... | | | | | | | |
| | 353 | 567 | 567 | 400 | 300 | 200 | 200 |
| OTHER STATE SERVICES | | | | | | | |
| Superannuation - Higher Education Institutions..... | | | | | | | |
| | 4,150 | 4,800 | 4,800 | 4,900 | 5,000 | 5,004 | 5,039 |
| TOTAL | 172,076 | 191,693 | 191,493 | 201,214 | 215,119 | 232,551 | 253,515 |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Registration Fees | 30 | 104 | 104 | 85 |
| Commonwealth Specific Purpose Program - Aboriginal Education and Training Council | 457 | 325 | 325 | 325 |
| Commonwealth Specific Purpose Program - The Millennium Indigenous Teacher Scholarship Programme | 217 | 200 | 200 | 200 |
| Borrowings from WA Treasury Corporation | 32,439 | 31,000 | 30,061 | 26,500 |
| Interest Repayments | 3,441 | 3,981 | 3,981 | 4,401 |
| Principal Repayments | 9,947 | 13,947 | 11,456 | 14,778 |
| Miscellaneous Revenue | 82 | 90 | 90 | 90 |
| GST input credits..... | 17,128 | 19,345 | 19,345 | 21,073 |
| GST Receipts..... | 19 | 24 | 24 | 24 |
| TOTAL..... | 63,760 | 69,016 | 65,586 | 67,476 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

Part 13

Minister for Community Development, Women's Interests, Seniors and Youth; Disability Services; Culture and the Arts

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--------------------------------|-----------------------------|--|---|
| 927 | Community Development | | | |
| | – Delivery of Outputs | 189,775 | 189,330 | 197,516 |
| | – Capital Contribution | 3,563 | 3,563 | 4,984 |
| | Total | 193,338 | 192,893 | 202,500 |
| 954 | Disability Services Commission | | | |
| | – Delivery of Outputs | 207,253 | 207,092 | 224,133 |
| | – Capital Contribution | 3,261 | 3,261 | 2,763 |
| | Total | 210,514 | 210,353 | 226,896 |
| 971 | Culture and the Arts | | | |
| | – Delivery of Outputs | 111,333 | 112,971 | 115,674 |
| | – Capital Contribution | 14,269 | 19,056 | 12,608 |
| | Total | 125,602 | 132,027 | 128,282 |
| | GRAND TOTAL | | | |
| | – Delivery of Outputs | 508,361 | 509,393 | 537,323 |
| | – Capital Contribution | 21,093 | 25,880 | 20,355 |
| | Total | 529,454 | 535,273 | 557,678 |

COMMUNITY DEVELOPMENT

PART 13 - MINISTER FOR COMMUNITY DEVELOPMENT, WOMEN'S INTERESTS, SENIORS AND YOUTH; DISABILITY SERVICES; CULTURE AND THE ARTS

DIVISION 55

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 90 Net amount appropriated to deliver outputs | 178,488 | 189,026 | 188,581 | 196,767 | 200,433 | 203,235 | 213,551 |
| Item 91 Contribution to Western Australian Family Foundation Trust Account..... | 560 | 560 | 560 | 560 | 560 | 560 | 560 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 189 | 189 | 189 | 189 | 189 | 189 | 189 |
| Total appropriations provided to deliver outputs | 179,237 | 189,775 | 189,330 | 197,516 | 201,182 | 203,984 | 214,300 |
| CAPITAL | | | | | | | |
| Item 152 Capital Contribution | 821 | 3,563 | 3,563 | 4,984 | 11,537 | 11,500 | - |
| GRAND TOTAL..... | 180,058 | 193,338 | 192,893 | 202,500 | 212,719 | 215,484 | 214,300 |

MISSION

To enhance the social wellbeing of all Western Australians by working together to:

- strengthen communities so that individuals and families are able to meet their needs;*
- promote a just and equitable community enriched by diversity and increased social participation; and*
- support families and communities to provide for the care and safety of their members.*

SIGNIFICANT ISSUES AND TRENDS

- Three Acts, the first of which dates back to 1947, currently govern the Department for Community Development. The replacement legislation, the Children and Community Services Bill 2003 was introduced into Parliament in December 2003. The new legislation gives clear direction for a model of best practice, with an emphasis on supporting family wellbeing and the capacity of families to care safely for their children. It reflects contemporary, evidence based provisions, which are aimed at improving and promoting the wellbeing and safety of vulnerable children and improving the experience of children in care and on leaving care. It brings increased accountability for departmental officers and transparency of process for children and families.
- The number of children in care has continued to increase, with 1,922 children in care at 30 June 2003, compared with 1,772 at 30 June 2002 (an 8.5 percent increase). Indigenous children are over-represented in this group and more than half of the children in care are aged 10 years or younger. Many children in care come from families with complex problems such as family violence, parental drug and alcohol usage, mental illness and poverty, which require a long-term coordinated response. There is an increasing need for quality and collaborative services to prevent children entering care, to support them if they are in care, and to manage their transition from care.
- The community increasingly demands that providers of services select appropriate people to work with children. Service providers can be supported to do this by legislation that enables criminal record screening and frameworks for the development of staff selection, management policy and procedures.

- Indigenous persons are over represented in many areas of the Department's work, particularly child protection and family violence. There is a need to continue implementing the recommendations of the 'Inquiry into Response by Government Agencies to Complaints of Family Violence and Child Abuse in Aboriginal Communities' (The Gordon Inquiry), and monitoring their effects. In addition, the Department will continue to engage with Indigenous communities in developing policy and practices to address disadvantage.
- Homelessness continues to be an important issue for families assisted by the Department and non-government agencies. The implementation of the State Homelessness Taskforce recommendations is an important response to these issues.
- Research has demonstrated that young children's early experiences are critically important to their later wellbeing and contribution to society. High quality early childhood services provide important supports to parents and developmental opportunities for children. The Government is committed through Early Years and other strategies to developing effective responses through interagency collaboration and government, community and business relationships.
- The role of women in the labour force continues to be a significant area for government and community action. Women remain under-represented in leadership and decision-making positions, with employment growth for women in recent years mostly occurring in low skilled, low-paid and part-time jobs. The participation rate of mature aged women in the labour force has increased in recent years and is likely to continue. The Department responds to these issues through its role in across Government policy development and in specific projects designed to increase sensitivity to gender-related concerns in the workplace.
- By 2031, one in four Western Australians will be seniors, and this presents significant social and economic challenges to the community. The Active Ageing Taskforce report highlights such issues and recommends new ways of working to respond to this demographic shift.
- Carers contribute significantly to the health and wellbeing of our State through their ongoing care and assistance of family members, friends and/or neighbours. The sustainability of the current patterns of informal care is a significant issue. Increasingly, carers are being recognised as clients in their own right in programs designed primarily to deliver services to care recipients. The development of a Carers Recognition Bill is an important step in acknowledging and supporting carers.
- There is a need to encourage the corporate, public and private sectors in the task of supporting their employees as volunteers. It is also important to gain a better understanding of volunteering in Indigenous and culturally and linguistically diverse communities in order to better plan for volunteer support.
- Children and young people require a greater involvement in decision making about matters that affect their lives. The Department is responding to this need through the establishment of forums and processes which encourage children and young people, including those in regional areas, to have a voice.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Protection and Care for Children - 50 Caseworkers..... | 4,490 | 4,628 | 4,799 | 4,968 |
| Additional Indexation Funding for the Non-Government Sector..... | 419 | 692 | 948 | 1,204 |
| Community Partnership Fund..... | 400 | 400 | 400 | - |
| Active Ageing Strategy | 204 | 377 | 347 | 347 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Community development | 62,647 | 66,785 | 66,796 | 65,320 | | | |
| <i>Output 2:</i> | | | | | | | |
| Children's and young persons' policy..... | 3,931 | 4,550 | 4,240 | 4,215 | | | |
| <i>Output 3:</i> | | | | | | | |
| Positive ageing policy..... | 992 | 1,486 | 1,605 | 1,647 | | | |
| <i>Output 4:</i> | | | | | | | |
| Women's policy and progress | 1,740 | 2,039 | 2,198 | 2,020 | | | |
| <i>Output 5:</i> | | | | | | | |
| Volunteering policy and coordination | 1,045 | 951 | 1,183 | 1,066 | | | |
| <i>Output 6:</i> | | | | | | | |
| Aboriginal and Torres Strait Islander policy coordination..... | 255 | 538 | 510 | 557 | | | |
| <i>Output 7:</i> | | | | | | | |
| Care and safety services | 122,238 | 131,135 | 137,325 | 141,648 | | | |
| <i>Output 8:</i> | | | | | | | |
| Family and domestic violence coordination | 2,249 | 2,616 | 2,517 | 2,408 | | | |
| Total Cost of Outputs | 195,097 | 210,100 | 216,374 | 218,881 | 222,775 | 224,452 | 234,706 |
| <i>Less Revenues from Ordinary Activities</i> | 20,066 | 17,936 | 18,414 | 18,174 | 18,630 | 19,040 | 19,518 |
| Net Cost of Outputs | 175,031 | 192,164 | 197,960 | 200,707 | 204,145 | 205,412 | 215,188 |
| Adjustments ^(a) | 4,206 | (2,389) | (8,630) | (3,191) | (2,963) | (1,428) | (888) |
| Appropriation provided to deliver Outputs. | 179,237 | 189,775 | 189,330 | 197,516 | 201,182 | 203,984 | 214,300 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 821 | 3,563 | 3,563 | 4,984 | 11,537 | 11,500 | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 180,058 | 193,338 | 192,893 | 202,500 | 212,719 | 215,484 | 214,300 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Director General and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high-level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome(s) | Output(s) |
|--|--|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Communities are strengthened so that individuals and families are able to better meet their needs, achieve self reliance and contribute to their own solutions. | 1. Community development |
| | Policies are developed and coordinated within the Department and across government for children, families, communities, seniors, women, young people and volunteers and Western Australians are engaged in the process | 2. Children's and young persons' policy 3. Positive ageing policy 4. Women's policy and progress 5. Volunteering policy and coordination 6. Aboriginal and Torres Strait Islander policy coordination |
| | Families and communities are supported to provide for the care and safety of their members | 7. Care and safety services 8. Family and domestic violence coordination |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Communities are strengthened so that individuals and families are able to better meet their needs, achieve self reliance and contribute to their own solutions. | | | | | |
| Stakeholders in the community development project who report the community was strengthened as a result of involvement in the project..... | 82% | 82% | 88% | 85% | |
| Customers who report their needs were met as a result of using services..... | 98% | 95% | 98% | 95% | |
| Customers who report increased knowledge and skills | 94% | 95% | 95% | 95% | |
| Customers who are confident they will manage well in the future..... | 94% | 95% | 93% | 95% | |
| Customers who report the service involved them in contributing to the solution..... | 96% | 95% | 98% | 95% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Policies are developed and coordinated within the Department and across government for children, families, communities, seniors, women, young people and volunteers and Western Australians are engaged in the process | | | | | |
| Stakeholders who identify policies for these target groups achieved an across government focus | 68% | 75% | 75% | 80% | |
| Extent to which Western Australians are engaged in policy development | 65% | 75% | 65% | 75% | |
| Outcome: Families and communities are supported to provide for the care and safety of their members | | | | | |
| Customers who report they were supported to provide care and safety to their family members | 93% | 95% | 92% | 95% | |
| Stakeholder organisations which report communities in which they operate were supported to provide care and safety to their members | 50% | 60% | 66% | 65% | |
| Children with a substantiated report of maltreatment who did not have a further substantiated report of maltreatment within 12 months | 89% | 90% | 91% | 90% | |
| Children abused in care by carers | 0.32% | 0% | 0.37% | 0% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Community development

Community development programs, activities and services to increase the social infrastructure and capacity of communities to ensure high quality and safe child care, the wellbeing of children, individuals and families.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output | 62,647 | 66,785 | 66,796 | 65,320 | |
| Less Revenues from Ordinary Activities | 2,565 | 1,613 | 1,559 | 846 | Reduction reflects direct appropriation funding for Building Blocks Program previously recognised as grant revenue from the Department of Health. |
| Net Cost of Output | 60,082 | 65,172 | 65,237 | 64,474 | |
| Adjustments ^(a) | 1,533 | (1,644) | (3,030) | (1,090) | |
| Appropriation for delivery of Output 1 | 61,615 | 63,528 | 62,207 | 63,384 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Community development projects for children and families | 193 | 120 | 138 | 170 | Increase expected due to Early Years Strategy and Community Partnerships Grants. |
| Capacity development services ^(a) | 312 | 344 | 337 | 338 | |
| Community development projects for seniors . | 22 | 19 | 19 | 19 | |
| Community development projects for Aboriginal and Torres Strait people..... | 60 | 35 | 57 | 60 | |
| Seniors Cards managed | 218,724 | 223,000 | 218,000 | 220,000 | |
| Community development initiatives for women | 1 | 1 | 1 | 5 | Reprioritise towards community development initiatives for women in 2004-05. |
| Community development projects for children and young people..... | 5 | 7 | 7 | 7 | |
| Quality | | | | | |
| Stakeholder satisfaction with quality of community development projects for children and families..... | 83% | 85% | 85% | 85% | |
| Customer satisfaction with quality of capacity development services..... | 98% | 95% | 99% | 99% | |
| Stakeholder satisfaction with quality of community development projects for seniors | 90% | 90% | 98% | 95% | |
| Stakeholder satisfaction with quality of community development projects for Aboriginal and Torres Strait people..... | 90% | 90% | 77% | 85% | |
| Seniors card holder satisfaction with Seniors Card | 80% | 80% | 87% | 85% | |
| Stakeholder satisfaction with quality of community development initiatives for women | 100% | 95% | 95% | 95% | |
| Stakeholder satisfaction with quality of community development projects for children and young people..... | 80% | 80% | 77% | 80% | |
| Timeliness | | | | | |
| Stakeholder satisfaction with timeliness of community development projects for children and families..... | 73% | 75% | 74% | 75% | |
| Customers satisfaction with timeliness of capacity development services..... | 96% | 95% | 97% | 95% | |
| Stakeholder satisfaction with timeliness of community development projects for seniors | 95% | 95% | 89% | 95% | |
| Stakeholder satisfaction with timeliness of community development projects for Aboriginal and Torres Strait people..... | 67% | 70% | 68% | 70% | |
| Seniors Cards issued on time | 100% | 95% | 100% | 100% | |
| Stakeholder satisfaction with timeliness of community development initiatives for women | 100% | 95% | 95% | 95% | |
| Stakeholder satisfaction with timeliness of community development projects for children and young people..... | 78% | 80% | 68% | 80% | The majority of the community development projects are independent of the Office for Children and Youth, therefore stakeholders have little opportunity to assess the Office's timeliness. |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|---|
| Cost (Efficiency) | | | | | |
| Average cost per community development project for children and families | \$18,452 | \$29,561 | \$28,737 | \$24,738 | |
| Average cost per capacity development service..... | \$167,729 | \$163,278 | \$162,174 | \$155,026 | The 2003-04 cost is higher due to carryover expenditures from 2002-03. |
| Average cost per community development project for seniors | \$69,541 | \$99,332 | \$117,045 | \$123,521 | |
| Average cost per community development project for Aboriginal and Torres Strait people | \$41,198 | \$70,702 | \$45,495 | \$50,052 | The 2004-05 cost includes a carryover from the 2003-04 year for the Indigenous Families Program. |
| Average cost of a Seniors Card..... | \$1.94 | \$1.54 | \$2.12 | \$1.66 | The 2003-04 cost includes the production of the Seniors Discount Directory which is produced every two years. |
| Average cost per community development initiative for women..... | \$75,960 | \$93,910 | \$91,279 | \$63,907 | Decrease in unit cost reflects the increase in the number of initiatives as a result of reprioritisation. |
| Average cost per community development project for children and young people..... | \$450,383 | \$324,594 | \$401,021 | \$383,119 | |
| Full Time Equivalents (FTEs) ^(b) | 467 | 484 | 361 | 373 | |

(a) Capacity development services include parenting information, parent skills, youth, family and individual support.

(b) A Departmental survey conducted in 2003-04 has shown a shift in the use of labour from community development to care and safety services, hence the reduction in FTE from 2003-04 budget.

Major Achievements For 2003-04

- Continued implementation of the Early Years Strategy to enhance the wellbeing of children aged zero to eight years in 12 communities throughout the State.
- Developed and implemented strategies for enhancing the delivery of the Best Beginnings program for families from culturally and linguistically diverse backgrounds, including cultural awareness training for workers and piloting program delivery to cultural and linguistically diverse families at selected sites.
- Commenced licensing of outside school hours care services and promoted quality assurance in partnership with the Commonwealth Department of Family and Community Services.
- Commenced a review of the Volunteers Speakers Program for seniors in order to ensure that the program stays relevant to changing community needs and expectations.
- Strengthened communities to support seniors and promote positive ageing by:
 - allocating 19 new intergenerational grants;
 - providing 86 community grants for Seniors Week and translating Seniors Card information into other languages;
 - supporting the Senior Partners program for seniors in isolation; and
 - providing a Carer's Counselling Line to assist and support seniors and promote positive ageing.
- Progressed the development of extended hours child care in Kalgoorlie by conducting a community survey on child care needs. A report is being finalised.
- Worked with the Shire of Mullewa, other agencies and the Geraldton Aboriginal Reference Group to address youth issues in the Shire and employed a project officer to mobilise community responses.
- Extended the Helping Young People Engage (HYPE) program to Broome, Hedland and Geraldton. The program aims to build the capacity of the community to deal with issues of anti-social behaviour in young people.
- Developed a variety of local initiatives in Midland for the purpose of discouraging local youth from frequenting the Northbridge area.

- Worked with a range of stakeholders to build a community centre in the newly developed northern suburb of Brighton, as part of a larger program to deliver services in new suburbs.
- Commenced an engagement process with residents in Moora, Northam, Narrogin and Merredin with a view to working with the community to provide appropriate responses to local issues.

Major Initiatives For 2004-05

- Establish community capacity building positions in Carnarvon, Onslow, Newman, Meekatharra and Esperance to identify strengths and develop capacities within those communities.
- Work with an additional 12 communities in implementing the Early Years Strategy to increase understanding of the importance of the early years and to develop local plans.
- Commence evaluation of the Early Years Strategy.
- Develop a strategy to support grand families.
- Conduct an outcome-based review of the Carer Initiatives.
- Commence a project to link the 15 Best Start Services with the Early Years Strategy and Gordon Inquiry initiatives with the aim of improving the effectiveness of the Best Start Services in achieving improved health and education outcomes for Aboriginal and Torres Strait Islander children.

Output 2: Children's and young persons' policy

Policy coordination, policy advice, analysis and information to develop and refine a collaborative approach with government agencies and the community to promote healthy children and young people.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 3,931 | 4,550 | 4,240 | 4,215 | |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 3,931 | 4,550 | 4,240 | 4,215 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 2 | 3,931 | 4,550 | 4,240 | 4,215 | |

- (a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Community engagement initiatives for children and young people | 7 | 6 | 6 | 8 | Additional initiatives for Indigenous Youth Leadership and Regional Outreach. |
| Policy advice projects for children and young people | 62 | 60 | 60 | 9 | Change in counting rules for Ministerial briefings to bring in line with other policy offices. |
| Quality | | | | | |
| Stakeholder satisfaction with quality of community engagement initiatives for children and young people | 89% | 90% | 76% | 90% | Minor reforms to several program areas have resulted in lower than anticipated ratings in 2003-04. |
| Stakeholder satisfaction with quality of policy advice projects for children and young people | 64% | 70% | 67% | 70% | |
| Timeliness | | | | | |
| Stakeholder satisfaction with timeliness of community engagement initiatives for children and young people | 80% | 85% | 63% | 85% | The majority of the community engagement initiatives are independent of the Office for Children and Youth, therefore stakeholders have little opportunity to assess the Office's timeliness. |
| Policy advice projects for children and young people developed, coordinated and evaluated within agreed timeframes..... | 78% | 85% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per community engagement initiative for children and young people | \$512,334 | \$699,480 | \$591,573 | \$439,320 | Decrease in unit cost reflects the increase in initiatives. |
| Average cost per policy advice projects for children and young people | \$5,560 | \$5,888 | \$11,508 | \$77,852 | Increase in unit cost reflects the change in counting rules for Ministerial briefings. |
| Full Time Equivalents (FTEs)^(a) | 14 | 21 | 11 | 14 | |

(a) During 2003-04 the Office for Children and Youth underwent a restructure and several positions were not filled until late in the year.

Major Achievements For 2003-04

- Published a good practice guide 'Conversations with Children: A Guide to Accessing Nine to Twelve Year Olds in Settings other than Mainstream for Consultation' in October 2003. The guide provides information to assist agencies consult with children in non-mainstream educational settings.
- Conducted consultation and research into children and youth engagement models and their application in Western Australia. Drafted booklets on how to consult with children and youth from culturally and linguistically diverse backgrounds and rural and remote areas of the State. Booklets 'Consulting with Children and Youth – Six Guides' will be published in June/July 2004.
- Progressed the development of a Youth Employment Policy by undertaking background research and commencing a search and recruitment strategy.
- Developed a comprehensive workshop package in conjunction with the Department of Education and Training to gather information from children (in Years Five to Seven) to ensure policy directions developed by Government take the views of children into account. Held a workshop 'AQWACHAT' in conjunction with the Office for Seniors Interests and Volunteering to promote intergenerational understanding. It involved grandparents and grandchildren participating in discussion groups and undertaking activities at the underwater world aquarium.

- Developed a 'Young Consumer's Reference Guide' in consultation with the Department of Consumer and Employment Protection which outlines credit schemes and a variety of specific financial and legal issues relevant to young consumers.
- The results of the 2003 Youth Media Survey were released in September 2003. The survey involved more than 11,000 young people and reflects their views, aspirations and concerns.
- Established interim working groups comprising children and young people to advise Government on issues of importance and concern, including their dealings with government agencies and access to complaint mechanisms.
- Progressed the development of a biennial report card with the assistance of the Australian Bureau of Statistics, to provide an overview of the state of children and young people in Western Australia, and to examine models for engaging them, with a specific focus on Indigenous and culturally and linguistically diverse populations.
- Provided finalists and winners of the 2004 Western Australian Youth Awards with media training to enable them to become 'media ambassadors' and speak out on issues of importance and relevance.
- Hosted the State Government's Positive Image Awards with the Department of Education and Training which recognises young people who promote a positive image of young people.

Major Initiatives For 2004-05

- In partnership with the Office of Multicultural Interests, identify issues and develop strategies to address the needs of children and young people from culturally and linguistically diverse backgrounds at risk in Western Australia.
- Develop and implement an Indigenous Youth Leadership program.
- Expand training opportunities available through the Cadets WA program.
- Implement a recognition program for good practice in the children's sector and develop an awards program to recognise innovative and good practice in childhood development and services.
- Provide training and support resources to the government and non-government sectors on 'how to engage with children and young people'.
- Provide opportunities and regional outreach to children and young people living in regional Western Australia. Regional officers will support activities for children and youth and provide them with opportunities to have input into public policy making and program development.
- Develop indicators of wellbeing for children and young people.

Output 3: Positive ageing policy

Policy coordination, policy advice, analysis and information to develop and refine a collaborative approach with government agencies and the community to promote positive ageing.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 992 | 1,486 | 1,605 | 1,647 | |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 992 | 1,486 | 1,605 | 1,647 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 3 | 992 | 1,486 | 1,605 | 1,647 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Community engagement initiatives which facilitate positive ageing | 15 | 12 | 12 | 11 | |
| Policy advice and information projects which facilitate positive ageing | 19 | 18 | 18 | 18 | |
| Quality | | | | | |
| Stakeholder satisfaction with quality of community engagement initiatives which facilitate positive ageing | 88% | 90% | 82% | 85% | |
| Stakeholder satisfaction with the quality of policy advice and information projects which facilitate positive ageing..... | 67% | 70% | 90% | 90% | |
| Timeliness | | | | | |
| Community engagement initiatives which facilitate positive ageing completed within agreed timeframes..... | 93% | 95% | 92% | 95% | |
| Policy advice and information projects which facilitate positive ageing completed within agreed timeframes..... | 95% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per policy advice and information project which facilitates positive ageing | \$29,707 | \$43,455 | \$34,067 | \$34,871 | |
| Average cost per community engagement initiative which facilitates positive ageing | \$28,791 | \$53,613 | \$66,449 | \$70,186 | |
| Full Time Equivalent (FTEs) | 17 | 17 | 18 | 18 | |

Major Achievements For 2003-04

- Released an Active Ageing Strategy to highlight future policy directions in response to the recommendations of the Active Ageing Taskforce.
- Completed the drafting of the Carers Recognition Bill which will provide formal recognition of carers, a mechanism for greater carer involvement in the assessment, service planning and delivery of care, as well as facilitate access to complaint mechanisms.
- Commenced research to explore the extent to which seniors are participating in the community and to identify barriers to their participation.
- Assisted seniors to access new technologies to reduce social isolation and overcome communication and financial barriers by:
 - supporting computer training courses run by the Council on the Ageing Western Australian;
 - offering internet training courses to 90 seniors with disabilities and their carers, in conjunction with the Council on the Ageing WA; and
 - assisting seniors to access the Department of Education and Training's First Click programs and evaluating their effectiveness in meeting the needs of seniors. This program is designed to increase computer literacy among adult Western Australians.
- Produced a Law Booklet to help seniors access the legal system. The booklet was released in Seniors Week 2003.
- Completed a research project on retirement issues to assist in the development of planning retirement initiatives.

Major Initiatives For 2004-05

- Support the sector in the implementation of the Active Ageing Strategy initiatives.
- Develop an Active Ageing Scorecard.

- Develop a diversity analysis report to support the Scorecard and to inform policy design and the development of new initiatives.
- Explore the use of smart cards to assist seniors to access existing concessions.
- Hold a Carers Symposium in 2004 to raise awareness and knowledge of issues relevant to carers.
- Expand the range of topic sheets provided by the Office for Seniors Interests and Volunteering.

Output 4: Women's policy and progress

Policy coordination, policy advice, analysis and information, informed by community engagement and collaboration with other government agencies; monitoring and reporting on outcomes to overcome systemic inequality and promote positive attitudes to diversity thus enhancing women's progress.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 1,740 | 2,039 | 2,198 | 2,020 | |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 1,740 | 2,039 | 2,198 | 2,020 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 4 | 1,740 | 2,039 | 2,198 | 2,020 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Community engagement initiatives for women | 22 | 21 | 21 | 10 | Reprioritise towards community development initiatives for women in 2004-05. |
| Policy advice and information projects for women | 536 | 550 | 500 | 15 | Change in counting rules for Ministerial briefings to bring in line with other policy offices. |
| Quality | | | | | |
| Stakeholder satisfaction with quality of community engagement initiatives for women | 86% | 90% | 89% | 90% | |
| Stakeholder satisfaction with quality of policy advice and information projects for women.. | 63% | 70% | 63% | 70% | |
| Timeliness | | | | | |
| Community engagement initiatives conducted according to agreed timeframe..... | 88% | 95% | 95% | 95% | |
| Stakeholder satisfaction with timeliness of policy advice and information projects for women | 56% | 60% | 67% | 65% | |
| Cost (Efficiency) | | | | | |
| Average cost per community engagement initiative for women..... | \$41,562 | \$54,918 | \$48,939 | \$79,729 | Increase in unit cost reflects the decrease in the number of initiatives as a result of reprioritisation. |
| Average cost per policy advice and information project for women | \$1,541 | \$1,611 | \$2,340 | \$81,482 | Increase in unit cost reflects the change in counting rules for Ministerial briefings. |
| Full Time Equivalents (FTEs) | 17 | 17 | 14 | 13 | |

Major Achievements For 2003-04

- In conjunction with the Departments of Health, Local Government and Regional Development and Consumer and Employment Protection, conducted a trial on an audit tool to measure the sensitivity of agencies to gender and race issues.
- Commenced the development of a framework for women's safety which includes an analysis of national initiatives, issues of safety in the home, the community and in the workplace, and outlined an implementation action plan.
- Undertook an international and national literature review on women and leadership to assist in developing leadership programs for women in the Western Australian public sector.
- Held the first meeting of the Indigenous Women's Congress. The 11 member Congress will enable Indigenous women to participate more in Government decision-making.
- Completed the first Women's Progress Report Card which provides indicators of women's progress and experience in various areas of the community.

Major Initiatives For 2004-05

- In conjunction with the Indigenous Women's Congress, produce a supplementary Women's Report Card for Indigenous women which provides information on issues currently affecting Indigenous women in Western Australia.
- Develop and produce a supplementary Women's Report Card for women from culturally and linguistically diverse communities in Western Australia.
- Develop a resources kit on gender equity and current issues affecting young women in collaboration with the Office for Children and Youth, Office of Multicultural Interests, community, business and other stakeholders. The kit will be launched on International Women's Day 2005 with a series of events focussing on young women.
- Work in partnership with other government agencies to progress the Indigenous Women's National Action Plan.

Output 5: Volunteering policy and coordination

Policy coordination, policy advice, analysis and information to develop and refine a collaborative approach with government agencies and the community to promote volunteering.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 1,045 | 951 | 1,183 | 1,066 | |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 1,045 | 951 | 1,183 | 1,066 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 5 | 1,045 | 951 | 1,183 | 1,066 | |

- (a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Policy projects which facilitate volunteering... | 11 | 11 | 15 | 13 | The 2003-04 estimate includes projects carried over from the 2002-03 year. |
| Quality | | | | | |
| Stakeholder satisfaction with quality of policy projects which facilitate volunteering | 92% | 95% | 93% | 95% | |
| Timeliness | | | | | |
| Policy projects which facilitate volunteering completed within agreed timeframes | 100% | 95% | 94% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per policy project which facilitates volunteering..... | \$95,006 | \$86,489 | \$78,884 | \$81,987 | |
| Full Time Equivalents (FTEs) | 3 | 3 | 3 | 3 | |

Major Achievements For 2003-04

- Continued to encourage the take up of goals set in 'Valuing Volunteering – A Shared Vision' via a newsletter and website, and assisted agencies to progress specific goals through the delivery of funding, research and training programs in volunteer recruitment, volunteer recognition, volunteer training information and volunteer resource centres.
- Continued funding 17 Volunteer Resource Centres to assist in stabilising and establishing volunteering services, and continued the ongoing monitoring of the Centres.
- In partnership with Department of Sport and Recreation, funded the development and delivery of a series of risk management workshops to a variety of agencies which benefit from volunteers across the State.
- Successfully implemented a volunteer police checks pilot program to enable volunteer organisations to access reduced cost police clearances under the new national *Crimtrac* scheme.

Major Initiatives For 2004-05

- Develop an across government policy statement on public sector volunteering and develop initiatives to encourage the uptake of volunteering in the public sector.
- Identify and develop initiatives to address specific issues that have an impact on volunteering in Indigenous and culturally and linguistically diverse communities.
- Support and enhance the Volunteer Police Checks program.
- Commence discussions with the private sector to encourage and increase its involvement in volunteering.

Output 6: Aboriginal and Torres Strait Islander policy coordination

Departmental Policy coordination, policy advice, analysis and information for Aboriginal and Torres Strait Islander Services.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 255 | 538 | 510 | 557 | |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 255 | 538 | 510 | 557 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 6 | 255 | 538 | 510 | 557 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Policy and information projects for Aboriginal and Torres Strait Islander people | 6 | 6 | 6 | 7 | |
| Quality | | | | | |
| Stakeholder satisfaction with quality of policy and information projects for Aboriginal and Torres Strait Islander people | 86% | 90% | 85% | 90% | |
| Timeliness | | | | | |
| Stakeholder satisfaction with timeliness of policy and information projects for Aboriginal and Torres Strait Islander people | 79% | 85% | 80% | 75% | |
| Cost (Efficiency) | | | | | |
| Average cost per policy and information project for Aboriginal and Torres Strait Islander people..... | \$42,442 | \$89,667 | \$84,929 | \$79,571 | |
| Full Time Equivalents (FTEs) | 2 | 6 | 5 | 6 | |

Major Achievements For 2003-04

- Developed a new Aboriginal Strategic Plan called 'Indigenous Vision'.
- Commenced consultation and planning for a new departmental Indigenous Advisory Committee which will include external stakeholders.
- Incorporated the Aboriginal and Torres Strait Islander Principle into the Children and Community Services Bill 2003.
- Produced and distributed Shaken Baby Syndrome posters, brochures, videos and flyers targeted at new Aboriginal parents, in partnership with the Department of Indigenous Affairs and the Department of Health.
- Held an Indigenous Staff Conference titled 'Solid Change: Our Kids, Our Communities – New opportunities' for 160 Aboriginal staff.
- Produced 'Positive Image Fathers' posters intended to encourage a more positive understanding of Aboriginal fatherhood in the community.

- Developed the Western Australian Aboriginal Justice Agreement in conjunction with other departments and major stakeholders. The Agreement is a commitment by Government and the Aboriginal and Torres Strait Islander Commission to improve future-related outcomes for Aboriginal people in Western Australia.
- Commenced the Museum Cultural Art Link Project which links Aboriginal community members and children. This Project has resulted in a permanent display in the Western Australian Museum.

Major Initiatives For 2004-05

- Participate in the Aboriginal Justice Agreement Working Group to ensure continued effective consultation and planning on Aboriginal Justice regional and local plans throughout the State.
- Conduct prevention training for Parenting Officers and Aboriginal Support Workers to increase the awareness among new Aboriginal parents of Shaken Baby Syndrome.
- Establish a new departmental Indigenous Advisory Committee which will include external stakeholders.
- Determine and facilitate the Department's involvement in Reconciliation Week and National Aboriginal Islander Day Observance Committee (NAIDOC) Week.
- Provide support to young Indigenous men's groups to develop their capacity to deal with current issues they may encounter.

Output 7: Care and safety services

Services to support families and individuals in crisis and help reduce the occurrence and impact of all forms of abuse; quality care to those children placed in the care of the State.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 122,238 | 131,135 | 137,325 | 141,648 | 2004-05 budget includes new funding for protection and care workers. |
| Less Revenues from Ordinary Activities | 17,501 | 16,298 | 16,855 | 17,328 | |
| Net Cost of Output | 104,737 | 114,837 | 120,470 | 124,320 | |
| Adjustments ^(a) | 2,673 | (745) | (5,600) | (2,101) | |
| Appropriation for delivery of Output 7 | 107,410 | 114,092 | 114,870 | 122,219 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Care and safety case equivalents ^(a) | 41,476 | 43,406 | 42,774 | 42,911 | |
| Quality | | | | | |
| Customer satisfaction with quality of care and safety case equivalent services..... | 98% | 95% | 98% | 95% | |
| Children departmentally placed who had a total of three or fewer placements..... | 92% | 90% | 89% | 90% | |
| Aboriginal and Torres Strait children placed with Aboriginal and Torres Strait carers or services which, employ Aboriginal and Torres Strait carers..... | 88% | 90% | 86% | 90% | |
| Timeliness | | | | | |
| Customers satisfaction with timeliness of care and safety case equivalent services..... | 97% | 95% | 96% | 95% | |
| Investigations of allegations of child maltreatment which began within priority timeframes..... | 92% | 100% | 96% | 100% | |
| Quarterly case reviews for children in care produced on time..... | 91% | 90% | 87% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost per care and safety case equivalent services..... | \$2,947 | \$3,021 | \$3,210 | \$3,301 | |
| Full Time Equivalents (FTEs) ^(b) | 643 | 678 | 817 | 885 | |

(a) Care and safety case equivalents include maltreatment allegations, care and protection applications, intensive family support and treatment, financial assistance and counselling, disaster responses and supported accommodation cases.

(b) A Departmental survey conducted in 2003-04 has shown a shift in the use of labour from community development to care and safety services, hence the increase in FTE from 2003-04 budget. The 2004-05 target includes the additional 50 protection and care workers and the 14 Intensive Response Workers (Gordon Inquiry), hence the increase in FTE from 2003-04 budget.

Major Achievements For 2003-04

- Introduced the Children and Community Services Bill 2003 to Parliament. The new legislation reflects current research evidence and contemporary practice and has an overarching set of guiding principles with a focus on the participation of children in the making of decisions that affect their lives.
- Continued to develop a 'Grandparents and Other Relatives as Carers' policy and strategy.
- Continued to implement initiatives arising from the Gordon Inquiry by:
 - appointing 25 additional child protection workers and 14 Aboriginal support workers, and progressing recruitment strategies for the remaining positions;
 - expanding the Strong Families program to 12 locations;
 - providing additional funding for the Indigenous Family Program and selecting a new non-government Indigenous service provider;
 - tabling the first Annual Report for the Child Death Review Committee;
 - undertaking analysis into significant trends in child deaths in Western Australia (by the Advisory Council on the Prevention of Deaths of Children and Young People);
 - conducting negotiations for the establishment of the Safe Places – Safe People program; and
 - appointing and training staff for the Video Evidentiary Unit.
- In partnership with the Department of Education and Training and the CREATE Foundation, implemented demonstration projects in Mirrabooka and Cannington districts on the use of education plans for children and young people in care.
- Convened a forum through Children and Young People in Care Advisory Committee (CYPCAC), to develop strategies to reduce the entry of children and young people into out-of-home care as a result of parental drug use and other factors.

The forum involved parents, carers and key agency representatives and a separate consultation was held with children and young people in care, or at risk of entering care. The CYPCAC's recommendations will inform further action.

- Undertook research to identify the relationship between parental drug and alcohol use and the entry of children and young people into out-of-home care.
- Implemented initiatives arising from the State Homelessness Taskforce, commenced evaluation initiatives for homeless children, and continued to support the monitoring process by:
 - developing an evaluation framework, performance indicators and a performance indicator report
 - completing an evaluation of the progress of the implementation of the Strategy; and
 - progressing awareness and communication of relevant issues. Assisted the Department of Housing and Works with a community information day (International Day for the Eradication of Poverty) to showcase services available to assist people in need.
- Commenced operation of a 24-hour Women's Domestic Violence Helpline to provide information, counselling and referral to women experiencing family and domestic violence. Developed and circulated posters and cards promoting the service to approximately 2,000 service locations.
- Established crisis response services for women and children escaping domestic violence in Laverton and progressed implementation of a crisis response service in Meekatharra.
- Implemented Domestic Violence Advocacy and Support services in the central metropolitan area for women in crisis as a result of family and domestic violence. The service is a coordinated response from government and non government agencies providing legal and social support, advice and referral from one location.
- Established a Duty of Care Unit to ensure allegations of abuse in care are followed-up appropriately and that the Department has discharged its legal responsibilities under the *Child Welfare Act* and the Bennett principle.
- Introduced a Central Carer Register to monitor the status of Departmental foster carers and foster carers with funded non-government placement agencies.
- Developed an Interagency Collaborative Framework for the Protection of Children.
- Commenced development of an interagency common practice framework for family reunification. Commenced a tendering process through the CYPCAC to develop an assessment tool for Indigenous family reunification.
- Progressed the redevelopment of protocols with the Disability Services Commission on the respective agency responsibilities for children with disabilities who require out-of-home care, including children under the Director General's guardianship.
- Finalised a Memorandum of Understanding with the Disability Services Commission, the Departments of Health, and Education and Training to ensure the support needs of children who require medical technology to maintain respiratory function are met.
- Contributed to the development of a National Plan for Foster Children, Young People and their Carers under the auspices of the Community and Disability Services Ministers Council.
- Commenced the development and implementation of a range of supports for foster carers including:
 - 33 percent increase to the foster carer subsidy over three years commencing January 2004;
 - payment of a clothing allowance for all children in care commencing September 2003;
 - introduction of a counselling service available to all members of a foster family for personal or family issues impacting on the foster carer role; and
 - progressed the development of a Foster Carer Charter in partnership with the Foster Care Association of Western Australia.

Major Initiatives For 2004-05

- Appoint 50 additional protection and care caseworkers to ensure that the Department provides safe, quality care for those children in State care. Protecting all children, and particularly, those most vulnerable, is part of the State Government's 'Children First' agenda.
- Implement strategies to reduce the entry of children into care as a result of parental drug use and associated factors in collaboration with the CYPCAC and other stakeholders.
- Continue implementing the initiatives arising from the Gordon Inquiry, in particular, the establishment of the Safe Places – Safe People program and the Video Evidentiary Unit.
- Continue to monitor and support implementation of the State Homelessness Strategy, including a further evaluation by 31 December 2005.
- Determine the future directions and funding arrangements for the Commonwealth/State Supported Accommodation Assistance Program.
- Finalise legislation for screening criminal records of those working with children and establish policies, guidelines and business processes required for implementation.
- Commence development of the next Strategic Plan for Children in Care (from 2006), one of the four operational frameworks underpinning the Department's Overarching Strategic Framework.
- Introduce mandatory training for all foster carers.
- Review placement responses and care models for children and young people requiring out-of-home placement, particularly those who display extremely high risk or difficult behaviours.
- Develop best practice guidelines for reunifying children with their families.
- In relation to the Children and Community Services Bill 2003:
 - develop regulations;
 - develop a Charter of Children's Rights for children in the care of the Director General;
 - develop written guidelines to be observed when making placements for children from culturally and linguistically diverse backgrounds; and
 - prepare for the implementation of the new legislation.
- Finalise the 'Grandparents and Other Relatives as Carers' strategy.
- Finalise the review of standards of services for children and young people in care.
- Update policy to guide the Department's operational response to family and domestic violence.
- Develop an internet based statewide resource guide of family and domestic violence services as part of the Women's Domestic Violence Helpline.
- Complete a Memorandum of Understanding between the Department and the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs on child protection notifications involving children held in immigration detention in Western Australia.

Output 8: Family and domestic violence coordination

Policy development and coordination to support families and individuals experiencing family and domestic violence.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 2,249 | 2,616 | 2,517 | 2,408 | |
| Less Revenues from Ordinary Activities | - | 25 | - | - | |
| Net Cost of Output | 2,249 | 2,591 | 2,517 | 2,408 | |
| Adjustments ^(a) | - | - | - | - | |
| Appropriation for delivery of Output 8 | 2,249 | 2,591 | 2,517 | 2,408 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Family and domestic violence coordination and community education projects..... | 9 | 9 | 9 | 9 | |
| Quality | | | | | |
| Stakeholder satisfaction with quality of family and domestic violence coordination and community education projects | 70% | 75% | 80% | 80% | |
| Timeliness | | | | | |
| Stakeholder satisfaction with timeliness of family and domestic violence coordination and community education projects..... | 72% | 75% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per family and domestic violence coordination and community education project..... | \$249,851 | \$290,682 | \$279,628 | \$267,517 | |
| Full Time Equivalents (FTEs) | 6 | 11 | 12 | 12 | |

Major Achievements For 2003-04

- Released the State Strategic Plan on family and domestic violence and developed an implementation strategy.
- Convened the annual conference for Chairs and Coordinators of Regional Domestic Violence Committees to encourage the achievement of effective regional coordination, increase networking opportunities and develop linkages across government agencies.
- Commenced planning for an across government data collection project to develop benchmarks and measure changes over time on the achievement of family and domestic violence strategies.
- Progressed a pilot workplace strategy between Edith Cowan University and the Family and Domestic Violence Unit to address the needs of employee victims and perpetrators of family and domestic violence, and address the impact of domestic violence in the workplace. Developed draft training manuals and resources, and identified and committed two workplaces to the project.

- Developed and distributed three resources targeted specifically for Aboriginal communities as a result of the Family and Friends initiative. These comprise a brochure encouraging family and friends of those experiencing family violence to offer their support, a poster targeted at family violence and a wallet card to supplement the brochure and the poster.
- Provided funding for the delivery of training for the 'Wrong Way, Understanding and Responding to Aboriginal Family Violence' package and conducted a follow-up workshop and network meetings to ensure the effective delivery of services to Indigenous peoples.

Major Initiatives For 2004-05

- Provide policy and service advice to Government on children and young people witnessing family and domestic violence.
- Support regional coordination by resourcing local statewide regional domestic violence committees.
- Establish directions for prevention and public awareness programs for family and domestic violence, including the development of resources for special interest groups.
- Develop systems for the monitoring and evaluation of the Family and Domestic Violence State Strategic Plan by collecting, monitoring and evaluating evidence on research, practice and emerging themes and approaches.
- Develop a policy framework to support the regional coordination of family and domestic violence responses by the development of annual action plans.
- Complete a pilot workplace strategy addressing the needs of employee victims and perpetrators of family and domestic violence in two workplaces.
- Develop an across government data collection methodology to establish benchmarks in family and domestic violence and measure changes over time.

CAPITAL WORKS PROGRAM

The Department's capital works program provides for the replacement, maintenance and expansion of assets that support the delivery of the Department's outputs. These assets include service delivery offices, community facilities, hostels, group homes, information services, hardware, software and office equipment. In 2003-04, major projects included the construction of the Waroona Community Resource Centre, Westview Hostel (Geraldton) refurbishment, the development of Business Plans for the proposed Community Centres at Fitzroy Crossing and Kununurra and an extensive upgrade of office equipment and telecommunications for departmental offices throughout the State.

Major information, communication and technology capital projects include the replacement of all the Department's printers, the installation of a Storage Area Network and the migration from Novell to Microsoft's electronic mail, network directory and print and file services.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Buildings Minor Works - | | | | |
| Fremantle Office..... | 726 | 26 | 26 | 700 |
| Community Centre Program - | | | | |
| 2002/03 Program | 2,000 | 115 | 115 | 1,885 |
| Computer Hardware and Software - | | | | |
| Computing and office equipment..... | 232 | 174 | 58 | 58 |
| Information Systems Redevelopment | 400 | 150 | 150 | 250 |
| Furniture and Equipment - | | | | |
| 2003/04 Program | 910 | 710 | 710 | 200 |
| COMPLETED WORKS | | | | |
| Buildings Minor Works - | | | | |
| Family Centre Remodelling..... | 550 | 550 | 351 | - |
| Heritage Buildings..... | 300 | 300 | 162 | - |
| Hostel Refurbishment..... | 750 | 750 | 72 | - |
| Community Centre Program - | | | | |
| 2001/02 Program | 3,000 | 3,000 | 185 | - |
| Computer Hardware and Software - | | | | |
| Information Systems Program - 2001/02 | 2,638 | 2,638 | 2,434 | - |
| Information Systems Program - 2002/03 | 199 | 199 | 199 | - |
| IT WAN Upgrade | 330 | 330 | 245 | - |
| Records and Document Management | 220 | 220 | 220 | - |
| Software Development | 1,400 | 1,400 | 316 | - |
| Software Upgrade 2002/03 | 600 | 600 | 600 | - |
| Systems Development | 146 | 146 | 146 | - |
| Systems Infrastructure | 1,050 | 1,050 | 1,050 | - |
| Expanded National Child Strategy - | | | | |
| Long Day Care Centres - | | | | |
| 1997-98 Program | 4,940 | 4,940 | 916 | - |
| Furniture and Equipment - | | | | |
| 2002/03 Program | 859 | 859 | 70 | - |
| Hostels - | | | | |
| Group Home for Southern Corridor..... | 796 | 796 | 796 | - |
| Residential Facility | 1,087 | 1,087 | 103 | - |
| NEW WORKS | | | | |
| Accommodation - | | | | |
| Service Delivery Office Accommodation | 810 | - | - | 810 |
| Service Unit Accommodation Upgrades..... | 1,000 | - | - | 500 |
| Upgrade of Provider Support Accommodation..... | 484 | - | - | 484 |
| Buildings Minor Works - | | | | |
| Broome Office..... | 561 | - | - | 561 |
| Heritage Buildings..... | 200 | - | - | 150 |
| Karratha Office..... | 129 | - | - | 129 |
| Manjimup Office..... | 345 | - | - | 345 |
| Office of Senior's Interests - Accommodation Upgrade..... | 545 | - | - | 545 |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| Community Centre Program - | | | | |
| Bunbury Community House (x2)..... | 1,000 | - | - | 150 |
| Currambine Community Centre..... | 500 | - | - | 500 |
| Fitzroy Community Centre..... | 500 | - | - | 500 |
| Computer Hardware and Software - | | | | |
| Enterprise Architecture..... | 1,559 | - | - | 834 |
| Infrastructure Replacement (4 year cycle)..... | 15,748 | - | - | 3,000 |
| IT WAN Upgrade Residual..... | 310 | - | - | 310 |
| Software Upgrade 2003/04..... | 410 | - | - | 410 |
| Upgrade of Financial Systems..... | 300 | - | - | 300 |
| Furniture and Equipment - | | | | |
| Furniture & Office Equipment Replacement..... | 1,520 | - | - | 779 |
| Hostels - | | | | |
| Refurbishment of Existing Hostel Accommodation..... | 6,490 | - | - | 1,668 |
| | 55,544 | 20,040 | 8,924 | 15,068 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 6,820 | 11,358 | 8,924 | 15,068 | 14,510 | 11,500 | 7,788 |
| | 6,820 | 11,358 | 8,924 | 15,068 | 14,510 | 11,500 | 7,788 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account..... | 2,138 | 2,885 | 2,885 | 3,155 | 2,973 | - | 1,145 |
| Funding included in output appropriations ^(a) .. | 4,681 | 2,476 | 2,476 | 250 | - | - | 6,643 |
| Internal Funds and Balances..... | (820) | 2,434 | - | 6,679 | - | - | - |
| Capital Contribution..... | 821 | 3,563 | 3,563 | 4,984 | 11,537 | 11,500 | - |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 62,314 | 68,439 | 68,538 | 73,330 | 75,400 | 77,118 | 78,603 |
| Superannuation | 6,591 | 7,000 | 7,111 | 7,583 | 7,789 | 7,981 | 7,990 |
| Grants and subsidies ^(b) | 24,335 | 24,818 | 26,817 | 28,408 | 28,664 | 27,170 | 27,170 |
| Services purchased from non-government agencies | 57,402 | 60,319 | 64,941 | 63,059 | 61,758 | 61,655 | 61,753 |
| Supplies and services | 25,800 | 31,373 | 29,825 | 28,727 | 30,627 | 31,131 | 38,629 |
| Accommodation | 9,095 | 6,884 | 9,543 | 9,756 | 9,778 | 9,804 | 11,140 |
| Capital User Charge | 5,020 | 4,682 | 5,487 | 4,798 | 5,539 | 6,373 | 6,373 |
| Depreciation and amortisation | 3,532 | 3,405 | 3,405 | 2,628 | 2,628 | 2,628 | 2,628 |
| Administration | 891 | - | 420 | 310 | 304 | 303 | 301 |
| Net loss on disposal of non-current assets | 35 | 736 | - | - | - | - | - |
| Costs of disposal of non-current assets | 82 | - | - | - | - | - | - |
| Other expenses | - | 2,444 | 287 | 282 | 288 | 289 | 119 |
| TOTAL COST OF SERVICES | 195,097 | 210,100 | 216,374 | 218,881 | 222,775 | 224,452 | 234,706 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 85 | 92 | 92 | 109 | 137 | 109 | 137 |
| Grants and subsidies | 17,476 | 16,526 | 17,178 | 17,595 | 18,023 | 18,461 | 18,911 |
| Proceeds from disposal of non-current assets .. | 34 | - | - | - | - | - | - |
| Other Revenue | 2,471 | 1,318 | 1,144 | 470 | 470 | 470 | 470 |
| Total Revenues from Ordinary Activities | 20,066 | 17,936 | 18,414 | 18,174 | 18,630 | 19,040 | 19,518 |
| NET COST OF SERVICES | 175,031 | 192,164 | 197,960 | 200,707 | 204,145 | 205,412 | 215,188 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 179,237 | 189,775 | 189,330 | 197,516 | 201,182 | 203,984 | 214,300 |
| Resources received free of charge | 372 | 198 | 370 | 260 | 254 | 253 | 251 |
| Liabilities assumed by the Treasurer | 624 | 314 | 540 | 540 | 540 | 540 | 540 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 180,233 | 190,287 | 190,240 | 198,316 | 201,976 | 204,777 | 215,091 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 5,202 | (1,877) | (7,720) | (2,391) | (2,169) | (635) | (97) |
| Change in Equity arising from transfer of assets/liabilities | 68 | - | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 5,270 | (1,877) | (7,720) | (2,391) | (2,169) | (635) | (97) |

(a) The Full Time Equivalent (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 1,169, 1,241 and 1,324 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 15,191 | 10,969 | 7,104 | 8,159 | 8,624 | 9,142 | 9,932 |
| Restricted cash..... | 3,780 | 2,678 | 4,004 | 1,605 | 1,842 | 2,086 | 2,086 |
| Receivables..... | 1,419 | 1,392 | 1,351 | 1,322 | 1,291 | 1,262 | 1,233 |
| Amounts receivable for outputs..... | 2,885 | 3,155 | 3,155 | 2,973 | - | 1,145 | - |
| Prepayments..... | 6,726 | 5,368 | 6,254 | 6,003 | 5,754 | 5,251 | 5,251 |
| Total current assets..... | 30,001 | 23,562 | 21,868 | 20,062 | 17,511 | 18,886 | 18,502 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 3,152 | 3,829 | 3,402 | 3,057 | 5,727 | 7,360 | 10,539 |
| Land and Buildings..... | 45,449 | 43,748 | 44,632 | 44,001 | 43,370 | 42,739 | 42,108 |
| Plant, equipment and vehicles..... | 1,052 | 1,497 | 1,435 | 2,655 | 3,670 | 3,219 | 2,469 |
| Other..... | 11,233 | 14,147 | 16,298 | 19,052 | 29,056 | 39,010 | 38,907 |
| Total non-current assets..... | 60,886 | 63,221 | 65,767 | 68,765 | 81,823 | 92,328 | 94,023 |
| TOTAL ASSETS..... | 90,887 | 86,783 | 87,635 | 88,827 | 99,334 | 111,214 | 112,525 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 276 | 1,556 | 278 | 278 | 278 | 277 | 276 |
| Provision for employee entitlements..... | 12,411 | 11,138 | 12,883 | 13,499 | 14,170 | 14,911 | 15,660 |
| Accrued Salaries..... | 1,720 | 2,146 | 2,013 | - | 237 | 244 | 244 |
| Other..... | 826 | 378 | 888 | 663 | 690 | 691 | 1,084 |
| Total current liabilities..... | 15,233 | 15,218 | 16,062 | 14,440 | 15,375 | 16,123 | 17,264 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 3,528 | 3,531 | 3,604 | 3,825 | 4,029 | 4,296 | 4,563 |
| Other..... | 256 | 307 | 256 | 256 | 256 | 256 | 256 |
| Total non-current liabilities..... | 3,784 | 3,838 | 3,860 | 4,081 | 4,285 | 4,552 | 4,819 |
| TOTAL LIABILITIES..... | 19,017 | 19,056 | 19,922 | 18,521 | 19,660 | 20,675 | 22,083 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 5,638 | 9,116 | 9,201 | 14,185 | 25,722 | 37,222 | 37,222 |
| Accumulated surplus/(deficit)..... | 28,161 | 20,068 | 20,441 | 18,050 | 15,881 | 15,246 | 15,149 |
| Asset revaluation reserve..... | 38,071 | 38,543 | 38,071 | 38,071 | 38,071 | 38,071 | 38,071 |
| Total equity..... | 71,870 | 67,727 | 67,713 | 70,306 | 79,674 | 90,539 | 90,442 |
| TOTAL LIABILITIES AND EQUITY..... | 90,887 | 86,783 | 87,635 | 88,827 | 99,334 | 111,214 | 112,525 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 175,363 | 185,943 | 185,925 | 194,888 | 198,512 | 201,206 | 211,121 |
| Capital Contribution | 821 | 3,563 | 3,563 | 4,984 | 11,537 | 11,500 | - |
| Holding Account Drawdowns..... | 2,686 | 2,885 | 2,885 | 3,155 | 2,973 | - | 1,145 |
| Net cash provided by State government..... | 178,870 | 192,391 | 192,373 | 203,027 | 213,022 | 212,706 | 212,266 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (60,866) | (67,539) | (67,697) | (74,506) | (74,288) | (76,102) | (77,587) |
| Superannuation..... | (5,967) | (6,686) | (6,513) | (7,268) | (7,223) | (7,440) | (7,449) |
| Supplies and services..... | (24,282) | (29,277) | (30,028) | (28,898) | (30,799) | (31,302) | (38,628) |
| Grants and subsidies | (24,442) | (25,228) | (26,592) | (28,408) | (28,664) | (27,170) | (27,170) |
| Accommodation..... | (10,674) | (6,968) | (9,547) | (9,756) | (9,778) | (9,804) | (11,140) |
| Administration..... | (151) | (1,559) | (50) | (50) | (50) | (50) | (50) |
| Capital User Charge..... | (5,020) | (4,682) | (5,487) | (4,798) | (5,539) | (6,373) | (6,373) |
| Services purchased from non-government agencies | (58,185) | (58,719) | (64,653) | (62,809) | (61,508) | (61,155) | (61,362) |
| Goods and Services Tax | (10,044) | (8,400) | (11,461) | (11,349) | (11,028) | (10,887) | (10,887) |
| Other..... | - | (2,444) | (115) | (110) | (116) | (117) | (119) |
| Receipts | | | | | | | |
| User charges and fees | 85 | 92 | 92 | 109 | 137 | 109 | 137 |
| Goods and Services Tax | 9,904 | 8,400 | 11,529 | 11,378 | 11,059 | 10,916 | 10,916 |
| Grants and subsidies | 17,399 | 16,526 | 17,178 | 17,595 | 18,023 | 18,461 | 18,911 |
| Other..... | 1,733 | 1,438 | 1,144 | 470 | 470 | 470 | 470 |
| Net cash from operating activities..... | (170,510) | (185,046) | (192,200) | (198,400) | (199,304) | (200,444) | (210,331) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (2,566) | (6,448) | (8,036) | (5,971) | (13,016) | (11,500) | (1,145) |
| Proceeds from sale of non-current assets | 34 | - | - | - | - | - | - |
| Net cash from investing activities..... | (2,532) | (6,448) | (8,036) | (5,971) | (13,016) | (11,500) | (1,145) |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | 5,828 | 897 | (7,863) | (1,344) | 702 | 762 | 790 |
| Cash assets at the beginning of the reporting period | 13,143 | 12,750 | 18,971 | 11,108 | 9,764 | 10,466 | 11,228 |
| Cash assets at the end of the reporting period..... | 18,971 | 13,647 | 11,108 | 9,764 | 10,466 | 11,228 | 12,018 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| Children in care | 16,623 | 17,050 | 19,998 | 19,220 | 20,920 | 21,920 | 21,920 |
| Family crisis program..... | 1,487 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Capital Grants..... | 1,466 | 1,691 | 1,219 | 3,218 | 2,494 | - | - |
| Volunteering..... | 351 | 395 | 350 | 720 | - | - | - |
| Positive Ageing Initiatives..... | 107 | 25 | 20 | 20 | 20 | 20 | 20 |
| Freedom from Fear..... | 122 | 80 | 100 | 100 | 100 | 100 | 100 |
| Disaster Relief..... | 150 | 8 | - | - | - | - | - |
| Youth grants and disbursements ^(a) | 3,951 | 4,000 | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 |
| Other | 78 | 69 | 30 | 30 | 30 | 30 | 30 |
| TOTAL | 24,335 | 24,818 | 26,817 | 28,408 | 28,664 | 27,170 | 27,170 |

(a) Includes grants to the cadet program and community service grants.

TRUST ACCOUNT DETAILS**Western Australian Family Foundation Trust Account**

The purpose of the Account is to hold funds for development, implementation and administration initiatives and activities regarding the family and community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|-----------------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 666 | 285 | 456 | 671 |
| Receipts: | | | | |
| Appropriations..... | 560 | 560 | 560 | 560 |
| | 1,226 | 845 | 1,016 | 1,231 |
| Payments | 770 | 560 | 345 | 560 |
| CLOSING BALANCE..... | 456 | 285 | 671 | 671 |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Aboriginal Child Care Training..... | 41 | 39 | 41 | 41 |
| Children's Services | 330 | 383 | 330 | 330 |
| Christmas/Cocos Island..... | 81 | 65 | 81 | 81 |
| Departmental Services..... | 1,719 | 1,465 | 1,237 | 580 |
| Family Law Court | 685 | - | - | - |
| GST input credits..... | 9,800 | 8,320 | 11,461 | 11,349 |
| GST Receipts on Sales | 104 | 80 | 68 | 29 |
| National Youth Week | 23 | - | 20 | 20 |
| Supported Accommodation Assistance Program..... | 16,314 | 16,088 | 16,694 | 17,111 |
| Unattached Refugee Children..... | 24 | 16 | 11 | 11 |
| TOTAL..... | 29,121 | 26,456 | 29,943 | 29,552 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

DISABILITY SERVICES COMMISSION

PART 13 - MINISTER FOR COMMUNITY DEVELOPMENT, WOMEN'S INTERESTS, SENIORS AND YOUTH; DISABILITY SERVICES; CULTURE AND THE ARTS

DIVISION 56

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 92 Net amount appropriated to deliver outputs | 195,276 | 207,068 | 206,901 | 223,942 | 241,771 | 260,098 | 279,185 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 185 | 185 | 191 | 191 | 191 | 191 | 191 |
| Total appropriations provided to deliver outputs | 195,461 | 207,253 | 207,092 | 224,133 | 241,962 | 260,289 | 279,376 |
| CAPITAL | | | | | | | |
| Item 153 Capital Contribution | 1,781 | 3,261 | 3,261 | 2,763 | 3,479 | 811 | 511 |
| GRAND TOTAL..... | 197,242 | 210,514 | 210,353 | 226,896 | 245,441 | 261,100 | 279,887 |

MISSION

The primary focus of the Commission is to make a positive difference to the lives of people with disabilities, their families and carers. The Commission will provide leadership to:

- support local communities in welcoming and assisting people with a disability, their families and carers;*
- achieve access to quality support and services for people with a disability; and*
- protect the rights of people with a disability who are especially vulnerable and support them to live a full and valued life.*

SIGNIFICANT ISSUES AND TRENDS

- Ageing carers – many people with disabilities live at home with ageing parents. As almost 70% of all care is provided by family members, the ageing and associated health issues of carers is placing new and urgent demands on accommodation and community based support services. Ongoing planning is being undertaken to help support families plan for the future.
- Ageing of people with disabilities – the current population of people with disabilities has significantly outlived previous population cohorts. This improved life expectancy has been attributed to advances in medical technology and changing socio-demographic factors. The age of people with a disability can impact significantly on both the design and demand for services, particularly the demand for accommodation services. While younger people who enter accommodation for the first time impact on the “average age” in accommodation services, the number of people aged over 50 years continues to increase. In 2003-04, 25% of people in Commission accommodation were over 50 years of age.
- Accommodation support - the number of people supported in group homes and hostels has changed over the years. Few people now choose to move into hostels; people with extremely high support needs are now more likely to move into group homes. Many people who traditionally may have moved into group homes and hostels are now choosing to live in the community, as individual funding now allows people with disabilities to choose their place of residence and model of support. The most significant growth has been in the number of people in supported community living, which includes a variety of formal and informal support arrangements.

- Demand – the demand for services continues to be driven by sustained increases in the number of people with disabilities and the take-up rate of disability services. Factors influencing demand include ageing carers, the ageing of people with disabilities, increased survival rates of people with severe and profound disabilities and changing community expectations. The Commission faces the continuing challenge of balancing its response to those in most critical need, while maintaining the capacity for early intervention and support strategies that prevent or delay the need for crisis intervention and enable people with disabilities to live more independent and fulfilling lives.
- Families and carers - families and carers continue to be the main source of support for people with disabilities. It is estimated that over 70% of support is provided from this source. The provision of adequate support services for families and carers to help them maintain their caring role is critical in promoting individual and family well-being, reducing the need for crisis support and avoiding premature or inappropriate entry into high cost residential care. However there continues to be an increasing number of aged carers who are seeking accommodation services for family members. They often have needs that are both critical and complex.
- Commonwealth State and Territory Disability Agreement (CSTDA) - 16% of the Commission's budget is from funding provided by the Australian Government under the CSTDA. Following extensive negotiations, the third agreement was signed by the Western Australian and Australian Government Ministers prior to 30 June 2003. The agreement covers the period 2002-03 to 2006-07. The third CSTDA includes a bilateral agreement with the Australian Government that outlines joint work to be undertaken in areas of identified need including younger people in nursing homes and the employment/ day options interface. The agreement also includes more detailed reporting requirements.
- Family leadership and community capacity – a key focus of the Commission is on acknowledging the strengths and leadership of families as well as support for local communities to include people with disabilities as valued citizens. This is an important long term strategy and will have a positive impact on the quality of life of people with a disability and demand for disability services.
- Community access - as public authorities throughout Western Australia have implemented Disability Service Plans, people with disabilities are better able to access and participate in the community. There is growing awareness of the rights of people with disabilities to access all facets of community life, along with increased recognition of the importance of working in partnership with the private sector to support the creation of more accessible and welcoming communities. Further work, however, is needed to raise awareness in the general community of the rights of people with a disability.
- Services for Indigenous people with disabilities – Indigenous people with disabilities, especially those living in rural and remote areas of the State, are under-represented in their use of disability services. The Commission is supporting the development and promotion of new and culturally appropriate models of supports and service delivery that are acceptable and responsive to local Indigenous communities.
- People with disabilities without day options – as people with disabilities grow older many lose employment and alternative to work placements. Changes to employment criteria by the Australian Government have also contributed to this. Loss of day options places additional burdens on families and accommodation providers who must provide support to replace lost day options. The employment reforms proposed by the Australian Government are estimated to reach a recurrent cost to the State budget of seven million dollars by 2007.
- Access to employment - Present and future job seekers, including young people with high support needs, have increasing difficulty in accessing and maintaining employment. The Australian Government supported employment reforms are causing an increased demand on State-funded services including alternatives to employment, accommodation and respite services.
- Increasing need - There is an increasing incidence of organisations seeking to transfer individuals out of their accommodation services as the result of challenging behaviours. Services have also noted increasing costs for their clients driven by many factors including clients with challenging behaviours (especially young adults with autism spectrum disorders), individuals who have a dual diagnosis and the ageing of people with a disability. The Commission continues to support the work of the Sector Development and Reform Working Party to explore ways to contain the costs of services as well as funding programs to address needs in the most appropriate setting.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Additional Business Plan Funding..... | 3,758 | 7,976 | 12,788 | 26,166 |
| Additional Indexation Funding for the Non-Government Sector..... | 1,248 | 2,435 | 3,399 | 4,363 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Accommodation Support..... | 140,169 | 146,536 | 147,974 | 156,091 | | | |
| <i>Output 2:</i> | | | | | | | |
| Individual and Family Support..... | 70,693 | 75,271 | 76,568 | 82,603 | | | |
| <i>Output 3:</i> | | | | | | | |
| Individual Coordination..... | 26,070 | 27,910 | 28,798 | 30,139 | | | |
| <i>Output 4:</i> | | | | | | | |
| Strategic Coordination..... | 6,583 | 5,935 | 7,824 | 7,972 | | | |
| Total Cost of Outputs..... | 243,515 | 255,652 | 261,164 | 276,805 | 295,512 | 315,455 | 334,679 |
| <i>Less Revenues from Ordinary Activities.....</i> | <i>49,928</i> | <i>48,193</i> | <i>53,814</i> | <i>52,548</i> | <i>53,321</i> | <i>54,937</i> | <i>55,083</i> |
| Net Cost of Outputs..... | 193,587 | 207,459 | 207,350 | 224,257 | 242,191 | 260,518 | 279,596 |
| Adjustments ^(a) | 1,874 | (206) | (258) | (124) | (229) | (229) | (220) |
| Appropriation provided to deliver Outputs. | 195,461 | 207,253 | 207,092 | 224,133 | 241,962 | 260,289 | 279,376 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b)..... | 1,781 | 3,261 | 3,261 | 2,763 | 3,479 | 811 | 511 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS..... | 197,242 | 210,514 | 210,353 | 226,896 | 245,441 | 261,100 | 279,887 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chairperson of the Disability Services Commission Board, the Director General and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Outputs |
|--|--|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Enhance the environment and well being of people with disabilities and their carers by the provision of necessary supports and services. | 1. Accommodation Support 2. Individual and Family Support 3. Individual Coordination 4. Strategic Coordination |

Output 1: Accommodation Support

Accommodation support encompasses appropriate support for people with disabilities to live in a range of accommodation options including hostels, group homes or their own home. This includes support with personal care and independent living skills and may range from a few hours of support a week to 24-hour care.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 140,169 | 146,536 | 147,974 | 156,091 | |
| Less Revenues from Ordinary Activities | 22,944 | 22,578 | 24,666 | 23,999 | |
| Net Cost of Output | 117,225 | 123,958 | 123,308 | 132,092 | |
| Adjustments ^(a) | 949 | (92) | (153) | (73) | |
| Appropriation for delivery of Output 1 | 118,174 | 123,866 | 123,155 | 132,019 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| People Supported..... | 3,265 | 3,334 | 3,345 | 3,452 | |
| Quality | | | | | |
| Clients satisfied | na | 90% | 90% | 90% | Satisfaction survey not completed in 2002-03 |
| Timeliness | | | | | |
| Average time from approval to implementation of accommodation support plan..... | 4 days | 6 days | 4 days | 6 days | |
| Cost (Efficiency) | | | | | |
| Average cost per person | \$42,931 | \$43,952 | \$44,237 | \$45,218 | |
| Full Time Equivalents (FTEs) | 1072 | 1072 | 1090 | 1090 | |

Major Achievements For 2003-04

- A total of 103 people received accommodation support, 80 from growth funding and 23 through more efficient use of vacancies through the Options Exploration Process.
- The Options Exploration Process for accommodation support funding has been further developed. This process helps the sector to respond better to accommodation support needs and coordinate access to vacancies across the sector.
- An implementation plan for the recommendations of the Accommodation Blueprint Steering Committee Report has been developed and work is progressing on achieving the 60 recommendations contained in this Blueprint.
- Development of a funding policy on out-of-home-care support for children has commenced.
- The Commission has consolidated its Accommodation Support Team which assists Government and Funded agencies to manage people with challenging behaviours. During 2003-04 significant emphasis was placed on developing service protocols and working relationships with funded agencies.
- A project has been commenced to map service provider capacity and potential service need in rural and remote areas.
- The Commission has compiled a comprehensive service provider directory to facilitate family decisions in choosing accommodation support providers. The directory will be available on the Commission's website in May 2004.
- Planning for the re-development of Supported Accommodation Services for 10 clients was completed and implementation commenced.
- The Periodic Service Review Management and Quality Assurance system has been maintained and further developed in 2003-04 for direct care staff and supervisors/managers.
- An emergency service for people with disabilities in crisis has been established and consolidated at Boulton Street.
- Re-development of Norwich, Bristol and Sussex high support hostels was completed and construction commenced on the Fairholme re-development project.
- Two organisations received project funding to develop innovative waitlist strategies in Early Childhood Intervention. The results will be shared with all providers when complete.
- \$200,000 has been allocated for training of support workers to increase skills and numbers of trained workers. The project had an emphasis on regional service and will increase the community's capacity to support families and people with disabilities.

Major Initiatives For 2004-05

- Provide 107 people with accommodation support from growth funding and provide an anticipated additional 19 accommodation support options through vacancies and improved placement through the Options Exploration Process.
- Refine the Options Exploration Process to better respond to accommodation support needs and coordinate access to vacancies across the sector.
- Implement the majority of the Accommodation Blueprint Steering Committee Report recommendations. A small number of recommendations tied to research initiatives and longer term projects will require a longer timeframe.
- Complete the development of a funding policy on out-of-home-care support for children.
- Through a Challenging Behaviour Consortium formed with the non government sector, develop greater choice and availability of services for individuals with challenging behaviours. This strategy will also reduce the incidence of individuals requiring relocation as the result of challenging behaviours.
- The Covering WA project will assist in the development of additional service providers in the southern areas of WA during 2004-05, and provide greater choice for individuals and families.

- Implementation of a redeveloped Supported Accommodation Service for 10 people.
- The Periodic Service Review Management System will continue to be developed with an objective to computerise much of this system in 2004-05.
- Identify alternative methods of responding to requests for emergency support to complement the Boulton Street facility.
- Continue redevelopment of Commission accommodation facilities, including research and planning for the redevelopment of Bennett Brook Hostel; commence construction of a new building for hostel residents in Armadale; and complete the re-development of Fairholme.
- Establish a policy for Continued Support to Service Access for Disability Professional Services Autism Early Intervention which will ensure clearer service access to benefit children and families.
- The Commission will disaggregate the funds provided for all accommodation services to enable individuals a choice of service provider.

Output 2: Individual and Family Support

Individual and family support services include support to individuals to access positive and constructive day options, maintain health and develop individual skills and abilities, the provision of equipment and family support and respite for carers.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 70,693 | 75,271 | 76,568 | 82,603 | |
| Less Revenues from Ordinary Activities | 22,667 | 21,628 | 24,545 | 24,060 | |
| Net Cost of Output | 48,026 | 53,643 | 52,023 | 58,543 | |
| Adjustments ^(a) | 630 | (99) | (65) | (32) | |
| Appropriation for delivery of Output 2 | 48,656 | 53,544 | 51,958 | 58,511 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Service users..... | 16,717 | 16,715 | 17,261 | 17,931 | |
| Quality | | | | | |
| Consumers satisfied..... | na | 90% | 90% | 90% | Satisfaction survey not completed in 2002-03. |
| Timeliness | | | | | |
| Average time between initial referral and offer of first consultation..... | 5.5 days | 6 days | 6 days | 6 days | |
| Cost (Efficiency) | | | | | |
| Average cost per service user | \$4,229 | \$4,503 | \$4,436 | \$4,607 | |
| Full Time Equivalent (FTEs) | 252 | 258 | 265 | 265 | |

Major Achievements For 2003-04

- The purchasing framework for Disability Professional Services has been further developed into comprehensive and targeted services. This will guide purchasing and is the first stage of implementation for a Policy and Purchasing framework.
- 91 people received new Intensive Family Funding packages to complement the care provided by their families.
- A pre-qualification process is now included in the allocation of funding for Disability Professional Services leading to a simplified and more robust purchasing process for existing providers.
- The development of Business Rules for Alternatives to Employment service providers has been the focus of a working party comprising representatives from the Commission and the disability sector.
- Implementation of the new Individual and Family Support Program Framework including the ongoing development of family centred practice and evidence based practice.
- The connection and interface with government and non-government agencies, particularly in outlying metropolitan areas has been improved. Specific instances include work with the Department of Justice on a Court Diversion project and the signing of a Memorandum of Understanding with the Department of Health for the delivery of allied health in rural and remote areas.
- A rolling compliance Audit has been implemented in the Community Aids and Equipment Program (CAEP). This has been included in the new secure internet based business system for maintaining the Community Aids and Equipment Program (eCAEP) reporting and management tool due for release in May 2004.
- A two day best practice forum for the funded Alternatives to Employment sector was held. Seventy people attended and topics discussed included ageing and retirement, community inclusion and development of natural support networks.
- The Modified Vehicle Scheme to match buyers with sellers of vehicles has made good progress and sold 14 vehicles, from 30 listings with 221 registered buyers. It has been extended until July 2004 when it will be reviewed.
- Implementation of new support arrangements for people attending Mirrabooka Access Centre following a review completed in 2003.

Major Initiatives For 2004-05

- Streamline the process of purchasing Disability Professional Services. An approach will be developed that is based on relative need, that identifies critical need and provides an equitable, fair and value for money outcome to eligible individuals.
- Consolidate and refine the purchasing strategy in Early Childhood Intervention/Disability Professional Services to ensure consistency across Early Childhood Intervention programs.
- Development of an Indigenous Therapy Assistant model in the Kimberley. Trailing of therapy service delivery models in other rural and remote locations.
- Develop a strategic plan for the delivery of disability services to communities in the Ngaanyatjarra Pitjantjatjara Yankunytjatjara lands in collaboration with the Northern Territory and South Australian governments.
- The Alternatives to Employment Business Rules working party will continue to meet through 2004-05 to complete the development of the Business Rules. Business Rules clarify what funding covers and determines appropriate cost benchmarks.
- Assess the supply of services relative to demand through service mapping and market analysis for Alternatives to Employment and Disability Professional Services. This will indicate where service development needs to occur.

- Implement streamlining of services provided through the Commission's Metropolitan Services Coordination Directorate and the Mildred Creek Early Intervention Service.
- Develop a service framework for the support of adults living in their own homes under the Individual and Family Support Program.
- Implementation and on-going development of models of therapy service provision for people with disabilities in rural and remote Western Australia based on the Memorandum of Understanding between the Western Australian Country Health Service and the Commission.
- Implement the Intensive Behaviour Intervention and Support Service for adolescents and young adults.
- Implement eCAEP to achieve accountable and equitable provision of equipment to people with disabilities, compliance with CAEP Business Rules and policy and a closer working relationship with the Department of Health and CAEP providers.
- Work with the Department of Health to ensure CAEP equipment is available to the CAEP target group, through implementation of CAEP Business Rules and policy with eCAEP. This will also lead to the review of the CAEP manual to identify any need for change.
- Investigate non-traditional ways of meeting governance requirements for small funded organizations. For instance, complete a study of the use of a virtual Board and implement a pilot project with a country service provider.
- Business Rules will be established in the Community Support Program to provide appropriate benchmarks for non-residential services.
- Enhance the provision of services to children with Autism Spectrum Disorders (ASD) by clarifying respective responsibilities of the Commission and the Department of Health and implementing training with the Department of Health staff to ensure a consistent approach to responding to the needs of these children.
- Review the Modified Vehicle Scheme.

Output 3: Individual Coordination

This output relates to the provision of a range of supports and strategies through Local Area Coordinators, who develop resources and support networks in local communities; provide information and link people with local resources and support networks; and also provide individualised funding to enable people with a disability and their families to choose and purchase their own supports and services directly.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 26,070 | 27,910 | 28,798 | 30,139 | |
| Less Revenues from Ordinary Activities | 2,164 | 2,186 | 2,553 | 2,520 | |
| Net Cost of Output | 23,906 | 25,724 | 26,245 | 27,619 | |
| Adjustments ^(a) | 256 | (6) | (33) | (15) | |
| Appropriation for delivery of Output 3 | 24,162 | 25,718 | 26,212 | 27,604 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Service users (Local Area Coordination)..... | 6,617 | 6,463 | 6,867 | 7,117 | |
| Service users (LAC Direct Consumer Funding)..... | 1,437 | 1,488 | 1,489 | 1,566 | |
| Quality | | | | | |
| Service users satisfied..... | na | 90% | 90% | 90% | Satisfaction survey not completed in 2002-03. |
| Timeliness | | | | | |
| Time from initial referral to first contact | 1.5 days | 1.5 days | 1.2 days | 1.5 days | |
| Cost (Efficiency) | | | | | |
| Average cost per service user (Local Area Coordination)..... | \$2,365 | \$2,462 | \$2,290 | \$2,309 | |
| Average grant per service user (Direct Consumer Funding) | \$7,253 | \$8,065 | \$8,782 | \$8,750 | |
| Full Time Equivalents (FTEs) | 163 | 166 | 165 | 168 | |

Major Achievements For 2003-04

- Expanded Local Area Coordination (LAC) in response to population growth, with new Local Area Coordinators appointed in high growth areas.
- Simplified the role statement of Local Area Coordinators and communicated the new statement to consumers, agencies and the general community.
- Implemented specific strategies to make the LAC program more relevant and responsive to Indigenous Australians and people from Culturally And Linguistically Diverse (CALD) backgrounds.
- Improved the capacity of LAC to provide timely and accurate information to consumers.
- Implemented a range of developments in LAC recruitment, induction, training and supervision to ensure the quality and consistency of services.
- Amendment of the role of Local Area Coordinators in program funding and simplified the processes for direct funding to consumers. This has allowed a greater focus on the key values of inclusion, community participation and individual/family empowerment. Local Area Coordinators continue to strengthen the implementation of the Commission's Strategic Plan through family leadership development and support of family and community projects.

Major Initiatives For 2004-05

- Implement strategies to enable LAC to respond effectively to population growth in metro and regional areas.
- Implement new role statement for Local Area Coordinators and communicate new statement to all parts of the Commission, people with disabilities, government agencies, the disability sector and the general community.
- Implement additional targeted strategies to make the LAC program more relevant and responsive to Indigenous Australians and people from CALD backgrounds.
- Provide a package of integrated information for consumers and families, tailored to their specific information needs, utilising a range of communication strategies.
- Refine and refocus the supervision and management structure for LAC to ensure consistency of services and adherence to the new LAC role statement.

- Increase opportunities for people with disabilities and their families to gain access to a range of funding management options that reduces further the role of Local Area Coordinators in program funding and administration.
- Develop strategies to focus the work of Local Area Coordinators on the key values of inclusion, community participation and individual/family empowerment.
- Develop further strategies to strengthen the implementation of the Commission’s Strategic Plan through family leadership development and support of family and community projects.
- Implement a redeveloped accountability framework to simplify direct funding processes for consumers and Local Area Coordinators.
- Implement an ongoing evaluation framework for the LAC program.

Output 4: Strategic Coordination

This output includes the monitoring of progress on disability service plans; early identification and monitoring of issues which impact on people with disabilities and their carers; development and monitoring of the quality of disability services; community education and awareness raising, funding advocacy and information services; and the collection and analysis of data and information to inform the development of government policy and services to all people with disabilities; and the support of peak organisations and complaint resolution services.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 6,583 | 5,935 | 7,824 | 7,972 | The increase reflects the realignment of existing grants from Output 2 for the provision of information services through non government agencies. |
| Less Revenues from Ordinary Activities | 2,153 | 1,801 | 2,050 | 1,969 | |
| Net Cost of Output | 4,430 | 4,134 | 5,774 | 6,003 | |
| Adjustments ^(a) | 39 | (9) | (7) | (4) | |
| Appropriation for delivery of Output 4 | 4,469 | 4,125 | 5,767 | 5,999 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Strategic Projects..... | 86 | 85 | 85 | 85 | |
| Quality | | | | | |
| DSC Board satisfaction with quality..... | 100% | 95% | 95% | 95% | |
| Timeliness | | | | | |
| DSC Board satisfaction with timeliness..... | 100% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per project..... | \$76,547 | \$69,824 | \$92,047 | \$93,788 | |
| Full Time Equivalent (FTEs) | 40 | 40 | 42 | 42 | |

Major Achievements For 2003-04

- Negotiations were successfully finalised and the third Commonwealth State and Territory Disability Agreement (CSTDA) was signed prior to 30 June 2003.
- Research planning continued and initiatives included the development and commencement of the Disability Research Network and an associated Internet site.
- Developmental work on a policy framework to underpin the provision of services to Indigenous people is being informed by the outcomes of Statewide consultations and related activities. Rural and remote consultations were completed and metropolitan consultations commenced.
- Worked to ensure the most appropriate interdepartmental responses to people with disabilities continued with major initiatives including the implementation and evaluation of the court diversion program and participation on the review of the Mentally Impaired Defendants' Act.
- Legislative amendments to the *Disability Services Act (1993)* have been drafted and the amendments are scheduled to be introduced in the Spring Session of Parliament.
- Advances in advocacy services were achieved through the pre-qualification of new Advocacy providers and growth to advocacy funding. Additional recurrent funding was made available for advocacy to particularly vulnerable groups, including people with a disability who have complex needs, are living in disability accommodation, live in rural and remote areas and are from CALD backgrounds.
- Conducted 10 lunchtime forums covering significant issues across the sector.
- The Commission coordinated and managed Staff Awards, Accessible Communities Awards, Making a Difference Awards and submissions for the Premier's Awards.
- Developed a range of strategies to raise general awareness of disability and educate the community on disability issues, including videos, publications and presentations.
- Improved access for people with a disability including working with the private sector and local government to progress a number of disability access initiatives.
- Utilised the Commission's Internet site to identify venues accessible to people with a disability.
- Continued to work with the Sector Development and Reform working party to enhance the capacity of the sector to respond to changes in service needs and cost pressures.
- Contributed to a whole of government review of government indexation policy for funded services.

Major Initiatives For 2004-05

- Under the CSTDA, continue Western Australia's leadership role in coordinating and supporting research under the National Disability Administrators' Research and Development Fund.
- Finalise the Commission's indigenous policy framework – to guide the Commission to become more responsive to indigenous communities and to underpin the provision of services to indigenous people.
- Continue to develop interdepartmental policy and program response to justice issues, including strategic diversion.
- Work with advocacy providers to expand the reach of advocacy services, especially to people with a disability who are indigenous, have complex needs, are living in disability accommodation, live in rural and remote areas and are from CLAD backgrounds.
- Continue lunchtime forums on key issues that impact on the disability field and monitor the effectiveness of these forums.
- Coordinate and manage the Staff Awards, Accessible Communities Awards, Making a Difference Awards and submissions for the Premier's Awards.

- Develop a range of strategies to raise general awareness of disability issues and educate the community on disability issues.
- Engage in a range of access related activities as part of the Year of the Built Environment (2004).
- Review the State Government's strategic planning framework for the public sector ("Better Planning: Better services, November 2003") and incorporate activities and directions into key Commission initiatives as appropriate.
- Explore the implementation of the 9th Disability Service Standard – "Protection of Human Rights and Prevention of Abuse, Neglect and Exploitation".
- Develop a Code of Conduct for Independent Standards Monitors prior to the establishment of the next panel contract.
- Seek Quality Assurance for the Service Purchasing and Development procurement process. This will formalise current contracting systems, implement strategies to streamline it and provide clarity surrounding the Directorate's contracting function.
- Develop strategies to use physical activity as a means of increasing and improving the physical and mental health outcomes of people with disabilities through collaborative research projects, educational initiatives and a scholarship (grants) program.
- Implement information strategies for people from CALD backgrounds.
- Participate in 'WA on Show'.
- Develop a media campaign to promote the rights of people with disabilities and to promote the inclusion and participation of people with disabilities in all aspects of community life.

CAPITAL WORKS PROGRAM

The capital works expenditure for 2004-05 provides for the preservation, upgrade and fit out of the Commission's hostels and group homes. The proposed work will enhance and sustain the economic life of the facilities and contribute to improved service delivery.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Renovation Program 2003-04..... | 1,800 | 1,000 | 1,000 | 800 |
| COMPLETED WORKS | | | | |
| Auto Rostering System..... | 712 | 712 | 337 | - |
| Community Disability Housing Program 2003-04..... | 1,329 | 1,329 | 1,329 | - |
| Hostels Redevelopment Program 2001-02..... | 1,880 | 1,880 | 1,089 | - |
| 2003-04..... | 1,457 | 1,457 | 1,457 | - |
| Renovation Program 2001-02..... | 1,000 | 1,000 | 201 | - |
| 2002-03..... | 1,290 | 1,290 | 1,290 | - |
| NEW WORKS | | | | |
| Community Disability Housing Program 2004-05..... | 416 | - | - | 416 |
| Computer Acquisition Program 2004-05..... | 400 | - | - | 400 |
| IT Strategic Plan 2004-05..... | 250 | - | - | 250 |
| Renovation Program 2004 - 05..... | 1,800 | - | - | 1,800 |
| | 12,334 | 8,668 | 6,703 | 3,666 |

CAPITAL CONTRIBUTION

The Commission's Capital Works Program is to be funded from asset sales, capital contribution and drawdowns from the holding account.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 2,154 | 3,315 | 6,703 | 3,666 | 3,750 | 4,380 | 2,689 |
| Working capital requirement | | | | | | | |
| Loan repayments | 625 | 1,340 | 1,340 | 511 | 511 | 511 | 511 |
| | 2,779 | 4,655 | 8,043 | 4,177 | 4,261 | 4,891 | 3,200 |
| LESS | | | | | | | |
| Asset Sales | 165 | 800 | 1,180 | 800 | - | - | - |
| Borrowings..... | 833 | - | 3,008 | - | - | - | - |
| Drawdowns from the Holding Account..... | - | 594 | 594 | 614 | 782 | 4,080 | 2,689 |
| Internal Funds and Balances..... | - | - | - | - | - | - | - |
| Capital Contribution..... | 1,781 | 3,261 | 3,261 | 2,763 | 3,479 | 811 | 511 |

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 74,157 | 74,228 | 78,436 | 79,257 | 81,999 | 84,543 | 86,676 |
| Superannuation | 7,397 | 6,952 | 7,443 | 7,644 | 7,879 | 8,100 | 8,146 |
| Grants and subsidies ^(b) | 134,354 | 147,348 | 147,449 | 159,288 | 175,232 | 191,185 | 207,553 |
| Consultancies expense | 171 | - | 176 | 176 | 176 | 176 | 176 |
| Supplies and services | 19,513 | 19,898 | 19,196 | 22,079 | 21,906 | 22,762 | 22,898 |
| Accommodation | 4,875 | 4,812 | 5,015 | 5,115 | 5,259 | 5,345 | 5,421 |
| Borrowing costs | 525 | 740 | 469 | 677 | 608 | 532 | 504 |
| Capital User Charge | - | - | - | 112 | 366 | 538 | 591 |
| Depreciation and amortisation | 804 | 1,594 | 1,449 | 1,854 | 1,965 | 2,151 | 2,590 |
| Doubtful Debts | 29 | 77 | - | 2 | 2 | 2 | 2 |
| Costs of disposal of non-current assets | 233 | - | 1,476 | 485 | - | - | - |
| Other expenses | 1,457 | 3 | 55 | 116 | 120 | 121 | 122 |
| TOTAL COST OF SERVICES | 243,515 | 255,652 | 261,164 | 276,805 | 295,512 | 315,455 | 334,679 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 5,337 | 5,355 | 5,261 | 5,576 | 5,707 | 5,850 | 5,996 |
| Net Profit on disposal of non-current assets | - | 309 | - | - | - | - | - |
| Grants and subsidies | 42,201 | 41,739 | 44,307 | 45,422 | 46,864 | 48,337 | 48,337 |
| Proceeds from disposal of non-current assets .. | 165 | - | 1,180 | 800 | - | - | - |
| Other Revenue | 2,225 | 790 | 3,066 | 750 | 750 | 750 | 750 |
| Total Revenues from Ordinary Activities | 49,928 | 48,193 | 53,814 | 52,548 | 53,321 | 54,937 | 55,083 |
| NET COST OF SERVICES | 193,587 | 207,459 | 207,350 | 224,257 | 242,191 | 260,518 | 279,596 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 195,461 | 207,253 | 207,092 | 224,133 | 241,962 | 260,289 | 279,376 |
| Resources received free of charge | 295 | 243 | 295 | 235 | 232 | 231 | 230 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 195,756 | 207,496 | 207,387 | 224,368 | 242,194 | 260,520 | 279,606 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 2,169 | 37 | 37 | 111 | 3 | 2 | 10 |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 2,169 | 37 | 37 | 111 | 3 | 2 | 10 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 1,527, 1,562 and 1,565 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 89 | 57 | 89 | 89 | 89 | 89 | 89 |
| Restricted cash..... | 3,828 | 2,683 | 2,890 | 585 | 875 | 1,165 | 1,455 |
| Receivables..... | 1,186 | 1,138 | 1,168 | 1,187 | 1,198 | 1,210 | 1,221 |
| Amounts receivable for outputs..... | 594 | 614 | 614 | 782 | 4,080 | 2,689 | - |
| Prepayments..... | 379 | - | - | - | - | - | - |
| Total current assets..... | 6,076 | 4,492 | 4,761 | 2,643 | 6,242 | 5,153 | 2,765 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 3,064 | 4,816 | 4,671 | 6,384 | 4,929 | 5,072 | 8,342 |
| Land and Buildings..... | 19,201 | 18,505 | 19,805 | 19,924 | 20,604 | 20,913 | 21,209 |
| Plant, equipment and vehicles..... | 2,482 | 3,489 | 2,383 | 2,287 | 2,081 | 1,857 | 1,610 |
| Other..... | 7,211 | 5,108 | 10,484 | 11,788 | 13,099 | 15,243 | 15,293 |
| Total non-current assets..... | 31,958 | 31,918 | 37,343 | 40,383 | 40,713 | 43,085 | 46,454 |
| TOTAL ASSETS | 38,034 | 36,410 | 42,104 | 43,026 | 46,955 | 48,238 | 49,219 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 895 | 900 | 966 | 711 | 741 | 742 | 774 |
| Payables..... | 1,487 | 302 | 176 | 509 | 743 | 728 | 692 |
| Provision for employee entitlements..... | 14,751 | 15,254 | 15,305 | 15,765 | 16,239 | 16,728 | 17,210 |
| Interest-bearing liabilities..... | 1,340 | 511 | 511 | 511 | 511 | 511 | 511 |
| Interest payable..... | 125 | 182 | 116 | 167 | 151 | 133 | 127 |
| Accrued Salaries..... | 1,990 | 2,184 | 2,665 | - | 310 | 319 | 637 |
| Other..... | 1,253 | 420 | 159 | 613 | 353 | 676 | 659 |
| Total current liabilities..... | 21,841 | 19,753 | 19,898 | 18,276 | 19,048 | 19,837 | 20,610 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 7,751 | 7,488 | 7,751 | 7,751 | 7,751 | 7,751 | 7,751 |
| Provision for employee entitlements..... | 5,812 | 6,130 | 6,030 | 6,211 | 6,397 | 6,589 | 6,787 |
| Interest-bearing liabilities..... | 5,966 | 8,463 | 8,463 | 7,952 | 7,441 | 6,930 | 6,419 |
| Total non-current liabilities..... | 19,529 | 22,081 | 22,244 | 21,914 | 21,589 | 21,270 | 20,957 |
| TOTAL LIABILITIES | 41,370 | 41,834 | 42,142 | 40,190 | 40,637 | 41,107 | 41,567 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 4,644 | 7,905 | 7,905 | 10,668 | 14,147 | 14,958 | 15,469 |
| Accumulated surplus/(deficit)..... | (29,224) | (31,346) | (29,187) | (29,076) | (29,073) | (29,071) | (29,061) |
| Asset revaluation reserve..... | 21,244 | 18,017 | 21,244 | 21,244 | 21,244 | 21,244 | 21,244 |
| Total equity..... | (3,336) | (5,424) | (38) | 2,836 | 6,318 | 7,131 | 7,652 |
| TOTAL LIABILITIES AND EQUITY | 38,034 | 36,410 | 42,104 | 43,026 | 46,955 | 48,238 | 49,219 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 193,864 | 204,887 | 204,871 | 221,638 | 239,337 | 257,457 | 276,106 |
| Capital Contribution | 1,781 | 3,261 | 3,261 | 2,763 | 3,479 | 811 | 511 |
| Holding Account Drawdowns..... | - | 594 | 594 | 614 | 782 | 4,080 | 2,689 |
| Net cash provided by State government..... | 195,645 | 208,742 | 208,726 | 225,015 | 243,598 | 262,348 | 279,306 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (73,753) | (73,115) | (76,989) | (81,281) | (81,029) | (83,854) | (85,677) |
| Superannuation | (7,030) | (6,896) | (7,372) | (7,899) | (7,849) | (8,099) | (8,115) |
| Supplies and services..... | (20,730) | (19,780) | (20,763) | (21,233) | (21,876) | (22,398) | (22,897) |
| Grants and subsidies | (134,354) | (147,348) | (147,449) | (159,288) | (175,232) | (191,185) | (207,553) |
| Borrowing costs..... | (643) | (700) | (478) | (626) | (624) | (550) | (509) |
| Accommodation..... | (5,171) | (4,757) | (5,015) | (5,115) | (5,259) | (5,345) | (5,421) |
| Capital User Charge..... | - | - | - | (112) | (366) | (538) | (591) |
| Goods and Services Tax | (13,950) | (15,679) | (15,813) | (16,982) | (18,621) | (20,252) | (21,894) |
| Other..... | (1,459) | (55) | (55) | (116) | (120) | (121) | (122) |
| Receipts | | | | | | | |
| User charges and fees | 5,296 | 5,310 | 5,310 | 5,555 | 5,694 | 5,836 | 5,982 |
| Goods and Services Tax | 13,940 | 15,679 | 15,813 | 16,982 | 18,621 | 20,252 | 21,894 |
| Grants and subsidies | 42,542 | 41,739 | 43,966 | 45,422 | 46,864 | 48,337 | 48,337 |
| Other..... | 2,209 | 750 | 3,036 | 750 | 750 | 750 | 750 |
| Net cash from operating activities | (193,103) | (204,852) | (205,809) | (223,943) | (239,047) | (257,167) | (275,816) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (4,417) | (3,315) | (6,703) | (3,666) | (3,750) | (4,380) | (2,689) |
| Proceeds from sale of non-current assets | 170 | 960 | 1,180 | 800 | - | - | - |
| Net cash from investing activities | (4,247) | (2,355) | (5,523) | (2,866) | (3,750) | (4,380) | (2,689) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (625) | (1,340) | (1,340) | (511) | (511) | (511) | (511) |
| Proceeds from borrowings | 1,288 | - | 3,008 | - | - | - | - |
| Net cash from financing activities | 663 | (1,340) | 1,668 | (511) | (511) | (511) | (511) |
| NET INCREASE/(DECREASE) IN CASH HELD | (1,042) | 195 | (938) | (2,305) | 290 | 290 | 290 |
| Cash assets at the beginning of the reporting period | 4,959 | 2,545 | 3,917 | 2,979 | 674 | 964 | 1,254 |
| Cash assets at the end of the reporting period..... | 3,917 | 2,740 | 2,979 | 674 | 964 | 1,254 | 1,544 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| Grants to External Service Providers | 120,618 | 132,196 | 132,297 | 143,353 | 158,958 | 174,651 | 190,495 |
| Grants to Internal Service Providers | 13,736 | 15,152 | 15,152 | 15,935 | 16,274 | 16,534 | 17,058 |
| TOTAL | 134,354 | 147,348 | 147,449 | 159,288 | 175,232 | 191,185 | 207,553 |

CULTURE AND THE ARTS

PART 13 - MINISTER FOR COMMUNITY DEVELOPMENT, WOMEN'S INTERESTS, SENIORS AND YOUTH; DISABILITY SERVICES; CULTURE AND THE ARTS

DIVISION 57

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 93 Net amount appropriated to deliver outputs | 72,972 | 77,421 | 77,648 | 81,111 | 110,737 | 109,510 | 111,896 |
| Item 94 Art Gallery of Western Australia | 3,623 | 3,450 | 3,293 | 3,412 | - | - | - |
| Item 95 Library Board of Western Australia | 14,989 | 15,191 | 14,437 | 14,006 | - | - | - |
| Item 96 Perth Theatre Trust | 1,312 | 1,286 | 1,797 | 1,633 | - | - | - |
| Item 97 Western Australian Museum | 4,437 | 4,186 | 5,873 | 5,434 | - | - | - |
| Amount Authorised by Other Statutes | | | | | | | |
| - Lotteries Commission Act 1990..... | 9,381 | 9,251 | 9,375 | 9,520 | 9,660 | 9,800 | 9,940 |
| - Salaries and Allowances Act 1975 | 538 | 548 | 548 | 558 | 568 | 568 | 568 |
| Total appropriations provided to deliver outputs | 107,252 | 111,333 | 112,971 | 115,674 | 120,965 | 119,878 | 122,404 |
| CAPITAL | | | | | | | |
| Item 154 Capital Contribution | 1,344 | 2,380 | 9,430 | 6,720 | 16,427 | 15,310 | 23,005 |
| Item 155 Art Gallery of Western Australia | 910 | 827 | 837 | 848 | - | - | - |
| Item 156 Library Board of Western Australia | 3,548 | 2,496 | 2,573 | 4,389 | - | - | - |
| Item 157 Perth Theatre Trust | 500 | 383 | 383 | 487 | - | - | - |
| Item 158 Western Australian Museum | 1,200 | 8,183 | 5,833 | 164 | - | - | - |
| GRAND TOTAL | 114,754 | 125,602 | 132,027 | 128,282 | 137,392 | 135,188 | 145,409 |

OUTPUT APPROPRIATION BY SERVICE AGENCY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Art Gallery of Western Australia | 16,719 | 16,916 | 17,882 | 18,747 | 18,877 | 19,351 | 19,898 |
| ArtsWA | 20,469 | 19,259 | 19,659 | 20,491 | 27,107 | 22,001 | 20,920 |
| Cultural and Arts Policy | 1,687 | 1,674 | 1,674 | 1,548 | 1,583 | 1,614 | 1,647 |
| Library Board of Western Australia | 36,802 | 38,635 | 37,009 | 37,311 | 37,217 | 38,847 | 39,803 |
| State Records Office | 1,492 | 1,410 | 1,465 | 1,486 | 1,522 | 1,561 | 1,608 |
| Perth Theatre Trust | 6,127 | 6,620 | 7,149 | 7,490 | 7,808 | 8,954 | 10,217 |
| ScreenWest | 2,535 | 3,227 | 3,152 | 3,201 | 1,236 | 1,268 | 1,308 |
| Western Australian Museum | 21,421 | 23,592 | 24,981 | 25,400 | 25,615 | 26,282 | 27,003 |
| TOTAL | 107,252 | 111,333 | 112,971 | 115,674 | 120,965 | 119,878 | 122,404 |

MISSION

To provide leadership, support and services to ensure that current and future Western Australians are informed and have access to a diverse range of innovative ideas, knowledge and cultural experiences.

SIGNIFICANT ISSUES AND TRENDS

- New technologies are creating many opportunities for communication resulting in demand for services and challenges for the preservation of our documentary and digital heritage.
- Global terrorism has dramatically increased the cost of insurance for international travelling exhibitions and touring performing arts.
- An increasing number of Western Australian artists and cultural organisations are developing international reputations and markets.
- The number of Western Australians accessing cultural venues and events continues to increase.
- Traditional and contemporary Indigenous cultural products are becoming increasingly more important in promoting reconciliation and defining what is distinctly Western Australian.
- The creative industries especially fashion, contemporary music, film and television, digital art, architecture, design and animation are of special interest in terms of creativity and economic potential.
- The screen industry is enjoying unprecedented growth.
- Western Australia has an enviable environment and its biodiversity has been recognised as significant on a global scale as a result of research activities of the Western Australian Museum.
- Culture and the arts are increasingly being recognised as critical to the full development of individual competencies and social cohesion.
- Currency fluctuations have a major impact on the arts and cultural sectors in terms of purchasing power and export opportunities.
- Cultural infrastructure and products will be increasingly important to the success of the State in the very competitive global exhibitions, conventions and meetings industry.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| Fashion Industry Grants Pilot Program..... | 350 | 350 | - | - |
| WA On Screen Funding | 2,000 | - | - | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Art Gallery Services | 19,849 | 19,924 | 20,838 | 21,669 | | | |
| <i>Output 2:</i> | | | | | | | |
| Library and Information Services | 39,835 | 41,306 | 39,524 | 40,199 | | | |
| <i>Output 3:</i> | | | | | | | |
| Museum Services | 29,221 | 29,963 | 30,192 | 31,674 | | | |
| <i>Output 4:</i> | | | | | | | |
| Arts Industry Support | 22,668 | 19,867 | 20,063 | 20,861 | | | |
| <i>Output 5:</i> | | | | | | | |
| Screen Production Industry Support | 8,734 | 6,748 | 7,862 | 7,838 | | | |
| <i>Output 6:</i> | | | | | | | |
| Venue Management Services | 13,770 | 11,787 | 14,138 | 14,445 | | | |
| <i>Output 7:</i> | | | | | | | |
| Recordkeeping and Archival Services | 1,732 | 1,430 | 1,525 | 1,601 | | | |
| Total Cost of Outputs | 135,809 | 131,025 | 134,142 | 138,287 | 143,654 | 142,595 | 145,152 |
| <i>Less Revenues from Ordinary Activities</i> | <i>25,187</i> | <i>19,570</i> | <i>20,449</i> | <i>21,992</i> | <i>22,067</i> | <i>25,395</i> | <i>22,126</i> |
| Net Cost of Outputs | 110,622 | 111,455 | 113,693 | 116,295 | 121,587 | 117,200 | 123,026 |
| Adjustments ^(a) | (3,370) | (122) | (722) | (621) | (622) | 2,678 | (622) |
| Appropriation provided to deliver Outputs. | 107,252 | 111,333 | 112,971 | 115,674 | 120,965 | 119,878 | 122,404 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 7,502 | 14,269 | 19,056 | 12,608 | 16,427 | 15,310 | 23,005 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 114,754 | 125,602 | 132,027 | 128,282 | 137,392 | 135,188 | 145,409 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | A community that is informed of, and has access to, a diverse range of innovative ideas, knowledge and cultural experiences. | <ol style="list-style-type: none"> 1. Art Gallery Services 2. Library and Information Services 3. Museum Services 4. Arts Industry Support 5. Screen Production Industry Support 6. Venue Management Services 7. Recordkeeping and Archival Services |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|---|
| Outcome: A community that is informed of, and has access to, a diverse range of innovative ideas, knowledge and cultural experiences. | | | | | |
| ART GALLERY SERVICES | | | | | |
| Visits improved knowledge and appreciation of visual arts: | | | | | |
| - Strongly agree | 35% | 15% | 15% | 17% | |
| - Agree | 47% | 55% | 55% | 63% | |
| - Neither agree nor disagree | 11% | 24% | 24% | 16% | |
| - Disagree | 6% | 4% | 4% | 3% | |
| - Strongly disagree | 1% | 2% | 2% | 1% | |
| Satisfied with variety of exhibitions: | | | | | |
| - Very satisfied | na | na | na | 32% | New measure |
| - Satisfied | na | na | na | 43% | |
| - Neutral | na | na | na | 12% | |
| - Not satisfied | na | na | na | 13% | |
| Information available about artworks on display: | | | | | |
| - Not enough information | na | na | na | 25% | New measure |
| - About the right amount of information | na | na | na | 65% | |
| - Too much information | na | na | na | 10% | |
| LIBRARY AND INFORMATION SERVICES | | | | | |
| Customer satisfaction with Library service: | | | | | |
| - Satisfied or very satisfied | 90% | 89% | 89% | 90% | |
| - Neutral | 4% | 8% | 6% | 6% | |
| - Dissatisfied | 1% | 1% | 1% | 1% | |
| - Did not respond..... | 5% | 2% | 4% | 3% | |
| MUSEUM SERVICES | | | | | |
| Satisfaction rate - Interactions | 98% | 97% | 97% | 97% | |
| Satisfaction rate - Products | 96% | 95% | 95% | 95% | |
| ARTS INDUSTRY SUPPORT | | | | | |
| Client satisfaction rate..... | 80% | 90% | 90% | 90% | |
| SCREEN PRODUCTION INDUSTRY SUPPORT | | | | | |
| Hours of production | 32 | 34 | 55 | 32 | 2003-04 increased due to delayed production commencement dates from previous financial years and number of longer duration documentaries and children's series. |
| Production value of projects supported | \$23,809,899 | \$20,000,000 | \$27,811,390 | \$22,000,000 | |
| VENUE MANAGEMENT SERVICES | | | | | |
| Hirer satisfaction with services provided..... | 80% | 80% | 80% | 80% | |
| RECORDKEEPING AND ARCHIVAL SERVICES | | | | | |
| Client satisfaction with services | 95% | 95% | 95% | 95% | |
| Proportion of the State Archives Collection that is catalogued..... | 97% | 97% | 97% | 98% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Art Gallery Services

Delivery of the State Art Collection and access to art gallery services and programs through visual arts advocacy, collection development, facilities and services. Services ensure that primary access to art, heritage and ideas locally, regionally and internationally are preserved and displayed for future generations.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 19,849 | 19,924 | 20,838 | 21,669 | |
| Less Revenues from Ordinary Activities | 3,089 | 2,737 | 2,586 | 2,585 | |
| Net Cost of Output | 16,760 | 17,187 | 18,252 | 19,084 | |
| Adjustments ^(a) | 211 | (18) | (108) | (93) | |
| Appropriation for delivery of Output 1 | 16,971 | 17,169 | 18,144 | 18,991 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Items maintained which support Western Australia's collection management | 15,746 | 16,120 | 16,120 | 16,340 | |
| Interactions (visitors, internet hits, enquiries and exchanges) | 539,720 | 450,000 | 450,000 | 430,000 | |
| Quality | | | | | |
| Adherence to collection policy for acquisition | 100% | 100% | 100% | 100% | |
| Visitor satisfaction rate..... | 92% | 93% | 93% | 90% | |
| Timeliness | | | | | |
| Hours per week public has access to collections..... | 49 | 49 | 49 | 49 | |
| Cost (Efficiency) | | | | | |
| Average cost per item in the collection..... | \$252.11 | \$247.20 | \$258.54 | \$265.23 | |
| Average cost per interaction | \$29.42 | \$35.42 | \$37.05 | \$40.31 | |
| Full Time Equivalents (FTEs) | 70 | 71 | 71 | 71 | |

Major Achievements For 2003-04

- The Art Gallery of Western Australia, in association with Tate, presented 'The Pre-Raphaelite Dream: Paintings and Drawings from the Tate Collection'. The exhibition set the work of the Pre-Raphaelites in their aesthetic, social and historical context, and provided dynamic insight into English society in the 19th Century.
- The Art Gallery of Western Australia's ongoing commitment to showcasing significant Western Australian artists was achieved by the presentation of the exhibition 'Howard Taylor: PHENOMENA', an exhibition developed and presented in partnership with the Museum of Contemporary Art, Sydney. This initiative is the first of three exhibitions developed by the Gallery to support the 175th anniversary of the settlement of the State.
- To support the Gallery's interest in programming for families and children, the first ever children's guide to a State art collection in Australia, 'Just Imagine: a Children's Guide to the Art Gallery of Western Australia' has been published. This publication has been embraced by the Education sector and was the catalyst for an innovative exhibition and program, 'Down the Rabbit Hole'.

- To build on the success of 'Boundless: Contemporary Art from Country WA' the Gallery presented a fresh group of talented artists working in Perth in the exhibition 'Mix Tape'. The 13 artists presented work across a variety of approaches and media in an exhibition that attracted 91,000 visitors.
- The collection display program included highlights such as 'KOOL: Scandinavian Style Meets West Australian Design' which showcased design innovation in Perth in the 1950s and 1960s. This exhibition proved an enormous success by attracting an unusually large and diverse audience.
- Collaboration between the Art Gallery of Western Australia and the Department of Education and Training resulted in the exhibition 'Year 12 Perspectives' which presented art from selected 2003 Year 12 students.
- Expanded programs that support Indigenous program initiatives. This included the continuation of an Associate Curator Indigenous Art, an Indigenous Trainee Curator position funded by the Rio Tinto Foundation, and the newly established Indigenous Trainee Education Officer position through Carey Mining/Anglo Gold.
- The Gallery purchased four sculptures by world-renowned South African artist, William Kentridge, with support from Art Gallery Foundation members including Wesfarmers Limited and Mrs Janet Holmes à Court, and the Friends of the Art Gallery of Western Australia. This reflects the Gallery's commitment to building on the strengths of the collection and featuring art of the Indian Ocean Rim region.
- The Gallery's commitment to delivering art services in regional Western Australia continues through its support of the regional galleries in Bunbury and Geraldton, workshops conducted in Karratha, and a dedicated website on Western Australian artist, Howard Taylor, that has enjoyed an enormous public response regionally, nationally and internationally.
- Gallery staff enhanced their project management and, business and finance literacy skills through a variety of programs and workshops. This supports the Gallery's commitment to continuous improvement particularly in the area of strategic planning, budget forecasting, and project management.
- The Gallery achieved national recognition as a finalist for the Western Australian Tourism Award in the Heritage & Cultural tourism category.
- Expanded support of the Gallery through partnerships and sponsorship has increased the visibility of the Gallery locally, nationally and internationally as well as supporting a more extensive range of programs and services to the Western Australian community.

Major Initiatives For 2004-05

- In association with the Asia Society New York, the Art Gallery of Western Australia will present 'Edge of Desire: Recent Art in India'. This exhibition featuring the work of over 30 artists highlights the Gallery's commitment to the Indian Ocean Rim region and to partnerships, which will enable projects originated in Western Australia to be seen in the United States of America, Canada, Mexico and India.
- To support the 175th anniversary of settlement of the State, the Gallery will develop and present two exhibitions; one in conjunction with the holmes à court collection, 'Rover Thomas: I Want to Paint', the work of this Indigenous Western Australian; and 'Sunshine and Shadow', a major exhibition of Western Australian artist, A.B. Webb, active in the State during the first half of the 20th century.
- With the support of Commonwealth funding, the Gallery will tour the retrospective exhibition 'Howard Taylor: PHENOMENA' to eight galleries in Victoria, Tasmania, Queensland, New South Wales and regional Western Australia.
- The Gallery will continue to focus on key government and private sector partnerships which provide an opportunity to promote the State, its artists and Western Australian culture to support cultural tourism and the development of Western Australia as a destination within the tourism, convention, exhibitions and meetings industry sector.
- A review of the Gallery's corporate identity, and the identification of brand values will inform the Gallery's entry statement, print, media, and corporate image.

- The Gallery will partner with the Perth International Arts Festival to provide the feature international exhibition for the 2005 Festival, 'Transcendence & Transformation'.
- The State Art Collection will be further developed through purchases and donations that build on the strengths of the collection, with a particular emphasis on Indigenous Art and Western Australian Art.
- A program to improve business outcomes by enhancing strategic planning and asset management skills and by improving the business literacy of staff will be continued. In this period the Gallery will focus on asset management, records management, and the processes used to assess and monitor business risk.

Output 2: Library and Information Services

Delivery of library and information services through the Internet, the Alexander Library Building and the Public Library system. Support for Local Governments and associated bodies with leadership, resources, information and other services. Provision of programs to ensure that Western Australia's documentary heritage is collected, organised and preserved for access by future generations.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 39,835 | 41,306 | 39,524 | 40,199 | |
| Less Revenues from Ordinary Activities | 3,241 | 1,778 | 1,804 | 2,238 | |
| Net Cost of Output | 36,594 | 39,528 | 37,720 | 37,961 | |
| Adjustments ^(a) | 697 | (36) | (210) | (180) | |
| Appropriation for delivery of Output 2 | 37,291 | 39,492 | 37,510 | 37,781 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| New items added to the collections | 351,259 | 350,000 | 330,000 | 330,000 | |
| Information Interactions | 3,674,308 | 3,650,000 | 5,650,000 | 5,650,000 | Number of searches on <i>Imopac</i> database increased dramatically following software upgrade in May 2003. |
| Quality | | | | | |
| Client satisfaction with services | 90% | 89% | 90% | 90% | |
| Collections covered by collection development policies | 100% | 100% | 100% | 100% | |
| Timeliness | | | | | |
| Hours per week public has access to collections..... | 67.5 | 67.5 | 67.5 | 67.5 | |
| Days taken from order to dispatch (public library collections)..... | 67.5 | 125 | 125 | 70 | Undertaking of Improved Service Delivery Project |
| Cost (Efficiency) | | | | | |
| Average cost per new item added to the collection | \$45.36 | \$47.21 | \$47.91 | \$48.73 | |
| Average cost per interaction | \$6.50 | \$6.79 | \$4.20 | \$4.27 | |
| Full Time Equivalent (FTEs) | 250 | 251 | 239 | 237 | |

Major Achievements For 2003-04

- Following the acquisition of a digital imaging station, a project to digitise glass, acetate and nitrate negatives at greatest risk was undertaken, with over 1,000 additional images being made available through the online catalogue.
- The digitisation of microfilmed newspapers was investigated in anticipation that, in future years the images will be available online, including keyword searching, where appropriate.
- The expanding work on archiving digital resources using the PANDORA archive of the National Library of Australia, was complemented by the issuing of a Premier's Circular to ensure that State Government's electronic publications will be preserved. The State Library will review the results of a National Library of Australia pilot project being carried out with selected Commonwealth government departments to trial new procedures for preserving websites.
- The electronic ordering of books through the library management system was implemented successfully using the EDIFACT standard for the transfer of data. This was a major outcome of the Improved Service Delivery Project and involved significant testing and collaboration with suppliers, as the State Library is one of the first in Australia to use this standard for electronic ordering.
- The 740 images of soldiers from World War I which were preserved through the 'Adopt-a-Soldier' promotional campaign were digitised and a selection made available on the State Library's website.
- A number of cooperative projects with the National Library of Australia were undertaken. The AskNow! online reference service has expanded, unique Australian musical scores held in the State Library's collections have been digitised through the MusicAustralia project, and projects to enhance public access to digital images, newspaper preservation and oral history programs were progressed.
- The Better Beginnings program to foster the development of literacy and language skills in pre-school children was developed, and Stage One of the program was implemented in Mandurah, Gosnells, Midland, Kalgoorlie, Carnarvon and Halls Creek in partnership with public libraries. This program provided a number of cross-Government collaborative opportunities with the Departments of Premier and Cabinet, Community Development, Health and Education & Training.
- A major marketing campaign, @ your library, was launched in Western Australia to increase awareness and support for libraries. The campaign saw unprecedented collaboration from all library sectors and will use a range of themed campaigns to update the images of libraries and library staff for the 21st century.
- Following the successful Freycinet Exhibition at the State Library, a modified version of the exhibition, using facsimiles of the items purchased, toured in regional areas of the State.
- Over 1000 visitors attended a Genealogical Fair that showcased the many family history resources and services available. This event was held in conjunction with the State Records Office, the National Archives of Australia, the Western Australian Genealogical Society and other volunteer organisations.
- Information literacy sessions were provided to various client groups through seminars and brochures promoting information resources, particularly those available online.
- A review of the impact of the proposed BHP Billiton Ravensthorpe Nickel Project on library and information services within the Shires of Ravensthorpe and Esperance was undertaken in consultation with those Shires. The review is significant because it is the first time that public library and information services have been included as community infrastructure for planning purposes of this kind.

Major Initiatives For 2004-05

- A series of projects to identify, select and digitise significant heritage collections will be undertaken. These include collections at risk of deterioration, for example acetate negatives, and rare heritage maps, architectural plans, and photographic panoramas. Selections from the resultant images will be made available through the online catalogue.

- The online selection of resources for public libraries will be implemented as part of the Improved Service Delivery Project. For the first time public librarians and State Library staff will be able to select new resources through the Internet, direct from suppliers' electronic catalogues, replacing inefficient paper-based systems.
- Following the success of Stage One of the Better Beginnings family literacy program, the commencement of the statewide expansion of this program is planned for 2005.
- Films rescued and preserved through the Save Our Film project will be featured at public film viewings at various dates throughout the year. In addition, a DVD compilation of extracts from historic footage in the State Film Archives will be produced for sale.
- A website showcasing and exploring selected treasures of the J.S. Battye Library of West Australian History will be developed and made available from the State Library's website.
- The State Library will partner agencies within the Culture and the Arts Portfolio and Australia's State Libraries to develop major exhibitions.
- A significant contribution will be made to the State's 175th anniversary celebrations through a variety of activities including involvement in the 2004 'Journeys' conference.
- Existing partnerships with the National Library of Australia to foster public access to digital photographs, music, electronic documents, and the collection of oral histories will be strengthened. New initiatives, particularly the digitisation and online access to newspapers will be pursued as part of this partnership.
- Given the many different ways in which information is available a review of reference services will be undertaken to determine the most effective and efficient methods of providing these services to meet the needs of clients throughout the State.
- A review of the State Library's government and community information database, 'Infolink', will be undertaken to assess its continuing relevance to the community.
- The State Library will pursue the implementation of an automated materials handling facility to improve the timeliness of delivery of resources to the community through public libraries.
- Capital funding of \$10.3 million has been allocated to purchase and provide additional resources for public libraries across the State to meet the information, recreation and life-long learning needs of the people of Western Australia.

Output 3: Museum Services

Delivery and promotion of museum services through collection development and management, research, education and visitor services.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 29,221 | 29,963 | 30,192 | 31,674 | |
| Less Revenues from Ordinary Activities | 7,635 | 5,907 | 4,716 | 5,822 | Grant revenue lower than originally estimated in 2003-04 |
| Net Cost of Output | 21,586 | 24,056 | 25,476 | 25,852 | |
| Adjustments ^(a) | 173 | (24) | (144) | (124) | |
| Appropriation for delivery of Output 3 | 21,759 | 24,032 | 25,332 | 25,728 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Items maintained, which support Western Australia's collection management..... | 2,493,243 | 2,540,000 | 2,544,000 | 2,590,000 | Decline in 2003-04 due to new software for website statistics. |
| Interactions (visitors, Internet hits, enquiries and exchanges) | 1,603,000 | 1,600,000 | 1,323,266 | 1,350,000 | |
| Quality | | | | | |
| Adherence to collection policy for acquisition Collections stored according to appropriate standards..... | 100% | 100% | 100% | 100% | Moved to new facility. |
| Satisfaction rate - interactions | 96% | 97% | 97% | 97% | |
| Satisfaction rate - products | 94% | 95% | 95% | 97% | |
| Timeliness | | | | | |
| Public access to collections (hours per week): | | | | | |
| - Fremantle History Museum..... | 40 | 40 | 40 | 40 | |
| - Maritime Museum..... | 52 | 52 | 52 | 52 | |
| - Perth Museum | 52 | 52 | 52 | 52 | |
| Days taken from decision on collection to time of use | 33 | 33 | 33 | 33 | |
| Cost (Efficiency) | | | | | |
| Average cost per item in the collection..... | \$5.27 | \$5.32 | \$5.34 | \$5.50 | |
| Average cost per interaction | \$10.03 | \$10.28 | \$12.55 | \$12.91 | |
| Full Time Equivalents (FTEs) | 231 | 231 | 255 | 242 | |

Major Achievements For 2003-04

- Acquisition of the Kew Street facility to facilitate the removal of staff and collections from the asbestos affected Francis Street building. The fit-out of the Kew Street building will accommodate all the museum activities conducted in the Francis Street building with the exception of the Marine Gallery and the Katta Djinoong exhibition.
- Relocation from the Francis Street building of the Katta Djinoong exhibition to the Hellenic Gallery and the Marine exhibition to Albany has commenced.
- Planning for a major new museum in Perth is progressing, including assessing the viability of a number of sites.
- Development of a Children's Activity Centre has commenced in the 'A' Shed at the new Western Australian Maritime Museum. Planning studies have been undertaken and construction in partnership with Jobswest has started.
- An interim café has been established at the new Western Australian Maritime Museum and planning for a permanent facility has commenced.
- Exhibition themes have been developed and a consultancy about to be signed for a master planning exercise to produce a ten-year plan for the Shipwreck Galleries' exhibitions and programs.
- An estimated 2,200 visitors attended the 'museum@work' series of lectures and an estimated 2,500 visitors participated in free guided tours in 2003-04.
- The Fremantle History Museum's Community Access Program is very active and the Museum is booked to 2005 with a range of diverse community exhibitions, including: 'Yarnings: textiles from the Hand Weavers', 'Spinners and Dyers' Guild' (to 17 April 2004), 'Activism: Animal Welfare in Fremantle' (22 April to August 2004), 'From Darkness into Light: Works from Winear Refuge' (August 2004 to January 2005).
- 'WA: Land and People', the Museum's first major virtual exhibition was launched on the Museum's new web site. Education resource materials for the 'WA: Land and People' exhibition were published for schools access.

- MuseumLink touring exhibitions were developed on 'Wind Power', which toured six sites in WA and 'Spin' a contemporary music exhibition. 'Spin' was launched in February at the Perth Museum and will tour throughout the state.
- The Museum provided interpretation and exhibition services for the new Busselton Jetty Underwater Observatory.
- The work on the contents of the 'Dirt, Disease and Depravity' exhibition at the Fremantle History Museum was deferred in light of the priority to relocate exhibitions from the Francis Street Building.
- Anatomical studies of Thylacoleo skeletons found in Nullarbor caves was carried out. The second Operation Leo field expedition took place, involving a 12-day filming period followed by a week of palaeontological retrieval work, engendering much local and international media interest.
- A unique collection of pink diamonds donated by Argyle Diamonds, the only collection of its kind in a public institution, will be put on public display in mid-2004.
- An international all-sky camera network is being established on the Nullarbor to study meteorite falls, with the Museum as the Australian partner. The prototype camera will be moved from the Goldfields to the Nullarbor with the second camera, which is currently under construction in Czechoslovakia.
- An illustrated guide to Western Australian Aboriginal arts and crafts based on material in the Western Australian Museum collections is in the final phases of being published and will be produced in the second half of 2004.
- Reports on the Dampier Archipelago marine biological project funded by Woodside Energy Ltd were produced. A double volume of Proceedings of the International Workshop associated with the project was published in February 2004 (587pp) and the final report of the project has been typeset and will be published in August 2004 (428pp).
- The survey of Pilbara biota has commenced in partnership with the Department of Conservation and Land Management. First samples were retrieved in late 2003 and sorting of samples has commenced with preliminary identifications made of selected groups of terrestrial arthropods (spiders, scorpions, etc.).
- A conservation and restoration program has begun on the 1900 Benz vehicle, the oldest car in Western Australia.
- An innovative approach to preserving the wreck of the 'James Matthews' has been successfully trialled south of Fremantle. There has been a great deal of international interest in this experiment as the system has great potential as a simple site stabilisation strategy and a comparative reburial project utilising the 'James Matthews' site and another site in Marstrand, Sweden.
- The corrosion monitoring programs for the former 'HMAS Swan' (Geographe Bay, Dunsborough) and 'HMAS Perth' (King George Sound, Albany) are the first systematic corrosion survey programs established in Australia for monitoring the long-term stability of twentieth century warships after scuttling as artificial reefs.

Major Initiatives For 2004-05

- Planning for the new WA Museum Perth will continue to be progressed.
- The Kew Street collection facility fitout will be completed. Relocation of staff and the millions of collection items from the Francis Street building to Kew Street will be achieved.
- The Katta Djinoong Aboriginal Gallery will be reopened in the Hellenic Gallery of the Perth Site. The exhibition will be significantly revised.
- The Marine exhibition being relocated from the Francis Street Building to the Western Australian Museum in Albany will be a major regional tourist attraction.
- A review of WA Museum research will be undertaken with recommendations to inform strategic research directions for the future.

- The exhibition program will include touring the 'Spin' Contemporary Music Exhibition and the Waste Management Exhibition, mounting the 'BG Wildlife' Exhibition, the 'Stolen Years' Exhibition from the Australian War Memorial and the 'Sunken Treasures of Brunei Darussalam' Exhibition.
- Seven new loan cases will be developed as part of the closure of the marine gallery in the Francis Street building.
- Three community access gallery exhibitions at the Fremantle History Museum will be developed in partnership with community groups.
- The Museum's Disability Service Plan will be revised and will include initiatives such as free guided tours for visitors with special needs and ensuring exhibitions are accessible.
- A book on the history of the Tennant Fossil Collection, which formed the core of the WA Museum's palaeontological collections in the 1890's, will be published. This collection was one of the most important stratigraphic fossil collections in 19th century England.
- Consultation with Pilbara and Kimberley communities on repatriation of secret-sacred collections will continue.
- Information on anthropological research in the Kimberley will be prepared for a documentary on Ocean Dreaming.
- The major survey of Pilbara biota will be ongoing in partnership with the Department of Conservation and Land Management.
- The zoogeographic and taxonomic appraisal of Kimberley Island Faunas will extend into 2005-06 with external funding sources and support of external institutions including the South Australian Museum and The University of Western Australia (UWA).
- Preparation of a catalogue of Western Australian Meteorites will commence.
- The second volume of Handbook of Birds of WA will be completed, an end to a 17 year endeavour.
- The World Congress of Malacology will be organised by the Western Australian Museum 11-16 July 2004, and a post-conference workshop held on the Houtman Abrolhos Islands.
- The Museum will participate in consultation for marine and terrestrial faunal surveys of Barrow Island as part of the impact assessment plan for the proposed industrial development. Chevron Texaco/ERM have contracted the Department of Maritime Archaeology and the Archaeology Department of UWA through Archae-Aus Cultural Resource Managers to undertake the State's first Indigenous/Maritime/Historical Archaeological survey of Barrow Island.
- A three-year Australian Research Council Linkage grant 'Italians in Western Australia: A Cultural History and Archive of Migrants and Migration' will commence in partnership with the University of Western Australia.
- The Museum will participate on the State Committee formed for the 2006 Celebrations, marking 400 years of European contact with Australia.
- The 'Migrant Welcome Wall' at the Maritime Museum will be developed and launched.
- An annual Community Access Grant Scheme for venue hire at the WA Maritime Museum will be launched and successful grant applications confirmed.
- A shared reference library with TAFE will be developed to form an intellection centre to the Waterfront Precinct at Victoria Quay.
- A ten-year Action Strategy 2004-2014 for the whole of the Maritime Museum will be developed.
- A joint project will commence with Fremantle City Council for a Heritage Trail on the physical interpretation of the West End of Fremantle.

- A collaborative research project will commence with the Coastal Zone Cooperative Research Centre. This will involve integrated risk management models and decision software that estimates the benefit and the risk of various responses in coastal systems under varying pressures and episodic events. Case studies of historical change that demonstrate characteristics of resilience of systems (social, economic and environmental) will be developed to guide decision making and planning.
- A compendium of work of the Western Australian Museum Department of Maritime Archaeology 1970–2003 will be published. This will outline the projects undertaken by the Department over the last 30 years.
- Work will begin on a second series of three documentaries in the Shipwreck Detectives series in collaboration with Prospero Productions.

Output 4: Arts Industry Support

Development, funding and promotion of the arts industry.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 22,668 | 19,867 | 20,063 | 20,861 | |
| Less Revenues from Ordinary Activities | 200 | 240 | 34 | 33 | |
| Net Cost of Output | 22,468 | 19,627 | 20,029 | 20,828 | |
| Adjustments ^(a) | (1,747) | (18) | (108) | (93) | |
| Appropriation for delivery of Output 4 | 20,721 | 19,609 | 19,921 | 20,735 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Grants applications processed..... | 736 | 850 | 850 | 900 | |
| Arts projects and organisations supported | 399 | 450 | 450 | 500 | |
| Industry development initiatives..... | 20 | 30 | 30 | 30 | |
| Industry interactions (internet hits, meetings and consultation)..... | 38,540 | 10,000 | 35,000 | 35,000 | Number of website hits was significantly underestimated following the activation of the Department's website. |
| Quality | | | | | |
| Client satisfaction with services | 80% | 90% | 90% | 90% | |
| Grant applications processed | 100% | 100% | 100% | 100% | |
| Grant contracts met | 58% | 80% | 80% | 80% | |
| Industry development contracts met | 70% | 80% | 80% | 80% | |
| Industry meetings and events represented..... | 59% | 70% | 70% | 70% | |
| Timeliness | | | | | |
| Hours that the public has access to advisory and development services | 40 | 40 | 40 | 40 | |
| Days between processing of grant application and notification of outcome | 28 | 75 | 75 | 80 | |
| Grant payments made within 28 days of receipt of signed contract..... | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of grant application processed.... | \$307.99 | \$233.73 | \$236.04 | \$231.79 | |
| Average cost per project and organisation supported | \$50,562.71 | \$39,292.51 | \$39,680.16 | \$37,132.58 | |
| Average cost per industry development initiative..... | \$22,668.00 | \$13,244.67 | \$13,375.33 | \$13,907.33 | |
| Average cost per industry interaction | \$47.05 | \$158.94 | \$45.86 | \$47.68 | |
| Full Time Equivalents (FTEs) | 30 | 29 | 29 | 30 | |

Major Achievements For 2003-04

- Awarded the inaugural 2003 Premier's Award for Excellence in Public Sector Management (Innovation Category) for the Indigenous Arts Showcase.
- Arts Development Policy, Championing Creativity, launched and Action Plan adopted.
- Producing and presenting a WA Performing Arts CD ROM at the Australian Performing Arts Market in Adelaide through the ArtsWA booth. Providing copies of the CD ROM to the Department of Foreign Affairs and Trade, Austrade and other related trade and export departments and organisations for their overseas offices.
- Implementation of tripartite contracts for the Perth Institute of Contemporary Arts and CraftWest as part of the first year program of the National Visual Arts and Craft Strategy (resulting from the Myer Inquiry into the Australian Visual Arts and Crafts).
- Completion of the first year's work and program of the Pilbara Arts Development Officer.
- Recruitment and introduction of the Gascoyne Arts Development Officer.
- Ongoing implementation of the Contemporary Music Program.
- Steering and modelling of the Indigenous Contemporary Music Strategy based on the recommendations of the Indigenous Music Reference Group.
- Support provided for two Indigenous positions for the development of Indigenous Arts practice with the Artist Foundation of WA and the Western Australian Music Industry Association.
- Implementing the recommendations developed from the Theatre Conference in 2002-2003 by refining a Theatre Funding Strategy in consultation with the Professional Theatre Sector.
- ArtsWA's devolved programs and funding reviewed.
- Completion of the evaluation of pilot, All Ages Drug Free Events Funding and Industry Support Programs.
- Ongoing implementation of the Corporate Governance project for arts organisations.
- Arts Management and Leadership Guidelines for work force planning, risk management and artistic outcomes introduced for triennially funded arts organisations.
- Evidence and information provided to the Parliamentary Inquiry into the Arts in Regional Western Australia.

Major Initiatives For 2004-05

- Implementation of ArtsWA Strategy 2004-2009, as developed from the Action Plan from the Arts Development Policy including:
 - Assist with the hosting of an Asia Pacific Producers Network Meeting in Western Australia;
 - Assist the development of PROPELarts, a new resource and support organisation for young people seeking a career, or just furthering an interest in the arts;
 - Ensure multicultural arts practices are represented in the peer assessment panels;
 - Support and undertake both quantitative and qualitative market research with respect to audience development, with the understanding that the quality of an audience's experience is as important as the size of the audience; and
 - Work with other State/Territory agencies and the Australia Council in seeking improved audiences and national touring opportunities.
- Negotiation of terms and conditions of triennial contracts with key arts organisations for 2005-2007 in relation to the good practice guidelines developed by ArtsWA in the areas of governance, management, artistic and business planning.
- Delivery of the second year program of the National Visual Arts and Craft Strategy.
- Implementation of second generation of All Ages Drug Free Events.
- Participation in the National Orchestras Review.

Output 5: Screen Production Industry Support

Delivery of strategic support and funding to advance the development of the screen production industry in Western Australia.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 8,734 | 6,748 | 7,862 | 7,838 | |
| Less Revenues from Ordinary Activities | 4,248 | 3,496 | 4,633 | 4,566 | |
| Net Cost of Output | 4,486 | 3,252 | 3,229 | 3,272 | |
| Adjustments ^(a) | (1,897) | (4) | (22) | (19) | |
| Appropriation for delivery of Output 5 | 2,589 | 3,248 | 3,207 | 3,253 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Funding applications received | 605 | 540 | 560 | 570 | |
| Applications funded | 262 | 260 | 270 | 275 | |
| Inward visits to Western Australia by buyers/producers and advice provided..... | 111 | 110 | 211 | 50 | Major conference held in February 2004. No major conference is planned for 2004-05 financial year. |
| Website interactions with the industry..... | 109,658 | 140,000 | 170,000 | 200,000 | Increased frequency of online newsletter. |
| Quality | | | | | |
| Appeals per number of applications | 1% | 3% | 1% | 1% | |
| Customer satisfaction with business development and website service provided... | 99% | 98% | 99% | 99% | |
| Timeliness | | | | | |
| Days between acceptance of application and notification of outcome..... | 27.3 | 30 | 40 | 30 | |
| Days between receipt of business development inquiry and reply..... | 2 | 3 | 3 | 3 | |
| Electronic newsletter updates provided on time..... | 10 | 12 | 16 | 44 | Planned increase in frequency. |
| Cost (Efficiency) | | | | | |
| Average cost per application received | \$2,021.09 | \$1,749.48 | \$1,965.50 | \$1,925.12 | |
| Average cost per funded project | \$27,668.78 | \$21,541.69 | \$24,168.37 | \$23,656.51 | |
| Average cost per visit/advice..... | \$1,573.69 | \$1,226.91 | \$745.21 | \$3,135.20 | |
| Average cost per website interaction | \$0.80 | \$0.48 | \$0.46 | \$0.39 | |
| Full Time Equivalents (FTEs) | 11 | 12 | 12 | 13 | |

Major Achievements For 2003-04

- Film Production levels increased dramatically in the 2003-04 financial year in Western Australia. In 2003-04 over 65 hours were produced within the State with combined production budgets exceeding \$33 million. This compared to 38 hours with combined production budgets of \$29.5 million in 2002-03, and 32 hours with combined production budgets of \$13.8 million in 2001-02.
- A triennial funding agreement was reached between ScreenWest and Lotterywest under which ScreenWest will receive grants totalling \$12 million over three years for its core programs, subject to annual approval of proposed outcomes.

- Guidelines were approved for the Film and Television Production Fund, provided by the Department of Industry and Resources for screen industry development. This fund is administered by ScreenWest and will invest \$3.2 million over three years in partnership with ABC-TV.
- The Screen Industry Partnership Fund supported a number of profile international productions during 2003-04.
- Other major new productions include a 26 part children's series, 'Foreign Exchange', shot both in Western Australia and in Galway in Ireland which has provided an excellent opportunity for West Australia's experienced filmmakers.
- Indigenous production support increased, with a Draft Framework Agreement received from Indigenous screen industry members. As a result an Indigenous Project Officer was appointed and production initiatives targeted at Indigenous filmmakers commenced, including:
 - 'Deadly Yarns': a joint initiative of ScreenWest, the FTI and the ABC to finance Western Australian Indigenous filmmakers to produce up to eight short films to be screened on ABC-TV; and
 - 'Index': an Indigenous short film initiative with assistance from the Australian Film Commission.
- The 2004 Australian International Documentary Conference was held in Perth from 26-28 February, 2004. More than 300 industry guests including key international, national and WA-based filmmakers, distributors and broadcasters attended.
- Enterprise Australia, a high level business-oriented development program for experienced producers was attended by two Western Australian producers. The program received 70 applications for only 16 places, with participants describing it as a life-changing experience.
- The Making Movies Roadshow 2003 toured to ten locations over five regions of Western Australia conducting filmmaking workshops and outdoor cinema screenings to regional communities with 122 people participating in the workshops producing 31 films.

Major Initiatives For 2004-05

- WA On Screen – a major series of initiatives aimed at developing the Western Australian screen industry via a low budget feature initiative, Indigenous dramas and documentaries.
- A new round of the Screen Industry Partnership program to develop links between the Western Australian production industry and interstate and international partners.
- 'Next Big Thing' – a documentary series of four films with the ABC for early career West Australian documentary producers.
- 'Fast Turnaround' – a new initiative with SBS to encourage digital 'guerrilla' documentary filmmaking.
- The Making Movies Roadshow 2004 will tour to ten locations in Western Australia conducting filmmaking workshops and outdoor cinema screenings to regional communities.
- The ABC East Perth 600 square metre digital studio will open with ScreenWest encouraging the industry to develop productions which are suitable to be partly shot in the studio.

Output 6: Venue Management Services

Management and promotion of performing arts venues.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 13,770 | 11,787 | 14,138 | 14,445 | |
| Less Revenues from Ordinary Activities | 6,663 | 5,306 | 6,619 | 6,618 | |
| Net Cost of Output | 7,107 | 6,481 | 7,519 | 7,827 | |
| Adjustments ^(a) | (728) | (18) | (108) | (93) | |
| Appropriation for delivery of Output 6 | 6,379 | 6,463 | 7,411 | 7,734 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Performances..... | 770 | 781 | 722 | 596 | Closure of the Subiaco Theatre Centre for eight months from October 2004. |
| Quality | | | | | |
| Hirer satisfaction with services provided..... | 80% | 80% | 80% | 80% | |
| Timeliness | | | | | |
| Days between the confirmation of booking and the despatch of contract..... | 14 | 14 | 14 | 14 | |
| Cost (Efficiency) | | | | | |
| Average cost per performance..... | \$17,883.12 | \$15,092.19 | \$19,581.72 | \$24,236.58 | |
| Full Time Equivalents (FTEs) | 60 | 57 | 64 | 63 | |

Major Achievements For 2003-04

- Programming funds enabled a number of projects and events to be undertaken. These included Majkidz, Cabaret Soiree, Lunchtime Concerts, Morning Melodies, Servant of Two Masters, The Christian Brothers, Celtic Rain and His Majesty's New Clothes.
- Commencement of the Centenary Celebrations at His Majesty's Theatre.
- Enhanced access to BOCS Ticketing Services through online services has seen online sales increase from less than 1% to 7% of total ticket sales.
- Successful installation of the Perth International Arts Festival Village in the Perth Concert Hall precinct which included the Festival Club/Verandah and the Writers Festival.
- Venue management services again received three industry awards for food and beverage services.
- Capital works and strategic building maintenance of the venues included the following:
 - Completion of the Stage 1 re-carpeting of Perth Concert Hall;
 - Refurbishment of cooling towers at His Majesty's Theatre;
 - Plumbing services and remedial work to stop rising damp at His Majesty's Theatre;
 - Installation of lighting trusses at Perth Concert Hall;
 - Installation of new sound equipment and lighting in the main auditorium at Subiaco Theatre Centre;
 - Asbestos roof replacement at the Playhouse Theatre; and
 - Replacement and upgrade of equipment in venues.

Major Initiatives For 2004-05

- Continuation of comprehensive program of activities to celebrate the Centenary of His Majesty's Theatre. The presentation of Carmina Burana in July 2004 will bring together the three major Western Australian State companies. A book depicting His Majesty's Theatre history will be published.
- Capital works and strategic building maintenance of the venues included the following:
 - Stage 2 of the re-carpeting of Perth Concert Hall;
 - Continuation of upgrading plumbing service at His Majesty's Theatre; and
 - Replacement and upgrade of equipment in venues.

Output 7: Recordkeeping and Archival Services

Delivery of recordkeeping services to State and Local Government agencies, improving the quality of current record management systems and provision of access to State Archives Collections by government agencies and the community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---------------------------------------|
| Total Cost of Output..... | 1,732 | 1,430 | 1,525 | 1,601 | |
| Less Revenues from Ordinary Activities | 111 | 106 | 57 | 130 | Introduction of new fees and charges. |
| Net Cost of Output | 1,621 | 1,324 | 1,468 | 1,471 | |
| Adjustments ^(a) | (79) | (4) | (22) | (19) | |
| Appropriation for delivery of Output 7 | 1,542 | 1,320 | 1,446 | 1,452 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Recordkeeping plans developed and evaluated | na | 400 | 310 | 150 | From March 2004, plan development is to be followed by evaluation phase. |
| Recordkeeping plan monitoring - hours..... | na | na | na | 1,000 | New measure |
| Policies, standards and guidelines produced.... | 7 | 3 | 3 | 3 | |
| Hours of training and consultancies provided.. | 3,000 | 500 | 500 | 500 | |
| Access provided to State Archives Collections | 42,340 | 42,850 | 42,850 | 43,350 | |
| Quality | | | | | |
| Client satisfaction with services | 95% | 95% | 95% | 95% | |
| Proportion of the State Archives Collection that is catalogued | 97% | 97% | 97% | 98% | |
| Timeliness | | | | | |
| Hours per week public has access to the collection in the search room | 35 | 35 | 35 | 35 | |
| Cost (Efficiency) | | | | | |
| Average cost per recordkeeping plan submitted | na | \$1,431.00 | \$984.52 | \$3,202.00 | |
| Average cost of recordkeeping plan monitoring | na | na | na | \$160.10 | New measure |
| Average cost per policy, standard or guideline produced | \$24,742.86 | \$23,850.00 | \$25,416.67 | \$26,683.33 | |
| Average cost of training and consultancies provided..... | \$173.20 | \$143.10 | \$152.50 | \$160.10 | |
| Average cost per hour of access provided to State Archives..... | \$24.54 | \$16.70 | \$17.79 | \$18.47 | |
| Full Time Equivalents (FTEs) | 27 | 26 | 26 | 26 | |

Major Achievements For 2003-04

- The organisation, and documentation of the WA Inc. Royal Commission records was completed this year.
- Consultancies, training and workshops were provided throughout the State to assist Government organisations to meet the March 2004 deadline as per section 20 of the State Records Act 2000.
- The State Records Office received 288 Recordkeeping Plans by the March deadline representing 94% of compliant Government organisations.
- Official release of the 1973 Cabinet Papers by the Premier is scheduled to take place in June 2004.
- Significant progress achieved in the implementation of an automated archive management system for the State Records Office.
- Investigation into archival and temporary records storage needs of WA public sector completed. Results of the survey were used by the State Records Commission in arguing the case for archival storage in the Commission's 2002-03 annual report.

Major Initiatives For 2004-05

- Develop a web based search engine that will interact with the archive management system to enable researchers who have access to the internet to interrogate the State Records Office database to identify records in the SRO collection.
- Commence work on the development of a comprehensive register of archives that will identify all State archives irrespective of their location and access status.
- Increase the public profile of the State Records Office by maintaining a presence at public venues such as the Perth Royal Show, WA On Show and through special annual events such as the Margaret Medcalf Award and the Professor Geoffrey Bolton lecture series.
- Complete and distribute via the State Record Office website a revised General Disposal Authority for Financial and Accounting Records.
- Using the trend analysis resulting from submitted Recordkeeping Plans, develop further standards and training programs to assist Government organisations with the best practice capture and management of business information.
- Develop a program for monitoring compliance with the State Records Act 2000 and the Recordkeeping Plans.
- Participate in the development of a national solution for the management and preservation of electronic records.
- Continue to explore options for consolidating all of the State's archives into one location rather than the dispersed arrangement which exists at present.

CAPITAL WORKS PROGRAM

The program includes funding for asset upgrade and replacement, strategic building maintenance, minor works and one-off capital projects.

New works includes a total of \$10.3 million for additional public library resources, commencing with \$2.4 million in 2004-05. The program also includes funding for the ongoing works of art and book acquisition programs.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Art Gallery - | | | | |
| Works of Art - Acquisition Program..... | 1,610 | 690 | 255 | 230 |
| Department - | | | | |
| Blue Room Theatre..... | 950 | 500 | 500 | 450 |
| Broome Performing Arts and Cultural Centre..... | 5,000 | 680 | 620 | 4,000 |
| Bunbury Heritage Museum..... | 1,000 | 500 | 500 | 500 |
| Subiaco Theatre Centre..... | 1,800 | 300 | 300 | 300 |
| Western Australian Symphony Orchestra - Contribution towards Relocation ... | 8,000 | - | - | 200 |
| Library - | | | | |
| Book Purchase Program..... | 58,054 | 26,166 | 9,123 | 8,722 |
| COMPLETED WORKS | | | | |
| Department - | | | | |
| Capital Maintenance and Minor Works 2001-02 | 2,838 | 2,838 | 242 | - |
| Capital Maintenance and Minor Works 2002-03 | 2,944 | 2,944 | 1,435 | - |
| Capital Maintenance and Minor Works 2003-04 | 3,000 | 3,000 | 3,000 | - |
| Cultural Centre Development | 1,250 | 1,250 | 952 | - |
| Interim Relocation of Francis Street Museum..... | 12,500 | 12,500 | 12,500 | - |
| Museum - | | | | |
| WA Museum Perth Site Redevelopment (Planning)..... | 1,000 | 1,000 | 692 | - |
| NEW WORKS | | | | |
| Department - | | | | |
| Capital Maintenance and Minor Works 2004-05 | 4,150 | - | - | 4,150 |
| Library - | | | | |
| Additional Public Library Resources | 10,300 | - | - | 2,400 |
| | 114,396 | 52,368 | 30,119 | 20,952 |

CAPITAL CONTRIBUTION

The total assets of the Department will increase from \$461 million in 2003-04 to an estimated \$568 million in 2007-08. The increase reflects the impact of the budgeted capital works program and an annual estimate for building and land revaluations.

Current assets (excluding the amount receivable for outputs) are expected to be approximately \$20 million. The cash resources mainly represent funds held in trust for the Art Gallery, Western Australian Museum and the Perth Theatre Trust.

The value of land and buildings is expected to increase over the budget period mainly as a result of revaluations for these assets. The other non-current assets include the value of the State Art Collection at the Art Gallery of Western Australia and the library book collection at the State Library.

The liabilities of the Department are relatively stable over the budget period. The liability for borrowings is expected to decrease over the budget period as the on-going capital requirements are provided through the Consolidated Fund rather than borrowings.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 13,155 | 21,532 | 30,119 | 20,952 | 30,872 | 28,352 | 31,552 |
| Working capital requirement | | | | | | | |
| Loan repayments | 1,551 | 1,511 | 1,598 | 1,647 | 1,696 | 1,747 | 1,799 |
| | 14,706 | 23,043 | 31,717 | 22,599 | 32,568 | 30,099 | 33,351 |
| LESS | | | | | | | |
| Asset Sales | - | - | - | - | - | 3,300 | - |
| Drawdowns from the Holding Account | 7,704 | 8,774 | 8,774 | 9,491 | 9,341 | 9,689 | 9,946 |
| Funding included in output appropriations ^(a) .. | - | - | 300 | 500 | 6,800 | 1,800 | 400 |
| Internal Funds and Balances | (500) | - | 3,587 | - | - | - | - |
| Capital Contribution | 7,502 | 14,269 | 19,056 | 12,608 | 16,427 | 15,310 | 23,005 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 33,443 | 32,532 | 35,847 | 36,355 | 36,952 | 37,568 | 38,155 |
| Superannuation | 4,121 | 2,952 | 4,094 | 3,710 | 3,710 | 3,704 | 3,704 |
| Grants and subsidies ^(b) | 25,545 | 21,070 | 22,566 | 23,427 | 27,867 | 22,757 | 21,497 |
| Supplies and services | 22,489 | 24,997 | 21,018 | 22,421 | 21,123 | 21,399 | 21,832 |
| Accommodation..... | 2,708 | 2,534 | 3,398 | 2,934 | 2,934 | 2,963 | 3,019 |
| Borrowing costs..... | 2,224 | 2,481 | 1,883 | 2,154 | 2,105 | 2,054 | 2,002 |
| Capital User Charge..... | 28,375 | 30,868 | 30,701 | 32,734 | 34,774 | 37,053 | 39,612 |
| Depreciation and amortisation | 13,622 | 13,591 | 14,479 | 14,221 | 13,849 | 14,756 | 14,986 |
| State Taxes | - | - | 156 | 150 | 150 | 150 | 150 |
| Costs of disposal of non-current assets | 21 | - | - | - | - | - | - |
| Other expenses..... | 3,261 | - | - | 181 | 190 | 191 | 195 |
| TOTAL COST OF SERVICES..... | 135,809 | 131,025 | 134,142 | 138,287 | 143,654 | 142,595 | 145,152 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 4,610 | 4,145 | 4,607 | 4,947 | 4,992 | 4,994 | 4,994 |
| Grants and subsidies | 6,593 | 4,944 | 5,104 | 5,844 | 5,844 | 5,844 | 5,844 |
| Interest..... | 879 | 830 | 692 | 730 | 730 | 730 | 730 |
| Proceeds from disposal of non-current assets .. | 5 | - | 5 | 5 | 5 | 3,305 | 5 |
| Other Revenue..... | 13,100 | 9,651 | 10,041 | 10,466 | 10,496 | 10,522 | 10,553 |
| Total Revenues from Ordinary Activities..... | 25,187 | 19,570 | 20,449 | 21,992 | 22,067 | 25,395 | 22,126 |
| NET COST OF SERVICES..... | 110,622 | 111,455 | 113,693 | 116,295 | 121,587 | 117,200 | 123,026 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 107,252 | 111,333 | 112,971 | 115,674 | 120,965 | 119,878 | 122,404 |
| Liabilities assumed by the Treasurer..... | 612 | - | 600 | 600 | 600 | 600 | 600 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 107,864 | 111,333 | 113,571 | 116,274 | 121,565 | 120,478 | 123,004 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | | | | | | | |
| Change in Equity arising from transfer of assets/liabilities | 29,056 | - | - | - | - | - | - |
| Extraordinary items | (701) | (1,200) | (359) | (1,200) | (1,200) | (1,200) | (1,200) |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 25,597 | (1,322) | (481) | (1,221) | (1,222) | 2,078 | (1,222) |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 679, 696 and 682 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 22,718 | 19,792 | 16,482 | 15,354 | 15,493 | 15,632 | 15,771 |
| Receivables..... | 3,313 | 2,543 | 2,866 | 2,866 | 2,866 | 2,866 | 2,866 |
| Inventories..... | 1,244 | 1,139 | 1,234 | 1,234 | 1,234 | 1,234 | 1,234 |
| Interest receivable..... | 25 | 34 | 25 | 25 | 25 | 25 | 25 |
| Amounts receivable for outputs..... | 8,774 | 10,257 | 9,491 | 9,341 | 9,689 | 9,946 | 7,963 |
| Prepayments..... | 751 | 853 | 673 | 673 | 673 | 673 | 673 |
| Other..... | 65 | 82 | 66 | 66 | 66 | 66 | 66 |
| Total current assets..... | 36,890 | 34,700 | 30,837 | 29,559 | 30,046 | 30,442 | 28,598 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 8,698 | 12,032 | 13,686 | 18,834 | 23,273 | 28,373 | 35,698 |
| Land and Buildings..... | 184,810 | 212,623 | 202,766 | 212,772 | 228,270 | 244,740 | 264,092 |
| Investments..... | 50 | 175 | - | - | - | - | - |
| Plant, equipment and vehicles..... | 12,441 | 16,333 | 15,761 | 17,638 | 19,530 | 21,438 | 23,265 |
| Other..... | 194,563 | 178,444 | 197,583 | 202,981 | 206,814 | 211,232 | 217,219 |
| Total non-current assets..... | 400,562 | 419,607 | 429,796 | 452,225 | 477,887 | 505,783 | 540,274 |
| TOTAL ASSETS..... | 437,452 | 454,307 | 460,633 | 481,784 | 507,933 | 536,225 | 568,872 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 1,945 | 2,165 | 1,883 | 1,883 | 1,883 | 1,883 | 1,883 |
| Provision for employee entitlements..... | 3,875 | 3,254 | 3,875 | 4,030 | 4,191 | 4,359 | 4,534 |
| Interest-bearing liabilities..... | 1,598 | 1,590 | 1,647 | 1,696 | 1,747 | 1,799 | 1,799 |
| Monies in trust..... | 873 | 926 | 900 | 900 | 900 | 900 | 900 |
| Interest payable..... | 111 | 578 | 472 | 472 | 472 | 472 | 472 |
| Accrued Salaries..... | 806 | 984 | 1,068 | - | 150 | 300 | 450 |
| Other..... | 19,744 | 17,858 | 14,001 | 14,012 | 14,023 | 14,034 | 14,045 |
| Total current liabilities..... | 28,952 | 27,355 | 23,846 | 22,993 | 23,366 | 23,747 | 24,083 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 2,834 | 2,768 | 2,834 | 2,947 | 3,065 | 3,187 | 3,314 |
| Interest-bearing liabilities..... | 27,219 | 25,757 | 25,572 | 23,876 | 22,129 | 20,330 | 18,531 |
| Total non-current liabilities..... | 30,053 | 28,525 | 28,406 | 26,823 | 25,194 | 23,517 | 21,845 |
| TOTAL LIABILITIES..... | 59,005 | 55,880 | 52,252 | 49,816 | 48,560 | 47,264 | 45,928 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 21,752 | 36,021 | 40,808 | 53,416 | 69,843 | 85,153 | 108,158 |
| Accumulated surplus/(deficit)..... | 161,436 | 162,926 | 160,955 | 159,734 | 158,512 | 160,590 | 159,368 |
| Asset revaluation reserve..... | 137,139 | 139,661 | 148,139 | 159,139 | 170,139 | 181,139 | 192,139 |
| Other Reserves..... | 58,120 | 59,819 | 58,479 | 59,679 | 60,879 | 62,079 | 63,279 |
| Total equity..... | 378,447 | 398,427 | 408,381 | 431,968 | 459,373 | 488,961 | 522,944 |
| TOTAL LIABILITIES AND EQUITY..... | 437,452 | 454,307 | 460,633 | 481,784 | 507,933 | 536,225 | 568,872 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 94,479 | 97,742 | 98,492 | 101,185 | 106,837 | 104,832 | 107,116 |
| Capital Contribution | 7,502 | 14,269 | 19,056 | 12,608 | 16,427 | 15,310 | 23,005 |
| Holding Account Drawdowns..... | 7,704 | 8,774 | 8,774 | 9,491 | 9,341 | 9,689 | 9,946 |
| Net cash provided by State government..... | 109,685 | 120,785 | 126,322 | 123,284 | 132,605 | 129,831 | 140,067 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (32,809) | (32,332) | (35,585) | (37,155) | (36,523) | (37,128) | (37,703) |
| Superannuation..... | (3,509) | (2,952) | (3,494) | (3,110) | (3,110) | (3,104) | (3,104) |
| Supplies and services..... | (22,375) | (25,038) | (21,071) | (22,458) | (21,160) | (21,436) | (21,869) |
| Grants and subsidies | (22,275) | (21,117) | (27,724) | (23,379) | (27,819) | (22,709) | (21,449) |
| Borrowing costs..... | (2,195) | (2,481) | (1,522) | (2,154) | (2,105) | (2,054) | (2,002) |
| Accommodation..... | (2,684) | (2,534) | (3,691) | (2,934) | (2,934) | (2,963) | (3,019) |
| Capital User Charge..... | (28,375) | (30,868) | (30,701) | (32,734) | (34,774) | (37,053) | (39,612) |
| State Taxes | - | - | (156) | (150) | (150) | (150) | (150) |
| Goods and Services Tax | (5,418) | (5,326) | (5,459) | (5,326) | (5,326) | (5,326) | (5,326) |
| Other..... | - | - | - | (181) | (190) | (191) | (195) |
| Receipts | | | | | | | |
| User charges and fees | 4,542 | 4,145 | 4,757 | 4,947 | 4,992 | 4,994 | 4,994 |
| Interest..... | 889 | 830 | 692 | 730 | 730 | 730 | 730 |
| Goods and Services Tax | 5,520 | 5,326 | 5,459 | 5,326 | 5,326 | 5,326 | 5,326 |
| Grants and subsidies | 6,774 | 4,944 | 5,104 | 5,844 | 5,844 | 5,844 | 5,844 |
| Other..... | 10,759 | 9,651 | 10,097 | 10,466 | 10,496 | 10,522 | 10,553 |
| Net cash from operating activities..... | (91,156) | (97,752) | (103,294) | (102,268) | (106,703) | (104,698) | (106,982) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (17,879) | (21,282) | (27,671) | (20,502) | (24,072) | (26,552) | (31,152) |
| Proceeds from sale of non-current assets | 7 | 2 | 5 | 5 | 5 | 3,305 | 5 |
| Net cash from investing activities..... | (17,872) | (21,280) | (27,666) | (20,497) | (24,067) | (23,247) | (31,147) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (1,551) | (1,511) | (1,598) | (1,647) | (1,696) | (1,747) | (1,799) |
| Net cash from financing activities | (1,551) | (1,511) | (1,598) | (1,647) | (1,696) | (1,747) | (1,799) |
| NET INCREASE/(DECREASE) IN CASH HELD | (894) | 242 | (6,236) | (1,128) | 139 | 139 | 139 |
| Cash assets at the beginning of the reporting period | 23,612 | 19,550 | 22,718 | 16,482 | 15,354 | 15,493 | 15,632 |
| Cash assets at the end of the reporting period..... | 22,718 | 19,792 | 16,482 | 15,354 | 15,493 | 15,632 | 15,771 |

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| ADMINISTERED CURRENT ASSETS | | | | | | | |
| Cash..... | 225 | - | - | - | - | - | - |
| Total Administered Current Assets | 225 | - | - | - | - | - | - |
| TOTAL ADMINISTERED ASSETS | 225 | - | - | - | - | - | - |
| ADMINISTERED CURRENT LIABILITIES | | | | | | | |
| Other..... | 225 | - | - | - | - | - | - |
| Total Administered Current Liabilities | 225 | - | - | - | - | - | - |
| TOTAL ADMINISTERED LIABILITIES.. | 225 | - | - | - | - | - | - |

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Grants and subsidies | (415) | - | (225) | - | - | - | - |
| TOTAL ADMINISTERED CASH OUTFLOWS..... | (415) | - | (225) | - | - | - | - |
| NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS | (415) | - | (225) | - | - | - | - |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| Arts projects and organisations..... | 17,661 | 15,660 | 15,274 | 16,227 | 16,467 | 16,357 | 16,497 |
| Film projects and screen organisations | 7,195 | 4,700 | 6,581 | 6,300 | 4,300 | 4,300 | 4,300 |
| Other | 689 | 710 | 711 | 700 | 700 | 700 | 700 |
| Public non-financial corporations..... | - | - | - | 200 | 6,400 | 1,400 | - |
| TOTAL | 25,545 | 21,070 | 22,566 | 23,427 | 27,867 | 22,757 | 21,497 |

TRUST ACCOUNT DETAILS**Arts Lotteries Trust Fund**

The Consolidated Fund Estimates for the Department of Culture and the Arts provide for payments to the Arts Lotteries Account.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|-----------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | - | - | - | - |
| Receipts: | | | | |
| Appropriations..... | 9,378 | 9,251 | 9,375 | 9,520 |
| | 9,378 | 9,251 | 9,375 | 9,520 |
| Payments | 9,378 | 9,251 | 9,375 | 9,520 |
| CLOSING BALANCE..... | - | - | - | - |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Rental income from the Kings Street Arts Centre..... | 21 | 40 | 46 | 46 |
| Return of investments under the Arts Venture Capital Scheme | 20 | - | - | - |
| GST input credits..... | 5,418 | 5,326 | 5,459 | 5,326 |
| GST Receipts on sales | 1,333 | 1,263 | 1,205 | 1,263 |
| TOTAL..... | 6,792 | 6,629 | 6,710 | 6,635 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

Part 14

Minister for Tourism; Small Business; Sport and Recreation; Peel and the South West

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 999 | Western Australian Tourism Commission | | | |
| | – Delivery of Outputs | 35,310 | 35,426 | 34,845 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 1,715 | 2,512 | 4,533 |
| | – Capital Contribution | 35 | 1,550 | - |
| | Total | 37,060 | 39,488 | 39,378 |
| 1019 | Rottneet Island Authority | ... | ... | ... |
| 1020 | Small Business Development Corporation | | | |
| | – Delivery of Outputs | 8,512 | 8,510 | 8,218 |
| | – Capital Contribution | 97 | 97 | 313 |
| | Total | 8,609 | 8,607 | 8,531 |
| 1028 | Recreation Camps and Reserve Board | | | |
| | – Delivery of Outputs | 2,609 | 2,025 | 3,423 |
| | – Capital Contribution | - | 100 | 1,793 |
| | Total | 2,609 | 2,125 | 5,216 |
| 1038 | Sport and Recreation | | | |
| | – Delivery of Outputs | 36,447 | 35,056 | 37,639 |
| | – Capital Contribution | 1,070 | 120 | 950 |
| | Total | 37,517 | 35,176 | 38,589 |
| 1051 | Western Australian Sports Centre Trust | | | |
| | – Delivery of Outputs | 13,948 | 13,706 | 14,031 |
| | – Capital Contribution | 300 | 840 | 890 |
| | Total | 14,248 | 14,546 | 14,921 |
| 1061 | Peel Development Commission | | | |
| | – Delivery of Outputs | 2,758 | 2,756 | 1,304 |
| | – Capital Contribution | 50 | 50 | - |
| | Total | 2,808 | 2,806 | 1,304 |

Part 14**Minister for Tourism; Small Business; Sport and Recreation; Peel and the South West — *continued*****SUMMARY OF PORTFOLIO APPROPRIATIONS**

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 1072 | South West Development Commission | | | |
| | – Delivery of Outputs | 3,529 | 3,550 | 6,504 |
| | – Capital Contribution | 1,121 | 1,121 | 818 |
| | Total | 4,650 | 4,671 | 7,322 |
| | GRAND TOTAL | | | |
| | – Delivery of Outputs | 103,113 | 101,029 | 105,964 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 1,715 | 2,512 | 4,533 |
| | – Capital Contribution | 2,673 | 3,878 | 4,764 |
| | Total | 107,501 | 107,419 | 115,261 |

WESTERN AUSTRALIAN TOURISM COMMISSION

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 58

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 98 Net amount appropriated to deliver outputs | 33,459 | 35,086 | 35,193 | 34,612 | 35,726 | 35,441 | 35,736 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 224 | 224 | 233 | 233 | 233 | 233 | 233 |
| Total appropriations provided to deliver outputs | 33,683 | 35,310 | 35,426 | 34,845 | 35,959 | 35,674 | 35,969 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 99 Amount provided for Administered Grants, Subsidies and Other Transfer Payments | 1,727 | 1,715 | 2,512 | 4,533 | 2,200 | 2,200 | 2,200 |
| CAPITAL | | | | | | | |
| Capital Contribution | 27 | 35 | 1,550 | - | - | - | - |
| GRAND TOTAL | 35,437 | 37,060 | 39,488 | 39,378 | 38,159 | 37,874 | 38,169 |

MISSION

To accelerate the sustainable growth of the tourism industry for the long term social and economic benefit of the State.

SIGNIFICANT ISSUES AND TRENDS

- Currently, Western Australia attracts 6.8 million domestic visitors and 560,000 international visitors each year, who spend \$2.5 billion and \$1.3 billion within the State respectively. Tourism contributes \$2.7 billion in GSP (3.5% of Western Australia's economy) and a further \$2.2 billion to other industries through accommodation, cafes and restaurants; air, and land water transport; services to transport; retail trade and takeaway food; education; and cultural and recreational services.
- On a global scale, the growth rate of tourism is expected to be around four per cent a year. By 2010, the World Bank predicts that tourism will be second only to agriculture in size. Western Australia's current share of the global international travel market is just 0.08 per cent, indicating enormous potential for growth. Figures from Australia's Tourism Forecasting Council indicate that international visitor numbers to Western Australia will grow at an average rate of around five per cent a year for the next 10 years.
- Foreign exchange rate volatility has a significant impact on tourism demand. As an export, tourism declines with the improving strength of the Australian dollar. Additionally, Australians can afford cheaper overseas holidays due to improved buying power and this impacts negatively on intrastate and interstate tourism.
- The climate of uncertainty caused through terrorism, war and new diseases will continue to challenge destination marketing activities. Western Australia's ability to refine and apply crisis management strategies, developed and implemented following past events, will enable the Western Australian Tourism Commission and tourism industry to meet these individual threats and challenges.

- The Australian Government has developed a 10-year tourism plan in an attempt to better position the national industry for sustainable success (Tourism White Paper). State Tourism Organisations are currently determining the implications for each State, including the ability to access Federal funding for White Paper initiatives. Funding for many of the initiatives may be on a dollar for dollar basis. Part of the 10-year plan is the formation of Events Australia, which may adversely affect the development and attraction of quality events that promote Western Australia.
- Historic trends have revealed that there is a strong correlation between non-stop air services and Western Australia's ability to capture a greater share of inbound tourism. The ability to attract new airlines from the emerging Asian markets requires a sustained market presence and exposure.
- Marketing alone will not sustain visitor growth. Western Australia must stay one step ahead of the market and its competitors by delivering demand led tourism investment and infrastructure initiatives that induce and feed market growth.
- At a global level, other destinations attempt to attract investors through the provision of financial incentives and subsidies. In order to remain competitive, Western Australia needs to communicate to potential investors the inherent advantages that make us an attractive alternative to other destinations and ensure that the development process itself facilitates investment in new development.
- As tourism is impacted by much of the publicly funded infrastructure across Western Australia, Government planning decisions on major infrastructure provision such as transport, power, water and sewerage must include tourism considerations.
- Tourism is an industry with high end user take-up of the internet and on-line product and destination information. Through the launch of westernaustralia.com, Western Australia now has Australia's leading online tourism presence. It is critical that Western Australia keeps ahead of consumer demand in this area.
- The international events industry is fiercely competitive. Other countries and Australian States are looking to events as important levers for their economies and are therefore investing substantially in bidding for events. In a similar vein, the sponsorship climate is becoming increasingly competitive. Sports sponsorship in particular is struggling globally, with many major corporations shifting sponsorship to community focused activities and events.
- In Australia, new and expanded convention centres have increased the intensity of competition for domestic business. Convention bureaus in Sydney, Melbourne and Brisbane, which previously focused on international business, have moved to protect market share by entering the domestic market. Major meeting venues in these cities are now more willing to negotiate on price. The opening of the Perth Convention Exhibition Centre in August 2004 will significantly increase Western Australia's available meeting capacity. This will provide new opportunities and challenges for the State to successfully host larger meetings.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|---|--|--|--|
| Value of Tourism..... | 125 | - | - | - |
| Australian Tourism Exchange 2005..... | - | 2,000 | - | - |
| Investment Attraction for Strategically Important Tourism Sites | - | - | 380 | 380 |
| Future Events Funding | - | - | 1,500 | 1,500 |
| Rally Australia - additional funding | - | - | 380 | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Destination Marketing | 20,867 | 18,024 | 21,459 | 20,078 | | | |
| <i>Output 2:</i> | | | | | | | |
| Event Tourism | 15,715 | 16,913 | 17,217 | 17,330 | | | |
| <i>Output 3:</i> | | | | | | | |
| Convention and Incentive Travel | 1,158 | 1,052 | 1,112 | 1,026 | | | |
| <i>Output 4:</i> | | | | | | | |
| Industry Development | 4,226 | 3,024 | 3,691 | 3,127 | | | |
| <i>Output 5:</i> | | | | | | | |
| Visitor Servicing | 4,041 | 3,522 | 4,304 | 3,769 | | | |
| Total Cost of Outputs | 46,007 | 42,535 | 47,783 | 45,330 | 46,541 | 46,354 | 46,643 |
| <i>Less Revenues from Ordinary Activities</i> | <i>10,123</i> | <i>7,188</i> | <i>10,382</i> | <i>10,479</i> | <i>10,576</i> | <i>10,674</i> | <i>10,674</i> |
| Net Cost of Outputs | 35,884 | 35,347 | 37,401 | 34,851 | 35,965 | 35,680 | 35,969 |
| Adjustments ^(a) | (2,201) | (37) | (1,975) | (6) | (6) | (6) | - |
| Appropriation provided to deliver Outputs. | 33,683 | 35,310 | 35,426 | 34,845 | 35,959 | 35,674 | 35,969 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Appropriation for Administered Grants, Subsidies and Transfer Payments | 1,727 | 1,715 | 2,512 | 4,533 | 2,200 | 2,200 | 2,200 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 27 | 35 | 1,550 | - | - | - | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 35,437 | 37,060 | 39,488 | 39,378 | 38,159 | 37,874 | 38,169 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|--|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Western Australia is promoted as an attractive destination. | 1. Destination Marketing 2. Event Tourism 3. Convention and Incentive Travel |
| | An enhanced tourist industry, infrastructure and product base. | 4. Industry Development 5. Visitor Servicing |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Western Australia is promoted as an attractive destination. | | | | | |
| Awareness amongst potential visitors that WA offers iconic tourism experiences that are actively promoted in our major markets. | na | na | 20% | 20% | |
| Ratio of WA increase in visitor expenditure to the national average increase in visitor expenditure. | na | na | 1.1:1 | 1.1:1 | |
| Outcome: An enhanced tourist industry, infrastructure and product base. | | | | | |
| Visitor satisfaction with WA experience. | na | na | 45% | 45% | |
| Percentage of targeted investors who consider that tourism investment attraction services improved their view of Western Australia as an investment location. | na | na | 30% | 30% | |
| Percentage of investors satisfied with the facilitation services provided. | na | na | 50% | 50% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Destination Marketing

In partnership with the tourism and travel industry and the Australian Tourist Commission, the WATC promotes Western Australia as a desirable holiday destination in the core intrastate, interstate and international target market segments and in future international market segments, and undertakes marketing strategies which will maximise the economic benefit to the State.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 20,867 | 18,024 | 21,459 | 20,078 | |
| Less Revenues from Ordinary Activities | 3,566 | 1,719 | 4,727 | 4,770 | |
| Net Cost of Output | 17,301 | 16,305 | 16,732 | 15,308 | |
| Adjustments ^(a) | (258) | (113) | (418) | 9 | |
| Appropriation for delivery of Output 1 | 17,043 | 16,192 | 16,314 | 15,317 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Number of consumer awareness strategies | 1 | 1 | 1 | 1 | |
| Number of trade awareness strategies..... | 1 | 1 | 1 | 1 | |
| Number of incremental business strategies..... | 1 | 1 | 1 | 1 | |
| Number of information enquiries serviced ^(b) ... | 33,725 | 32,500 | 32,500 | 35,000 | |
| Number of increased air transport seats into Western Australia | 259,077 | 30,000 | 30,000 | 50,000 | |
| Number of international markets reviewed against criteria | 21 | 21 | 21 | 20 | |
| Number of educational seminars conducted | 4 | 4 | 4 | 2 | |
| Number of advices provided to Government... | 216 | 200 | 200 | 200 | |
| Number of Regional Tourism Organisation contracts managed ^(c) | 10 | 10 | 5 | 5 | New concept for regional tourism implemented in 2003-04, 10 Regional Tourism Associations replaced by 5 Regional Tourism Organisations. |
| Quality | | | | | |
| Consumer Awareness - Interstate | | | | | |
| (i) Perceived Knowledge: Percentage of people with knowledge of WA as a holiday destination (for category 'a lot') | na | 4.8% | 4.8% | 4.8% | |
| (ii) Long Trip Preference: % of people with a preference to travel within WA for 3 nights or more. | 15.5% | 16.7% | 16.7% | 16.5% | |
| (iii) Level of unprompted advertising awareness of Western Australia as a holiday destination. | 8% | 10.7% | 10.7% | 10.5% | |
| Consumer Awareness - Intrastate | | | | | |
| (i) Long Trip Preference: % of Western Australians with a preference to travel within WA for 3 nights or more..... | 32.4% | 34.1% | 34.1% | 34.0% | |
| (ii) Level of unprompted advertising awareness of Western Australia as a holiday destination. | 44.8% | 38.2% | 38.2% | 38.0% | |
| Consumer Awareness - International..... | | | | | |
| (i) Perceived knowledge: Percentage of people aware of WA as a tourism destination (for category 'a lot') | | | | | |
| - Singapore | 9% | 8% | 8% | 5% | |
| - Japan | na | 3% | 3% | 2% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|---|--|--|--|--|
| - Malaysia..... | na | 5% | 5% | 4% | |
| - UK..... | na | 5.5% | 5.5% | 4% | |
| (ii) Propensity to consider: Percentage of people who will consider a trip to WA (for the category of 'definitely consider')..... | | | | | |
| - Singapore | 16% | 15% | 15% | 15% | |
| - Japan | na | 2% | 2% | 2% | |
| - Malaysia..... | na | 15% | 15% | 15% | |
| - UK..... | na | 31% | 31% | 28% | |
| Trade Awareness | | | | | |
| (i) Knowledge levels of WA product (using rating 8 and above on 10-point scale). | na | Domestic 54%, International 71% | Domestic 54%, International 71% | Domestic 55%, International 70% | |
| (ii) WATC's contribution to current knowledge levels (rated significant or above)..... | na | Domestic 75%, International 82% | Domestic 75%, International 82% | Domestic 75%, International 80% | |
| (iii) Likelihood of recommending WA as a holiday destination compared with the previous 12 months (using the rating 'more likely now') | na | Domestic 62%, International 52% | Domestic 62%, International 52% | Domestic 62%, International 52% | |
| The extent to which visitor expenditure is generated by incremental tourism initiatives. | Domestic \$4.9 million, International \$15.6 million | Domestic \$4.2 million, International \$7 million | Domestic \$4.2 million, International \$7 million | Domestic \$4.2 million, International \$6 million | |
| Overall level of customer satisfaction with information accessed | na | Domestic 85%, International 86.5% | Domestic 85%, International 86.5% | Domestic 85%, International 86.5% | |
| Proportion of targeted air transport seats into Western Australia achieved | 100% | 100% | 100% | 100% | |
| Accuracy of market reviews | 100% | 100% | 100% | 100% | |
| Participant satisfaction with educational seminars conducted..... | na | 82% | 82% | 82% | |
| Proportion of first drafts accepted | 93% | 92% | 92% | 92% | |
| Proportion of Regional Tourism Organisation contracts met..... | 100% | 100% | 100% | 100% | |
| Timeliness | | | | | |
| Delivered according to Operational Plan timeframes..... | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Cost per consumer awareness strategy..... | \$10,847,123 | \$8,974,604 | \$9,659,907 | \$9,189,483 | |
| Cost per trade awareness strategy | \$5,676,139 | \$3,469,944 | \$5,184,385 | \$4,374,909 | |
| Cost per incremental business strategy | \$1,731,691 | \$1,965,188 | \$2,569,001 | \$2,552,524 | |
| Cost per enquiry serviced ^(b) | \$26.74 | \$23.74 | \$25.08 | \$23.26 | |
| Cost per seat targeted..... | \$0.25 | \$1.45 | \$0.85 | \$0.50 | |
| Cost per market review..... | \$222.36 | \$422.81 | \$398.89 | \$310.72 | |
| Cost per educational seminar conducted..... | \$3,502 | \$6,659 | \$5,384 | \$9,332 | |
| Average cost per advice provided..... | \$185.52 | \$167.81 | \$170.95 | \$165.72 | |
| Cost per Regional Tourism Organisation contract ^(c) | \$158,775 | \$273,012 | \$628,157 | \$612,864 | |
| Full Time Equivalents (FTEs) | 66 | 67 | 67 | 67 | |

- (a) The WATC is strategically reviewing all outputs delivered and also the output measures used to measure Quantity, Quality, Timeliness and Cost of the Outputs. It is expected that the number of measures used will be reduced to better reflect the outputs delivered.
- (b) Revised measure reporting the qualified database enquiries. Previously the total number of website hits were measured.
- (c) The output measures for the Regional Tourism Organisations have been transferred from the Industry Development Output (output 4) to reflect the new contractual arrangements under the new concept for regional tourism.

Major Achievements For 2003-04

- Successfully implemented the New Concept for State Tourism, which improves and streamlines the marketing of tourism in Western Australia. Five new distinct tourism regions and regional management structures have been established (from the previous 10), with each region being given responsibility for their respective destination marketing activities.
- Developed the One Australia business model in the United Kingdom and Europe, and commenced implementation. One Australia will deliver increased marketing efficiencies, effectiveness and impact through a framework that provides greater Australian Tourist Commission and State and Territory Tourism Organisation synergy and alignment, both strategically and operationally.
- Organised 158 trips in Western Australia for 751 high profile participants, via the tourism media and trade familiarisation program. The program cost \$1.17 million to deliver, of which the Western Australian tourism industry contributed more than \$780,000 in cash or in-kind support.
- Developed and distributed detailed research profile documentation on 21 markets, including economic, psychographic and demographic data, for use by the broader tourism industry. The documents were based on extensive desk and in-market research.
- Developed and launched a dynamic website at westernaustralia.com. This website replaced all existing websites, moving the WATC from static websites to a content rich and interactive environment that services our consumer, trade, media and collaborator stakeholders via a single portal.

Major Initiatives For 2004-05

- Launch the refreshed Brand Western Australia, which is currently undergoing a major review and refresh.
- Host the Australian Tourism Exchange (ATE) in June 2005, at the new Perth Convention Exhibition Centre. The ATE is Australia's largest and most influential international travel trade event, with approximately 2,500 delegates.
- Open a dedicated office in Shanghai, under the Western Australian Trade Office, to capitalise on the enormous future potential of this major market. This office will be responsible for establishing strategic partnerships to build tourism traffic for Western Australia.
- Initiate a Customer Relationship Marketing (CRM) program, matching product to target segments. This will be achieved through a database of qualified leads, which will continue to build through on-line promotions and referrals.

Output 2: Event Tourism

The Commission develops, attracts, supports and, where appropriate, manages events that are capable of generating substantial economic benefit and visitor expenditure and can cost-effectively market Western Australia nationally and internationally.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 15,715 | 16,913 | 17,217 | 17,330 | |
| Less Revenues from Ordinary Activities | 5,243 | 4,488 | 4,647 | 4,662 | |
| Net Cost of Output | 10,472 | 12,425 | 12,570 | 12,668 | |
| Adjustments ^(a) | (515) | (19) | (167) | (1) | |
| Appropriation for delivery of Output 2 | 9,957 | 12,406 | 12,403 | 12,667 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Number of bids for events and regular events retained..... | 4 | 8 | 8 | 5 | |
| Number of consumer awareness strategies (equates to number of events hosted)..... | 4 | 8 | 8 | 8 | |
| Number of strategies for incremental tourism business through hosted events (equates to the number of events hosted)..... | 5 | 8 | 8 | 8 | |
| Number of event products and packages developed..... | 18 | 38 | 38 | 38 | |
| Number of advices provided to Government... | 327 | 100 | 100 | 100 | |
| Quality | | | | | |
| Estimated economic impact of successful bids for events and events retained..... | \$39.6 million | \$28 million | \$31.2 million | \$27.4 million | |
| Value (\$) of television media coverage in core tourism markets for events hosted..... | \$16.7 million | \$9 million | \$9 million | \$7.5 million | |
| The value of economic impact generated by incremental tourism activity, i.e. events hosted..... | \$36.3 million | \$35 million | \$35 million | \$35.5 million | |
| Value of visitor expenditure generated by event products..... | \$1.3 million | \$2 million | \$1.5 million | \$1.2 million | |
| Proportion of first drafts accepted..... | 97% | 95% | 95% | 95% | |
| Timeliness | | | | | |
| Bids made for events according to Operational Plan timelines..... | 100% | 95% | 95% | 95% | |
| Proportion of consumer awareness strategies implemented in conjunction with events hosted..... | 100% | 100% | 100% | 100% | |
| Proportion of events held on time..... | 100% | 100% | 100% | 100% | |
| Proportion of event products and packages developed on time..... | 100% | 100% | 100% | 100% | |
| Proportion of advices provided within agreed timeframes..... | 72% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Cost per bid submitted..... | \$196,631 | \$69,777 | \$81,936 | \$125,509 | |
| Cost per consumer awareness strategy for events hosted..... | \$150,943 | \$52,573 | \$56,495 | \$53,467 | |
| Cost per incremental business strategy (equates to the number of events hosted)..... | \$2,830,681 | \$1,968,043 | \$1,984,315 | \$2,006,238 | |
| Cost per event product and package developed | \$7,252 | \$4,581 | \$5,364 | \$5,119 | |
| Cost per advice provided..... | \$124 | \$162 | \$316 | \$299 | |
| Full Time Equivalent (FTEs) | 25 | 25 | 25 | 25 | |

(a) The WATC is strategically reviewing all outputs delivered and also the output measures used to measure Quantity, Quality, Timeliness and Cost of the Outputs. It is expected that the number of measures used will be reduced to better reflect the outputs delivered.

Major Achievements For 2003-04

- Secured a number of significant events, including:
 - Ironman Western Australia (2004-2006), which has a projected direct visitor expenditure of \$3.4 million over the three years and is expected to provide significant media exposure. The event will be held in Busselton;
 - Clipper Round the World Yacht Race (2005), which has a projected direct visitor expenditure of \$1.8 million and significant global media and other promotional outcomes. Fremantle will be the host port;
 - 5 Oceans Race (2007), which has a projected direct visitor expenditure of \$1.5 million. Fremantle will be the host port; and
 - X-adventure Raid Series (2004-2006), a 24 hour time trial covering at least four athletic disciplines such as kayaking, climbing, swimming and running. This event has a projected direct visitor expenditure of \$3.3 million over three years and is expected to provide significant media exposure. Kalbarri will host this event.

- Successfully staged the Perth leg of the 2003 Rugby World Cup. Rugby World Cup achieved significant international, national and local media coverage for Western Australia and generated over \$41 million in direct expenditure from a State investment of \$1.75 million.
- Updated, reinvigorated and launched the 2004 events campaign ('See It. Do It') to ensure the media, potential visitors and local Western Australian community are highly attracted to events. Increased the number of events included on the calendar from 11 to 38.
- Secured the Hyundai Hopman Cup international tennis tournament for another three years (2005-2007). Footage of these tournaments will be telecast around the globe, providing major exposure for Western Australia.
- Developed a formal strategic agreement between EventsCorp and the Perth Convention Bureau (PCB), which identifies cooperative opportunities between event and business tourism and maximises efficiency of available resources.
- Established an EventsCorp office in Bunbury with two staff. This provides regional communities with expertise in the development of local events.

Major Initiatives For 2004-05

- Stage two new events: X-adventure Raid Series and Ironman Western Australia. In 2004 these events will generate a projected \$2.2 million in direct visitor expenditure and contribute significantly to regional Western Australia, including Busselton and Kalbarri.
- Progress 'special event' legislation for Western Australia to decrease bureaucracy and allow a range of relevant industries and service providers a more flexible response to increased visitation during significant events. This will assist in leveraging major international events for maximum tourism impact.
- Increase recognition of our principal tourism experiences through identifying potential events suitable for development as iconic and commencing development of an iconic event for Western Australia.
- Generate national event business through implementing a series of road-show presentations to national federations and developing a seminar for state sports associations.

Output 3: Convention and Incentive Travel

The Commission has contracted the Perth Convention Bureau to identify, develop and convert leads for potential new national and international meetings and incentive travel business, bid for new business, support the tourist industry and work with meeting planners and the local tourist industry to boost delegate numbers at confirmed national and international conferences and increase pre and post conference touring activities.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 1,158 | 1,052 | 1,112 | 1,026 | |
| Less Revenues from Ordinary Activities | 104 | - | - | 1 | |
| Net Cost of Output | 1,054 | 1,052 | 1,112 | 1,025 | |
| Adjustments ^(a) | (13) | 1 | (59) | - | |
| Appropriation for delivery of Output 3 | 1,041 | 1,053 | 1,053 | 1,025 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Bids for conventions and incentive travel groups | 250 | 194 | 194 | 260 | |
| Incremental tourism activities, i.e. conventions and incentive travel groups hosted..... | 209 | 141 | 141 | 111 | |
| Advices provided to Government | na | 15 | 15 | 15 | |
| Quality | | | | | |
| Projected visitor expenditure from successful bids for conventions and incentive travel..... | \$72.3 million | \$81.5 million | \$81.5 million | \$83 million | |
| Actual visitor expenditure from incremental tourism activities, ie conventions and incentive travel groups hosted | \$57.3 million | \$60 million | \$60 million | \$41 million | |
| Proportion of first drafts accepted | na | 90% | 90% | 90% | |
| Timeliness | | | | | |
| Bids for conventions and incentives made according to operational plan timeframes | 100% | 100% | 100% | 100% | |
| Proportion of conventions and incentive travel groups held as planned..... | 100% | 100% | 100% | 100% | |
| Proportion of advices provided within agreed timeframes | na | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of convention and incentive bid . | \$4,263 | \$4,976 | \$5,245 | \$3,611 | Estimated actual 2003-04 includes unexpended funding for the Convention Assistance Support Team scheme carried forward from 2002-03 |
| Average cost of incremental tourism activity, ie convention or incentive travel group hosted | \$443 | \$580 | \$631 | \$739 | |
| Average cost per advice provided..... | na | \$341 | \$371 | \$342 | |

(a) The WATC is strategically reviewing all outputs delivered and also the output measures used to measure Quantity, Quality, Timeliness and Cost of the Outputs. It is expected that the number of measures used will be reduced to better reflect the outputs delivered.

Major Achievements For 2003-04

- Successfully generated 19 new convention bidding opportunities for Western Australia through the customer relationship management program, which targets the top 10 industry sectors in Western Australia. These opportunities are primarily in the health, resources and arts sector.
- Launched an on-line calendar, which provides information to members on forthcoming conferences confirmed for Western Australia.
- Extended the successful local host campaign, designed to source new regional convention bid leads, into regional Western Australia. Local host programs have been held in Bunbury and Geraldton and are planned for Broome and Kalgoorlie.
- Secured three large national conferences for Western Australia through the Convention Assistance Support Team (CAST) initiative, a \$200,000 Government and \$100,000 industry partnership to assist the successful bidding for large high profile national and international conferences. The conferences are expected to attract 4,830 delegates with an anticipated direct delegate spend of \$6.8 million.
- Perth has won the right to be the Australian city to bid for three international conferences (Asia Pacific Conference on Electron Microscopy, 2008; World Aquaculture Conference, 2010; International Conference on Behavioural and Cognitive Therapies, 2010), representing a further 6,250 potential delegates.

Major Initiatives For 2004-05

- Create a new business tourism brand for Western Australia, as an extension of Brand Western Australia. An associated destination marketing campaign will promote Perth as a meetings destination, highlighting its increased capacity and emergence as a fresh, desirable new meetings destination.
- Generate new convention and event bidding opportunities from the United Kingdom and European market place, through the convention and event manager within the Office of the Agent General, London.

Output 4: Industry Development

The objective of this output is to promote, foster and facilitate investment in and the development of new tourist infrastructure and products, and the improvement of existing tourist facilities and services in Western Australia.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 4,226 | 3,024 | 3,691 | 3,127 | |
| Less Revenues from Ordinary Activities | 198 | 37 | 19 | 37 | |
| Net Cost of Output | 4,028 | 2,987 | 3,672 | 3,090 | |
| Adjustments ^(a) | (858) | (26) | (714) | (3) | |
| Appropriation for delivery of Output 4 | 3,170 | 2,961 | 2,958 | 3,087 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Regional Tourism Development Plans reviewed and updated..... | 11 | 11 | 11 | 11 | |
| Number of Tourism Investment Registers produced..... | 2 | 2 | 2 | 2 | |
| Number of strategic tourism development plans developed | 1 | 1 | 1 | 1 | |
| Number of infrastructure projects worked on.. | 26 | 36 | 36 | 36 | |
| Number of common good information requests..... | 686 | 500 | 500 | 500 | |
| Number of products, including specialist/sustainable tourism products developed..... | 40 | 24 | 24 | 24 | |
| Number of additional operators Accredited for the National Tourism Industry Accreditation Scheme | 134 | 100 | 100 | 100 | |
| Number of advices provided to Government ... | 645 | 550 | 550 | 550 | |
| Quality | | | | | |
| Produced annually | 100% | 80% | 80% | 80% | |
| Produced twice yearly | 100% | 100% | 100% | 100% | |
| Strategic Tourism Development Plan produced annually..... | 100% | 100% | 100% | 100% | |
| Value of infrastructure projects worked on..... | \$203 million | >\$50 million | >\$50 million | >\$50 million | |
| Level of customer satisfaction with service provided..... | Not surveyed | 80% | 80% | 80% | |
| Customer satisfaction with products developed..... | Not surveyed | 80% | 80% | 80% | |
| Number of operators passing verification audit under the National Tourism Industry Accreditation Scheme Value of infrastructure projects worked on | 223 | 166 | 165 | 165 | |
| Proportion of first drafts accepted | 95% | 90% | 90% | 90% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Timeliness | | | | | |
| Provided within agreed timeframe..... | 100% | 100% | 100% | 100% | |
| Percentage of infrastructure projects progressed to the agreed stage. | 100% | 100% | 100% | 100% | |
| Proportion of advices provided within agreed timeframes..... | 98% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Cost per annual stakeholders and infrastructure plan reviewed | \$16,948 | \$12,506 | \$19,488 | \$19,244 | |
| Cost per Tourism Investment Register..... | \$46,608 | \$34,392 | \$53,592 | \$52,921 | |
| Cost per strategic tourism development plan produced | \$93,216 | \$68,781 | \$107,185 | \$105,842 | |
| Cost per infrastructure project worked on..... | \$23,935 | \$12,672 | \$14,017 | \$12,863 | |
| Cost per information request | \$907 | \$912 | \$1,009 | \$926 | |
| Cost per product developed | \$46,674 | \$57,024 | \$63,074 | \$57,884 | |
| Cost per additional accredited operator | \$4,149 | \$3,302 | \$5,844 | \$2,363 | |
| Average cost per advice provided..... | \$287 | \$250 | \$282 | \$277 | |
| Full Time Equivalents (FTEs) | 32 | 29 | 30 | 30 | |

(a) The WATC is strategically reviewing all outputs delivered and also the output measures used to measure Quantity, Quality, Timeliness and Cost of the Outputs. It is expected that the number of measures used will be reduced to better reflect the outputs delivered.

Major Achievements For 2003-04

- Launched the first 'Better Business Blitz' in Exmouth, with support from Tourism Council Western Australia, Western Australian Hospitality Council, Tourism Industry Training Council and the Small Business Development Corporation. The workshop upskills operators in business management and visitor servicing, as well as providing tourism development advice.
- Supported niche sector development opportunities by sponsoring three significant conferences:
 - Australian Indigenous Tourism Conference;
 - Australian Cultural Tourism Conference; and
 - International Wine Tourism Conference.
- Developed and released 'Journey Further' a cultural tourism strategy, in conjunction with the Department of Culture and the Arts.
- Successfully hosted investment missions from Dubai, Oman and the Czech Republic.
- Contributed to the development of an accreditation strategic plan, in conjunction with Tourism Council Western Australia.
- Achieved an increase in international and domestic non-stop air services to Western Australia, including doubling services (to six per week) from Hong Kong to Perth, and the introduction of non-stop services to Perth from Canberra, the Gold Coast and Cairns. Regionally, non-stop services were introduced from Sydney to Broome and between Perth and Kununurra.

Major Initiatives For 2004-05

- Continue the Better Business Blitz program, with workshops across the State.
- Develop a comprehensive database of tourism development opportunities and match with potential investors.
- Complete destination development strategies for each of Western Australia's tourism regions.
- Complete a cruise shipping strategy for Western Australia.
- Complete an Aboriginal tourism marketing strategy for Western Australia.
- Encourage airlines to increase air services and capacity on existing routes, and consider the introduction of non-stop air services from Western Japan, China and UK/Europe.

Output 5: Visitor Servicing

This output ensures the provision of destinational and product information and booking facilities throughout Western Australia to increase the likelihood of visitors travelling within the State and to encourage them to increase their length of stay.

The Commission co-ordinates a State-wide visitor servicing network and operates a central "call centre" so as to provide the necessary coordination at the default location for all enquiries.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 4,041 | 3,522 | 4,304 | 3,769 | Estimated actual 2003-04 includes unexpended 2002-03 funding for the Western Australian Visitor Network and Country Visitor Centre Sustainability Enhancement Scheme |
| Less Revenues from Ordinary Activities | 1,012 | 944 | 989 | 1,009 | |
| Net Cost of Output | 3,029 | 2,578 | 3,315 | 2,760 | |
| Adjustments ^(a) | (557) | 120 | (617) | (11) | |
| Appropriation for delivery of Output 5 | 2,472 | 2,698 | 2,698 | 2,749 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Number of enquiries serviced by the Western Australian Visitor Centre | 359,845 | 375,000 | 350,000 | 350,000 | |
| Number of enquiries serviced by other Network Visitor Centres (virtual calls diverted) | 22,682 | 48,000 | 25,000 | 25,000 | |
| Number of passengers booked..... | 18,334 | 17,500 | 17,500 | 17,500 | |
| Quality | | | | | |
| Overall customer satisfaction with level of service: Counter and Telephone | Not surveyed | 80% | 80% | 80% | |
| Visitor expenditure generated..... | \$19.5 million | \$20 million | \$20 million | \$20 million | |
| Timeliness | | | | | |
| Customer satisfaction with timeliness | 85% | 80% | 80% | 80% | |
| Cost (Efficiency) | | | | | |
| Cost per enquiry serviced by the Western Australian Visitor Centre | \$5.79 | \$5.01 | \$6.94 | \$5.83 | |
| Cost per enquiry serviced by other Network Visitor Centres..... | \$39.38 | \$9.79 | \$24.29 | \$20.40 | |
| Cost per passenger..... | \$57.99 | \$66.95 | \$72.44 | \$69.65 | |
| Full Time Equivalents (FTEs) | 32 | 32 | 32 | 32 | |

(a) The WATC is strategically reviewing all outputs delivered and also the output measures used to measure Quantity, Quality, Timeliness and Cost of the Outputs. It is expected that the number of measures used will be reduced to better reflect the outputs delivered.

Major Achievements For 2003-04

- Implemented the Volunteers Tourist Assistance Officers Program, 'West Oz Welcomers', and further developed tourism information opportunities by using Western Australian Visitor Centre staff and West Oz Welcomers volunteers to provide information at mobile visitor information booths during major events.
- Increased membership to the WA Tourism Network to more than 1,100, by providing the tourism industry with a cost effective approach to electronic information distribution.
- Developed a Western Australian Tourism Network Strategy. The new strategy is in alignment with the objectives of increasing data comprehensiveness (and Western Australia's online competitive position), reducing cost to operators and containing costs within budget parameters.
- Conducted a high level review of Visitor Servicing, with support from the Department of Local Government and Regional Development.
- Conducted a review of the Western Australian Visitor Centre.
- Took possession of the Australia Tourism Data Warehouse. Approximately 5,500 Western Australian tourism products are now listed, including accommodation, tours and attractions. Full integration with the WATC's new website has been achieved.

Major Initiatives For 2004-05

- Rollout the new marketing strategy for the Western Australian Tourism Network to increase industry participation and improve Western Australia's competitive position in online marketing channels.
- Implement key findings from the Visitor Servicing study.
- Implement key findings from the Western Australian Visitor Centre study.

CAPITAL WORKS PROGRAM

The Western Australian Tourism Commission's capital works expenditure in 2004-05 is primarily for the replacement of computer equipment to support the delivery of the Commission's outputs.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Consolidation of Leased Office Accommodation | 1,550 | 1,550 | 1,550 | - |
| Purchase of Computer Hardware - | | | | |
| 2002-03 program | 424 | 424 | 174 | - |
| 2003-04 Program | 424 | 424 | 424 | - |
| NEW WORKS | | | | |
| Purchase of Computer Hardware - | | | | |
| 2004-05 Program | 424 | - | - | 424 |
| | 2,822 | 2,398 | 2,148 | 424 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 345 | 459 | 2,148 | 424 | 424 | 424 | 424 |
| Working capital requirement | | | | | | | |
| Loan repayments | 27 | - | - | - | - | - | - |
| | 372 | 459 | 2,148 | 424 | 424 | 424 | 424 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account | 424 | 424 | 424 | 424 | 424 | 424 | 424 |
| Internal Funds and Balances | (79) | - | 174 | - | - | - | - |
| Capital Contribution | 27 | 35 | 1,550 | - | - | - | - |

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 8,994 | 9,020 | 9,269 | 9,517 | 9,833 | 10,127 | 10,289 |
| Superannuation | 893 | 906 | 905 | 933 | 961 | 991 | 991 |
| Grants and subsidies ^(b) | 2,397 | 3,407 | 1,213 | 500 | - | - | - |
| Supplies and services | 25,576 | 22,984 | 28,588 | 26,493 | 27,598 | 27,068 | 27,200 |
| Accommodation | 1,576 | 1,343 | 1,712 | 1,800 | 1,800 | 1,800 | 1,800 |
| Borrowing costs | 1 | - | - | - | - | - | - |
| Capital User Charge | 450 | 114 | 114 | 176 | 237 | 237 | 237 |
| Depreciation and amortisation | 424 | 424 | 424 | 424 | 424 | 424 | 424 |
| Administration | 5,156 | 3,807 | 4,948 | 4,797 | 4,977 | 4,977 | 4,971 |
| State Taxes | 522 | 490 | 605 | 623 | 641 | 659 | 659 |
| Costs of disposal of non-current assets | 8 | - | - | - | - | - | - |
| Other expenses | 10 | 40 | 5 | 67 | 70 | 71 | 72 |
| TOTAL COST OF SERVICES | 46,007 | 42,535 | 47,783 | 45,330 | 46,541 | 46,354 | 46,643 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 460 | 700 | 500 | 500 | 500 | 500 | 500 |
| Interest | 316 | 225 | 260 | 260 | 260 | 260 | 260 |
| Proceeds from disposal of non-current assets .. | 12 | - | - | 1 | 1 | 1 | 1 |
| Other Revenue | 9,335 | 6,263 | 9,622 | 9,718 | 9,815 | 9,913 | 9,913 |
| Total Revenues from Ordinary Activities | 10,123 | 7,188 | 10,382 | 10,479 | 10,576 | 10,674 | 10,674 |
| NET COST OF SERVICES | 35,884 | 35,347 | 37,401 | 34,851 | 35,965 | 35,680 | 35,969 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 33,683 | 35,310 | 35,426 | 34,845 | 35,959 | 35,674 | 35,969 |
| Resources received free of charge | 58 | 52 | 58 | 6 | 6 | 6 | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 33,741 | 35,362 | 35,484 | 34,851 | 35,965 | 35,680 | 35,969 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | | | | | | | |
| | (2,143) | 15 | (1,917) | - | - | - | - |
| Extraordinary items | 2 | - | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (2,141) | 15 | (1,917) | - | - | - | - |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 155, 154 and 154 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 2,049 | 288 | 415 | 145 | 145 | 145 | 145 |
| Restricted cash..... | 116 | - | 116 | 116 | 116 | 116 | 116 |
| Investments..... | 2,110 | 1,260 | 1,993 | 1,993 | 1,993 | 1,993 | 1,993 |
| Receivables..... | 1,010 | 629 | 700 | 700 | 700 | 700 | 700 |
| Amounts receivable for outputs..... | 424 | 424 | 424 | 424 | 424 | 424 | 424 |
| Prepayments..... | 3,089 | 159 | 800 | 800 | 800 | 800 | 800 |
| Total current assets..... | 8,798 | 2,760 | 4,448 | 4,178 | 4,178 | 4,178 | 4,178 |
| NON-CURRENT ASSETS | | | | | | | |
| Land and Buildings..... | 2,530 | 2,610 | 2,530 | 2,530 | 2,530 | 2,530 | 2,530 |
| Plant, equipment and vehicles..... | 741 | 676 | 736 | 731 | 726 | 721 | 716 |
| Other..... | 92 | 374 | 1,640 | 1,645 | 1,650 | 1,655 | 1,660 |
| Total non-current assets..... | 3,363 | 3,660 | 4,906 | 4,906 | 4,906 | 4,906 | 4,906 |
| TOTAL ASSETS..... | 12,161 | 6,420 | 9,354 | 9,084 | 9,084 | 9,084 | 9,084 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 3,978 | 205 | 1,618 | 1,618 | 1,588 | 1,558 | 1,528 |
| Provision for employee entitlements..... | 1,429 | 1,125 | 1,321 | 1,321 | 1,321 | 1,321 | 1,321 |
| Accrued Salaries..... | 241 | 33 | 270 | - | 30 | 60 | 90 |
| Other..... | - | 959 | - | - | - | - | - |
| Total current liabilities..... | 5,648 | 2,322 | 3,209 | 2,939 | 2,939 | 2,939 | 2,939 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 1,497 | 1,442 | 1,497 | 1,497 | 1,497 | 1,497 | 1,497 |
| Provision for employee entitlements..... | 1,263 | 1,208 | 1,262 | 1,262 | 1,262 | 1,262 | 1,262 |
| Total non-current liabilities..... | 2,760 | 2,650 | 2,759 | 2,759 | 2,759 | 2,759 | 2,759 |
| TOTAL LIABILITIES..... | 8,408 | 4,972 | 5,968 | 5,698 | 5,698 | 5,698 | 5,698 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 509 | 544 | 2,059 | 2,059 | 2,059 | 2,059 | 2,059 |
| Accumulated surplus/(deficit)..... | 714 | (1,706) | (1,203) | (1,203) | (1,203) | (1,203) | (1,203) |
| Asset revaluation reserve..... | 2,530 | 2,610 | 2,530 | 2,530 | 2,530 | 2,530 | 2,530 |
| Total equity..... | 3,753 | 1,448 | 3,386 | 3,386 | 3,386 | 3,386 | 3,386 |
| TOTAL LIABILITIES AND EQUITY..... | 12,161 | 6,420 | 9,354 | 9,084 | 9,084 | 9,084 | 9,084 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 33,259 | 34,886 | 35,002 | 34,421 | 35,535 | 35,250 | 35,545 |
| Capital Contribution | 27 | 35 | 1,550 | - | - | - | - |
| Holding Account Drawdowns..... | 424 | 424 | 424 | 424 | 424 | 424 | 424 |
| Net cash provided by State government..... | 33,710 | 35,345 | 36,976 | 34,845 | 35,959 | 35,674 | 35,969 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (8,399) | (9,065) | (9,349) | (9,787) | (9,803) | (10,097) | (10,259) |
| Superannuation | (739) | (856) | (905) | (933) | (961) | (991) | (991) |
| Supplies and services | (22,719) | (20,586) | (27,214) | (25,005) | (26,223) | (25,595) | (25,727) |
| Grants and subsidies | (2,398) | (3,563) | (713) | (500) | - | - | - |
| Borrowing costs..... | (1) | - | - | - | - | - | - |
| Accommodation..... | (1,458) | (1,630) | (1,590) | (1,590) | (1,590) | (1,590) | (1,590) |
| Administration..... | (4,961) | (3,782) | (4,900) | (4,900) | (4,900) | (4,900) | (4,900) |
| Capital User Charge..... | (450) | (114) | (114) | (176) | (237) | (237) | (237) |
| State Taxes | (524) | (480) | (605) | (623) | (641) | (659) | (659) |
| Goods and Services Tax | (3,808) | (3,410) | (3,300) | (3,737) | (3,737) | (3,737) | (3,737) |
| Other..... | (2) | (41) | (1) | (63) | (66) | (67) | (68) |
| Receipts | | | | | | | |
| User charges and fees | 421 | 700 | 525 | 525 | 525 | 525 | 525 |
| Interest | 320 | 225 | 260 | 260 | 260 | 260 | 260 |
| Goods and Services Tax | 3,274 | 3,410 | 3,487 | 3,737 | 3,737 | 3,737 | 3,737 |
| Grants and subsidies | 3,000 | - | - | - | - | - | - |
| Other..... | 5,698 | 5,088 | 7,659 | 8,100 | 8,100 | 8,100 | 8,100 |
| Net cash from operating activities..... | (32,746) | (34,104) | (36,760) | (34,692) | (35,536) | (35,251) | (35,546) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (345) | (459) | (1,974) | (424) | (424) | (424) | (424) |
| Proceeds from sale of non-current assets | 12 | - | 7 | 1 | 1 | 1 | 1 |
| Net cash from investing activities..... | (333) | (459) | (1,967) | (423) | (423) | (423) | (423) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (27) | - | - | - | - | - | - |
| Net cash from financing activities..... | (27) | - | - | - | - | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD | 604 | 782 | (1,751) | (270) | - | - | - |
| Cash assets at the beginning of the reporting period | 3,671 | 766 | 4,275 | 2,524 | 2,254 | 2,254 | 2,254 |
| Cash assets at the end of the reporting period..... | 4,275 | 1,548 | 2,524 | 2,254 | 2,254 | 2,254 | 2,254 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| Country Visitor Centre Sustainability Enhancement Scheme | 295 | 500 | 500 | 500 | - | - | - |
| WA Rural and Regional Marketing Assistance Scheme | 293 | 500 | - | - | - | - | - |
| Regional Tourism Authorities | 1,778 | 2,407 | 713 | - | - | - | - |
| Metropolitan Visitor Centres Sustainability Enhancement Scheme | 31 | - | - | - | - | - | - |
| TOTAL | 2,397 | 3,407 | 1,213 | 500 | - | - | - |

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| STATUTORY AUTHORITIES | | | | | | | |
| Rottnest Island Authority - Capital Grant | 1,727 | 1,715 | 2,512 | 4,533 | 2,200 | 2,200 | 2,200 |
| TOTAL | 1,727 | 1,715 | 2,512 | 4,533 | 2,200 | 2,200 | 2,200 |

ROTTNEST ISLAND AUTHORITY

CAPITAL WORKS PROGRAM

The capital works program of the Rottnest Island Authority continues the Government's ongoing program to upgrade and improve the accommodation, public facilities, utility services and heritage and environmental projects of the Island.

The 2004-05 capital works program of \$6.0 million represents a significant investment in the Island with \$2.865 million to be spent on holiday and tourism facilities such as upgrading the Fays Bay and Longreach accommodation units. Also, \$3.138 million is planned to be spent on infrastructure and operational service facilities including power station upgrade, water mains and meters and sewerage.

In December 2003, the Government established the Rottnest Island Taskforce to deliver a prioritised infrastructure plan for Rottnest Island consistent with sound management and commercial principles and viable Island eco-systems. The Taskforce will identify expenditure priorities for Rottnest Island to support long term economic, environmental and social sustainability and provide recommendations for consideration by Government.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Holiday and Tourism Facilities | | | | |
| 2003-04 Program | 1,094 | 1,094 | 1,094 | - |
| Infrastructure and Operation 2003-04 Program | 3,418 | 3,418 | 3,418 | - |
| NEW WORKS | | | | |
| Conservation and Preservation | | | | |
| 2004-05 Program | 30 | - | - | 30 |
| Holiday and Tourism Facilities | | | | |
| 2004-05 Program | 2,865 | - | - | 2,865 |
| Infrastructure and Operation | | | | |
| 2004-05 Program | 3,138 | - | - | 3,138 |
| | 10,545 | 4,512 | 4,512 | 6,033 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 1,727 | 3,036 | 4,512 | 6,033 | 3,700 | 3,647 | 3,450 |
| | 1,727 | 3,036 | 4,512 | 6,033 | 3,700 | 3,647 | 3,450 |
| LESS | | | | | | | |
| Other ^(a) | 1,727 | 1,715 | 2,512 | 4,533 | 2,200 | 2,200 | 2,200 |
| Internal Funds and Balances | - | 1,321 | 2,000 | 1,500 | 1,500 | 1,447 | 1,250 |
| Capital Contribution | - | - | - | - | - | - | - |

(a) Contribution administered by the Western Australian Tourism Commission.

SMALL BUSINESS DEVELOPMENT CORPORATION

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 59

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 100 Net amount appropriated to deliver outputs | 8,677 | 8,512 | 8,510 | 8,218 | 8,400 | 8,583 | 8,734 |
| Total appropriations provided to deliver outputs | 8,677 | 8,512 | 8,510 | 8,218 | 8,400 | 8,583 | 8,734 |
| CAPITAL | | | | | | | |
| Item 159 Capital Contribution | 196 | 97 | 97 | 313 | 184 | 134 | 313 |
| GRAND TOTAL..... | 8,873 | 8,609 | 8,607 | 8,531 | 8,584 | 8,717 | 9,047 |

MISSION

To create opportunity and wealth for small to medium sized businesses in Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- A growing state economy, characterised by strong business investment, housing investment and household consumption, has underpinned the prospect of a positive year for Western Australia's small business sector in 2004-05. Improved confidence within the sector is reflected by the expectation that general business conditions will improve in the coming year, although small businesses will continue to face challenges such as attracting new customers, coping with interest rate changes and maintaining market share.
- Increasing numbers of new and existing small business operators are recognising the value of skills development as a way to gain an edge in the competitive marketplace. For instance, in the tourism and retail trade sectors, emphasis is being placed on enhancing marketing, merchandising and customer service skills to assist small businesses in those sectors to achieve ongoing business success.
- Small businesses in regional areas of the State were adversely affected by consecutive years of severe drought from 2001 to 2003. Now the drought has broken, these small businesses will have the opportunity to consolidate and expand their business operations.
- Western Australia is consistently among the top two preferred destinations for business migrants to Australia. Business migrants value-add to the State's business community and economy through their contribution to investment, employment generation and export income. Through State sponsorship, Western Australia will continue to offer assistance and support to encourage successful business migrants to relocate to the State.
- While Western Australia's exporters have traditionally been dominated by the agricultural and resources sector, small businesses are increasingly recognising the benefits of exporting and are seeking to expand their potential markets in growing numbers.
- The Tourism sector is recovering after the effects of the SARS virus and terrorism related events. The Small Business Development Corporation with the support of the Western Australian Tourism Commission has developed a tailored workshop program "Tourism Today" aimed specifically at improving the business skills of small businesses in the Tourism sector. The program is delivered as part of a "Tourism Blitz" strategy by the agencies.

- The home based business sector is one of the fastest growing sectors of the Western Australian economy. It is expected that the home based business sector will continue to increase in prominence, and that factors such as lifestyle priorities, technology and industry restructuring will ensure that operating a business from or at home is an increasingly real option for prospective small business operators.

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Information, Guidance, Referral and Business Development Services | 9,747 | 9,451 | 9,151 | 9,323 | | | |
| Total Cost of Outputs | 9,747 | 9,451 | 9,151 | 9,323 | 9,662 | 9,028 | 9,182 |
| <i>Less</i> Revenues from Ordinary Activities | 856 | 420 | 568 | 420 | 400 | 400 | 400 |
| Net Cost of Outputs | 8,891 | 9,031 | 8,583 | 8,903 | 9,262 | 8,628 | 8,782 |
| Adjustments ^(a) | (214) | (519) | (73) | (685) | (862) | (45) | (48) |
| Appropriation provided to deliver Outputs. | 8,677 | 8,512 | 8,510 | 8,218 | 8,400 | 8,583 | 8,734 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 196 | 97 | 97 | 313 | 184 | 134 | 313 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 8,873 | 8,609 | 8,607 | 8,531 | 8,584 | 8,717 | 9,047 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer, the Chairperson and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|--|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Development of new and existing Small Business in Western Australia. | 1. Information, Guidance, Referral and Business Development Services |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Development of new and existing Small Business in Western Australia. | | | | | |
| A random sample of Small Business Development Corporation (SBDC) clients asked about the usefulness of the information/guidance provided to them by SBDC | | | | | |
| Very or somewhat useful..... | 89% | 90% | 90% | 90% | |
| Not very or not at all useful..... | 6% | 0% | 0% | 0% | |
| Neutral..... | 5% | 10% | 10% | 10% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Information, Guidance, Referral and Business Development Services

Provision of specialised information, referral, and business facilitation services for the effective development of enterprises in Western Australia.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 9,747 | 9,451 | 9,151 | 9,323 | |
| Less Revenues from Ordinary Activities | 856 | 420 | 568 | 420 | |
| Net Cost of Output | 8,891 | 9,031 | 8,583 | 8,903 | |
| Adjustments ^(a) | (214) | (519) | (73) | (685) | |
| Appropriation for delivery of Output 1 | 8,677 | 8,512 | 8,510 | 8,218 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Clients - direct advice ^(a) | 116,747 | 120,000 | 120,000 | 120,000 | |
| Clients - indirect advice ^(b) | 37,484 | 40,000 | 38,000 | 38,000 | |
| Clients of Business Enterprise Centres | 115,140 | 105,000 | 115,000 | 115,000 | |
| Grants given ^(c) | 303 | 60 | 50 | 40 | |
| Policy advice unit ^(d) | 1 | 1 | 1 | 1 | |
| Quality | | | | | |
| Satisfaction with services | 90% | 90% | 90% | 90% | |
| Timeliness | | | | | |
| Satisfaction with services | 90% | 90% | 90% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost per direct client contact..... | \$37.53 | \$33.66 | \$37.81 | \$35.90 | |
| Average cost per indirect client contact..... | \$3.00 | \$3.01 | \$3.41 | \$3.33 | |
| Average cost per Business Enterprise Centre client contact..... | \$29.35 | \$39.17 | \$29.08 | \$32.60 | |
| Cost of average grant per client..... | \$3,222.52 | \$2,938.90 | \$3,625.78 | \$3,668.59 | |
| Cost per unit of policy advice..... | \$897,304 | \$1,002,676 | \$958,352 | \$992,907 | |
| Full Time Equivalents (FTEs) | 44 | 47 | 47 | 49 | |

- (a) Direct clients include those who used the Small Business Services, the Business Information and Licence Centre, attended workshops, contacted the Policy and Business Liaison unit and those who visited the SBDC website for four minutes or more or visited the Business Licence Information Service website for two minutes or more.
- (b) Indirect clients include those who have attended forums, events, expos and small business awards sponsored by the SBDC; attended functions addressed by an SBDC representative on small business matters; accessed the SBDC website for two to four minutes, the Small Business Research website for two minutes or more, the b.generation website (for youth), e-Start website, e-Trade or the e-Marketing website.
- (c) Grants include those given under the Small Business Improvement Program (2002-03), the Business Innovation Development Scheme and the Business Migrant Incentive Program. The Small Business Improvement Program is abolished with effect from 2003-04.
- (d) Policy advice includes policy submissions, investigative research, ministerial drafts, cabinet submissions, parliamentary questions and briefing notes.

Major Achievements For 2003-04

- Introduced a Home Based Business Network as a new program to assist home based businesses to start and grow. The program features on-line registration, and a combination of kits, workshops and networking opportunities.
- Increased the State's standing to become the preferred destination in Australia for business migrants under the revised business visa and State or Territory sponsorship arrangements. The number of Western Australian sponsorships exceeded every other State or Territory.
- Delivered the TradeStart program in conjunction with Austrade. The target number of businesses entering the TradeStart program was exceeded and some fifty small businesses in the program are preparing to export for the first time.
- Developed an "Employment Today" workshop for small businesses employing staff for the first time.
- Introduced a series of e-Commerce workshops to increase the level of e-Commerce take up by small businesses.
- With the support of the Western Australian Tourism Commission, developed and made available a new workshop program, "Tourism Today". The program is being delivered throughout the State through the Business Enterprise Centre (BEC) network.
- Developed and delivered a "Regional Working With Government" forum to assist small business operators to make the most of their interactions with Government. In particular, the forum highlighted ways the Government can assist regional small businesses and, in turn, how small businesses can work and interact with Government.

Major Initiatives For 2004-05

- Develop a range of information and support services for small businesses seeking to export for the first time which will include a dedicated “First Time Exporters” website, network forums and specialist support.
- Introduce an “Innovation to Market” online awareness program to assist individuals and small business to commercialise new products, services and technologies.
- Produce an interactive business planning tool for small business which will be made available in CD format as well as being accessible online.
- Coordinate the implementation of the outcomes of the BEC network review, to forge stronger links between the BEC network and local communities, ensuring future service delivery models meet the unique needs of small businesses throughout the State.
- Promote a “Young Business Network” program to encourage and develop young business entrepreneurs.

CAPITAL WORKS PROGRAM

The Small Business Development Corporation's planned Capital Works expenditure is primarily for the replacement of office equipment, furniture and information technology equipment to support the delivery of the Corporation's output.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Furniture and Office Equipment Replacement - 2003-04 Program | 212 | 212 | 212 | - |
| Business Information and Licence Centre - Refurbishment | 150 | 150 | 141 | - |
| NEW WORKS | | | | |
| Furniture and Office Equipment Replacement - 2004-05 Program | 250 | - | - | 250 |
| BEC's - Computing and Office Equipment Replacement..... | 185 | - | - | 185 |
| | 797 | 362 | 353 | 435 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 161 | 212 | 353 | 435 | 300 | 250 | 435 |
| | 161 | 212 | 353 | 435 | 300 | 250 | 435 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account..... | 104 | 115 | 115 | 122 | 116 | 116 | 122 |
| Internal Funds and Balances..... | (139) | - | 141 | - | - | - | - |
| Capital Contribution..... | 196 | 97 | 97 | 313 | 184 | 134 | 313 |

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 3,031 | 2,924 | 3,174 | 3,274 | 3,368 | 3,456 | 3,531 |
| Superannuation | 280 | 276 | 297 | 306 | 315 | 324 | 324 |
| Cost of Goods Sold | 59 | 80 | 70 | 70 | 70 | 70 | 70 |
| Grants and subsidies ^(b) | 3,148 | 2,815 | 2,400 | 2,770 | 2,370 | 2,370 | 2,370 |
| Supplies and services | 2,343 | 2,569 | 2,250 | 1,935 | 2,586 | 1,864 | 1,932 |
| Accommodation | 473 | 444 | 507 | 507 | 507 | 507 | 507 |
| Capital User Charge | 177 | 102 | 171 | 163 | 142 | 122 | 139 |
| Depreciation and amortisation | 100 | 117 | 117 | 116 | 116 | 122 | 116 |
| State Taxes | 133 | 124 | 165 | 170 | 175 | 180 | 180 |
| Costs of disposal of non-current assets | 3 | - | - | - | - | - | - |
| Other expenses | - | - | - | 12 | 13 | 13 | 13 |
| TOTAL COST OF SERVICES | 9,747 | 9,451 | 9,151 | 9,323 | 9,662 | 9,028 | 9,182 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 170 | 180 | 180 | 180 | 180 | 180 | 180 |
| Grants and subsidies | 230 | 60 | 178 | 60 | 60 | 60 | 60 |
| Interest | 111 | 100 | 110 | 80 | 60 | 60 | 60 |
| Other Revenue | 345 | 80 | 100 | 100 | 100 | 100 | 100 |
| Total Revenues from Ordinary Activities | 856 | 420 | 568 | 420 | 400 | 400 | 400 |
| NET COST OF SERVICES | 8,891 | 9,031 | 8,583 | 8,903 | 9,262 | 8,628 | 8,782 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 8,677 | 8,512 | 8,510 | 8,218 | 8,400 | 8,583 | 8,734 |
| Resources received free of charge | 11 | 11 | 11 | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 8,688 | 8,523 | 8,521 | 8,218 | 8,400 | 8,583 | 8,734 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | (203) | (508) | (62) | (685) | (862) | (45) | (48) |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (203) | (508) | (62) | (685) | (862) | (45) | (48) |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 44, 47 and 49 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 1,218 | 617 | 1,131 | 953 | 609 | 578 | 530 |
| Investments | 1,500 | - | 1,000 | 500 | - | - | - |
| Receivables | 101 | 133 | 101 | 101 | 101 | 101 | 101 |
| Inventories | 37 | 39 | 37 | 37 | 37 | 37 | 37 |
| Interest receivable | 6 | - | 6 | 3 | - | - | - |
| Amounts receivable for outputs | 115 | 122 | 122 | 116 | 116 | 122 | 116 |
| Prepayments | 301 | 248 | 301 | 219 | 219 | 219 | 219 |
| Total current assets | 3,278 | 1,159 | 2,698 | 1,929 | 1,082 | 1,057 | 1,003 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | 36 | 46 | 46 | 61 | 76 | 85 | 100 |
| Plant, equipment and vehicles | 371 | 593 | 607 | 926 | 1,110 | 1,238 | 1,557 |
| Total non-current assets | 407 | 639 | 653 | 987 | 1,186 | 1,323 | 1,657 |
| TOTAL ASSETS | 3,685 | 1,798 | 3,351 | 2,916 | 2,268 | 2,380 | 2,660 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation | 7 | 3 | 7 | 7 | 7 | 7 | 7 |
| Payables | 434 | 57 | 38 | 38 | 38 | 38 | 38 |
| Provision for employee entitlements | 539 | 446 | 550 | 562 | 574 | 581 | 591 |
| Accrued Salaries | 72 | 69 | 82 | - | 10 | 20 | 20 |
| Other | 111 | 127 | 111 | 111 | 111 | 111 | 111 |
| Total current liabilities | 1,163 | 702 | 788 | 718 | 740 | 757 | 767 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation | 15 | 18 | 15 | 17 | 19 | 21 | 21 |
| Provision for employee entitlements | 223 | 226 | 229 | 234 | 240 | 244 | 249 |
| Total non-current liabilities | 238 | 244 | 244 | 251 | 259 | 265 | 270 |
| TOTAL LIABILITIES | 1,401 | 946 | 1,032 | 969 | 999 | 1,022 | 1,037 |
| EQUITY | | | | | | | |
| Contributed Equity | 316 | 413 | 413 | 726 | 910 | 1,044 | 1,357 |
| Accumulated surplus/(deficit) | 1,968 | 439 | 1,906 | 1,221 | 359 | 314 | 266 |
| Total equity | 2,284 | 852 | 2,319 | 1,947 | 1,269 | 1,358 | 1,623 |
| TOTAL LIABILITIES AND EQUITY | 3,685 | 1,798 | 3,351 | 2,916 | 2,268 | 2,380 | 2,660 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 8,545 | 8,380 | 8,378 | 8,087 | 8,269 | 8,452 | 8,603 |
| Capital Contribution | 196 | 97 | 97 | 313 | 184 | 134 | 313 |
| Holding Account Drawdowns..... | 104 | 115 | 115 | 122 | 116 | 116 | 122 |
| Net cash provided by State government..... | 8,845 | 8,592 | 8,590 | 8,522 | 8,569 | 8,702 | 9,038 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (2,905) | (2,907) | (3,157) | (3,329) | (3,340) | (3,435) | (3,504) |
| Superannuation..... | (275) | (276) | (297) | (306) | (315) | (324) | (324) |
| Supplies and services..... | (2,370) | (2,638) | (2,299) | (1,923) | (2,641) | (1,917) | (1,999) |
| Grants and subsidies | (3,143) | (3,199) | (2,796) | (2,770) | (2,370) | (2,370) | (2,370) |
| Accommodation..... | (569) | (444) | (507) | (512) | (517) | (522) | (522) |
| Capital User Charge..... | (177) | (102) | (171) | (163) | (142) | (122) | (139) |
| State Taxes | (133) | (124) | (165) | (170) | (175) | (180) | (180) |
| Goods and Services Tax | (676) | (660) | (675) | (645) | (645) | (645) | (645) |
| Other..... | - | - | - | (12) | (13) | (13) | (13) |
| Receipts | | | | | | | |
| User charges and fees | 170 | 180 | 180 | 180 | 180 | 180 | 180 |
| Interest..... | 114 | 109 | 110 | 80 | 60 | 60 | 60 |
| Goods and Services Tax | 768 | 660 | 675 | 645 | 645 | 645 | 645 |
| Grants and subsidies | 227 | 60 | 178 | 60 | 60 | 60 | 60 |
| Other..... | 346 | 80 | 100 | 100 | 100 | 100 | 100 |
| Net cash from operating activities..... | (8,623) | (9,261) | (8,824) | (8,765) | (9,113) | (8,483) | (8,651) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (151) | (212) | (353) | (435) | (300) | (250) | (435) |
| Net cash from investing activities..... | (151) | (212) | (353) | (435) | (300) | (250) | (435) |
| NET INCREASE/(DECREASE) IN CASH HELD | 71 | (881) | (587) | (678) | (844) | (31) | (48) |
| Cash assets at the beginning of the reporting period | 2,647 | 1,498 | 2,718 | 2,131 | 1,453 | 609 | 578 |
| Cash assets at the end of the reporting period..... | 2,718 | 617 | 2,131 | 1,453 | 609 | 578 | 530 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| BEC's - Operational Grants | 2,418 | 2,680 | 2,280 | 2,680 | 2,280 | 2,280 | 2,280 |
| Business Innovation Development | 35 | 90 | 90 | 60 | 60 | 60 | 60 |
| Small Business Improvement Program..... | 565 | - | - | - | - | - | - |
| Business Migrant Incentive Program..... | 130 | 45 | 30 | 30 | 30 | 30 | 30 |
| TOTAL | 3,148 | 2,815 | 2,400 | 2,770 | 2,370 | 2,370 | 2,370 |

RECREATION CAMPS AND RESERVE BOARD

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 60

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 101 Net amount appropriated to deliver outputs | 2,777 | 2,609 | 2,025 | 3,423 | 3,072 | 3,024 | 2,011 |
| Total appropriations provided to deliver outputs | 2,777 | 2,609 | 2,025 | 3,423 | 3,072 | 3,024 | 2,011 |
| CAPITAL | | | | | | | |
| Item 160 Capital Contribution | - | - | 100 | 1,793 | 1,994 | - | - |
| GRAND TOTAL..... | 2,777 | 2,609 | 2,125 | 5,216 | 5,066 | 3,024 | 2,011 |

MISSION

To manage all camps and reserves under the Board's control and to assist in meeting the objectives of the Department of Sport and Recreation.

SIGNIFICANT ISSUES AND TRENDS

- There is a growing demand across the corporate, education and general community sectors for challenging and adventurous recreational activities to be delivered through the camps chain. The capacity to satisfy the current and future market is contingent on well qualified staff, dynamic programming but importantly, suitably equipped and safe facilities.
- The issue of public safety and liability responsibility remains a challenge for the delivery of outdoor recreation programs and will continue to drive the move towards comprehensive program benchmarking and accreditation of programs and staff to national standards.
- In recognition of the current challenges in the recreational sector, together with community expectations of the State's camp infrastructure, a refurbishment program has been put in place to support and improve the camps' accommodation and programs. Proceeds from the sale of the Noalimba Accommodation and Conference Centre will continue to be directed across the camps chain for capital refurbishments, with an expectation that works will be completed in 2006-07.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|---|--|--|--|
| Reinvestment Project - Expensed Capital Works | 1,623 | 1,055 | 1,032 | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Recreation camps management | 4,496 | 4,668 | 4,257 | 5,426 | | | |
| Total Cost of Outputs | 4,496 | 4,668 | 4,257 | 5,426 | 5,357 | 5,518 | 4,571 |
| <i>Less</i> Revenues from Ordinary Activities | 1,591 | 1,784 | 1,532 | 1,598 | 1,855 | 2,167 | 2,232 |
| Net Cost of Outputs | 2,905 | 2,884 | 2,725 | 3,828 | 3,502 | 3,351 | 2,339 |
| Adjustments ^(a) | (128) | (275) | (700) | (405) | (430) | (327) | (328) |
| Appropriation provided to deliver Outputs. | 2,777 | 2,609 | 2,025 | 3,423 | 3,072 | 3,024 | 2,011 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | - | - | 100 | 1,793 | 1,994 | - | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 2,777 | 2,609 | 2,125 | 5,216 | 5,066 | 3,024 | 2,011 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Output |
|--|--|--------------------------------|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Board camps and reserves for use by groups, organisations and individuals for recreational purposes. | 1. Recreation camps management |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Board camps and reserves for use by groups, organisations and individuals for recreational purposes. | | | | | |
| Clients who are satisfied with the quality of the venue and accommodation..... | 70% | 90% | 90% | 90% | |
| Clients who are satisfied with camp management..... | 96% | 98% | 98% | 98% | |
| Clients who are satisfied with program delivery | 98% | 97% | 97% | 97% | |
| Clients who are satisfied with the catering | 92% | 95% | 95% | 95% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Recreation camps management

The Recreation Camps and Reserve Board is responsible for six recreation camps, of which it operates five. One camp, Camp Quararup, is leased to a private operator. All camps offer outdoor recreation programs which are designed to provide experiential opportunities to the community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 4,496 | 4,668 | 4,257 | 5,426 | Significant investment is planned in 2004-05 to maintain and upgrade existing facilities at the camps, funded from the sale of the Noalimba Centre. |
| Less Revenues from Ordinary Activities | 1,591 | 1,784 | 1,532 | 1,598 | |
| Net Cost of Output | 2,905 | 2,884 | 2,725 | 3,828 | |
| Adjustments ^(a) | (128) | (275) | (700) | (405) | |
| Appropriation for delivery of Output 1 | 2,777 | 2,609 | 2,025 | 3,423 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Bed occupancy is represented by the bednights which are the number of nights stayed multiplied by the number of people staying.. | 64,713 | 64,000 | 62,000 | 57,000 | The Tone River Camp was closed in January 2004 causing a decrease in bed occupancy. The full effect of this closure will be realised in 2004-05. Bed occupancy will also be impacted by partial closure of some camps during capital works in 2004-05. |
| Program participations are a measure of the number of program activities undertaken across all camps | 61,790 | 63,000 | 60,000 | 64,000 | Woodman Point Camp started providing programs in March 2004. Programs are expected to increase significantly in 2004-05 as supporting infrastructure is established at the camp. |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quality | | | | | |
| Bed occupancy achieved as a percentage of the total possible bed occupancy..... | 18% | 21% | 21% | 21% | |
| Percentage of clients who were satisfied with programs provided..... | 98% | 98% | 98% | 98% | |
| Timeliness | | | | | |
| Accommodation is available for guests at the agreed time | 100% | 100% | 100% | 100% | |
| Programs offered are available for guests at the agreed time | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost per bednight | \$45.85 | \$48.14 | \$45.32 | \$62.83 | The increase in unit cost is due to the significant investment in maintaining and upgrading existing facilities at the camps. |
| Average cost per participation | \$24.74 | \$25.19 | \$24.12 | \$28.83 | |
| Full Time Equivalents (FTEs) | 22 | 22 | 22 | 24 | |

Major Achievements For 2003-04

- Camp operations were consolidated to focus on delivery of programs at the four metropolitan camps and the provision of support to the operator of Camp Quararup in Albany.
- The Tone River Wilderness Cottages were closed on 31 January 2004. An onsite caretaker is securing the premises and Landcorp have been commissioned to provide advice on undertaking the disposal of the camp.
- The Noalimba Conference and Accommodation Centre was handed over to Landcorp for disposal. The proceeds of the sale are being applied to the refurbishment of the remaining camps.
- Fully costed master plans were developed for restorative maintenance and new capital works for all camps to support improved accommodation and program delivery capability.
- Department of Housing and Works were appointed to manage the capital refurbishment of camps over the four-year period from 2003-04 to 2006-07.
- A marketing, sales and promotion strategy has been developed for the camps chain as a whole.
- Additional equipment has been purchased to support expanded outdoor recreation programs as part of the ongoing development of new program initiatives for community and corporate sector clients.
- Investigation into the adoption of the 'Australian Campsite and Outdoor Activity Provider Accreditation Program' minimum standards for all camps has commenced.
- Minor capital works continued with restoration of the Isolation Hospital at Woodman Point to required Heritage standards.

Major Initiatives For 2004-05

- Implement full management and program activities to Woodman Point Recreation Camp.
- Maintain revenue streams, bednights and participation levels at current standards during capital redevelopment of all camps.
- Undertake Bed Replacement program and initiate new program infrastructure.
- Continue development of initiatives for 'fee for service' on-site and off-site program delivery across government and private sector. For example, the Board has been providing programs for leadership development and delivering components of the Duke of Edinburgh Award at the Ern Halliday Camp.

- Manage implementation of the camps capital refurbishment plan whilst camps continue to provide accommodation and program services.
- Complete integration of Recreation Camps and Reserve Board (RCRB) operations within the Department of Sport and Recreation. Prepare regulations to enable closure of RCRB. This will result in the more efficient use of camps and associated resources.
- Manage Tone River/Point Peron/Quaranup properties on leasehold/minimal maintenance basis.
- Continue work toward achieving accreditation of all camps within the Australian Campsite and Outdoor Activity Provider Accreditation Program under the auspices of the Australian Camping Association benchmarks, with the aim of achieving accreditation at all camps.
- Implementation of sales and promotion strategies for the camps chain.
- Continue to develop the online booking system.

CAPITAL WORKS PROGRAM

Utilising funds provided from the sale of the Noalimba Centre, redevelop four metropolitan camps at Bickley, Ern Halliday, Point Walter and Woodman Point, along with one regional camp, Quaranup, at Albany to provide facilities and amenities that meet current community expectations.

Works to be done at each camp include restorative maintenance, asbestos removal and recladding, provision of new dormitory and program facilities and updating of key infrastructure to meet current health, environmental and building standards across the chain. Total capital works expenditure of \$5.6 million across all camps is anticipated in 2004-05.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Reinvestment Project - | | | | |
| Bickley Outdoor Recreation Camp | 260 | 50 | 50 | 210 |
| Woodman Point Recreation Camp - Restorative Maintenance | 2,638 | 50 | 50 | 976 |
| COMPLETED WORKS | | | | |
| Bickley Camp Improvements | 200 | 200 | 156 | - |
| Facility Upgrade | 100 | 100 | 20 | - |
| New Computer Booking System | 150 | 150 | 32 | - |
| Removal of Asbestos at Woodman Point | 539 | 539 | 119 | - |
| Bed Replacement - | | | | |
| 2002-03 Program | 15 | 15 | 7 | - |
| 2003-04 Program | 15 | 15 | 15 | - |
| Camps Upgrade General - | | | | |
| 2002-03 Program | 250 | 250 | 133 | - |
| 2003-04 Program | 250 | 250 | 250 | - |
| NEW WORKS | | | | |
| Bed Replacement - | | | | |
| 2004-05 Program | 15 | - | - | 15 |
| Camps Upgrade General - | | | | |
| 2004-05 Program | 250 | - | - | 250 |
| Reinvestment Project - | | | | |
| Bickley Outdoor Recreation Camp - Restorative Maintenance | 184 | - | - | 184 |
| Ern Halliday Recreation Camp | 2,203 | - | - | 745 |
| Ern Halliday Recreation Camp - Restorative Maintenance | 897 | - | - | 422 |
| Point Walter Recreation and Conference Centre - New Works | 1,036 | - | - | 1,036 |
| Point Walter Recreation and Conference Centre - Restorative | 464 | - | - | 464 |
| Program Equipment Program | 112 | - | - | 112 |
| Quaranup Camp | 301 | - | - | 301 |
| Quaranup Camp - Maintenance Upgrade | 507 | - | - | 507 |
| Woodman Point Recreation Camp | 1,283 | - | - | 398 |
| | 11,669 | 1,619 | 832 | 5,620 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 451 | 265 | 832 | 5,620 | 3,663 | 1,097 | 93 |
| | 451 | 265 | 832 | 5,620 | 3,663 | 1,097 | 93 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account..... | 150 | 25 | 25 | 2,079 | 489 | 65 | 93 |
| Funding included in output appropriations ^(a) .. | 410 | 240 | 240 | 1,748 | 1,180 | 1,032 | - |
| Internal Funds and Balances..... | (109) | - | 467 | - | - | - | - |
| Capital Contribution..... | - | - | 100 | 1,793 | 1,994 | - | - |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 1,204 | 1,229 | 1,076 | 1,127 | 1,165 | 1,200 | 1,244 |
| Superannuation | 102 | 114 | 114 | 113 | 116 | 120 | 123 |
| Supplies and services | 940 | 810 | 742 | 747 | 859 | 898 | 913 |
| Accommodation..... | 119 | 117 | 417 | 1,703 | 1,155 | 1,141 | 110 |
| Capital User Charge..... | 1,032 | 949 | 949 | 594 | 745 | 829 | 838 |
| Depreciation and amortisation | 512 | 945 | 361 | 489 | 607 | 607 | 607 |
| Administration..... | 423 | 360 | 438 | 458 | 463 | 476 | 489 |
| Other expenses..... | 164 | 144 | 160 | 195 | 247 | 247 | 247 |
| TOTAL COST OF SERVICES | 4,496 | 4,668 | 4,257 | 5,426 | 5,357 | 5,518 | 4,571 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 1,590 | 1,784 | 1,532 | 1,598 | 1,855 | 2,167 | 2,232 |
| Proceeds from disposal of non-current assets .. | 1 | - | - | - | - | - | - |
| Total Revenues from Ordinary Activities | 1,591 | 1,784 | 1,532 | 1,598 | 1,855 | 2,167 | 2,232 |
| NET COST OF SERVICES..... | 2,905 | 2,884 | 2,725 | 3,828 | 3,502 | 3,351 | 2,339 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 2,777 | 2,609 | 2,025 | 3,423 | 3,072 | 3,024 | 2,011 |
| Resources received free of charge..... | 396 | 336 | 408 | 407 | 420 | 433 | 446 |
| Liabilities assumed by the Treasurer..... | 8 | - | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 3,181 | 2,945 | 2,433 | 3,830 | 3,492 | 3,457 | 2,457 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 276 | 61 | (292) | 2 | (10) | 106 | 118 |
| Extraordinary items | - | - | 5,095 | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 276 | 61 | 4,803 | 2 | (10) | 106 | 118 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 22, 22 and 24 respectively.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 580 | 436 | 77 | 62 | 45 | 151 | 269 |
| Restricted cash..... | 37 | 40 | 41 | - | 4 | 8 | 12 |
| Receivables..... | 148 | 152 | 129 | 129 | 129 | 154 | 154 |
| Amounts receivable for outputs..... | 25 | 140 | 2,079 | 489 | 90 | 93 | - |
| Total current assets..... | 790 | 768 | 2,326 | 680 | 268 | 406 | 435 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 1,736 | 2,529 | 6 | 31 | 555 | 1,069 | 1,676 |
| Land and Buildings..... | 14,050 | 13,119 | 4,722 | 7,990 | 9,750 | 9,178 | 8,537 |
| Plant, equipment and vehicles..... | 38 | 12 | 37 | 153 | 268 | 308 | 376 |
| Other..... | - | 125 | - | - | - | - | - |
| Total non-current assets..... | 15,824 | 15,785 | 4,765 | 8,174 | 10,573 | 10,555 | 10,589 |
| TOTAL ASSETS..... | 16,614 | 16,553 | 7,091 | 8,854 | 10,841 | 10,961 | 11,024 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 272 | 74 | 197 | 181 | 173 | 208 | 185 |
| Provision for employee entitlements..... | 81 | 58 | 69 | 94 | 101 | 76 | 76 |
| Accrued Salaries..... | 63 | 20 | 45 | 4 | 8 | 12 | 16 |
| Other..... | 178 | 140 | 152 | 152 | 152 | 152 | 116 |
| Total current liabilities..... | 594 | 292 | 463 | 431 | 434 | 448 | 393 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 99 | 89 | 99 | 99 | 99 | 99 | 99 |
| Total non-current liabilities..... | 99 | 89 | 99 | 99 | 99 | 99 | 99 |
| TOTAL LIABILITIES..... | 693 | 381 | 562 | 530 | 533 | 547 | 492 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 105 | 105 | (8,995) | (7,202) | (5,208) | (5,208) | (5,208) |
| Accumulated surplus/(deficit)..... | 1,042 | 822 | 5,845 | 5,847 | 5,837 | 5,943 | 6,061 |
| Asset revaluation reserve..... | 14,774 | 15,245 | 9,679 | 9,679 | 9,679 | 9,679 | 9,679 |
| Total equity..... | 15,921 | 16,172 | 6,529 | 8,324 | 10,308 | 10,414 | 10,532 |
| TOTAL LIABILITIES AND EQUITY..... | 16,614 | 16,553 | 7,091 | 8,854 | 10,841 | 10,961 | 11,024 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 1,827 | 1,676 | 1,676 | 2,909 | 2,458 | 2,417 | 1,404 |
| Capital Contribution | - | - | 100 | 1,793 | 1,994 | - | - |
| Holding Account Drawdowns..... | 150 | 25 | 25 | 2,079 | 489 | 90 | 93 |
| Net cash provided by State government..... | 1,977 | 1,701 | 1,801 | 6,781 | 4,941 | 2,507 | 1,497 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (1,104) | (1,216) | (1,150) | (1,168) | (1,161) | (1,196) | (1,240) |
| Superannuation..... | (94) | (114) | (114) | (113) | (116) | (120) | (123) |
| Supplies and services..... | (1,146) | (796) | (742) | (760) | (872) | (936) | (926) |
| Accommodation..... | (87) | (117) | (417) | (1,703) | (1,155) | (1,141) | (110) |
| Administration..... | (22) | (75) | (30) | (30) | (30) | (30) | (30) |
| Capital User Charge..... | (896) | (949) | (1,022) | (594) | (745) | (829) | (838) |
| Goods and Services Tax | (238) | (373) | (278) | (245) | (274) | (232) | (225) |
| Other..... | (208) | (144) | (160) | (195) | (247) | (247) | (247) |
| Receipts | | | | | | | |
| User charges and fees | 1,852 | 1,785 | 1,532 | 1,598 | 1,855 | 2,167 | 2,232 |
| Goods and Services Tax | 224 | 373 | 323 | 245 | 274 | 232 | 225 |
| Other..... | 4 | - | 1 | - | - | - | - |
| Net cash from operating activities..... | (1,715) | (1,626) | (2,057) | (2,965) | (2,471) | (2,332) | (1,282) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (72) | (15) | (243) | (3,872) | (2,483) | (65) | (93) |
| Net cash from investing activities..... | (72) | (15) | (243) | (3,872) | (2,483) | (65) | (93) |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | 190 | 60 | (499) | (56) | (13) | 110 | 122 |
| Cash assets at the beginning of the reporting period | 427 | 416 | 617 | 118 | 62 | 49 | 159 |
| Cash assets at the end of the reporting period..... | 617 | 476 | 118 | 62 | 49 | 159 | 281 |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|
| Revenue received for provision of accommodation and recreation programs..... | 1,856 | 1,785 | 1,533 | 1,598 |
| GST input credits..... | 61 | 217 | 170 | 89 |
| GST receipts on sales | 163 | 156 | 153 | 156 |
| TOTAL..... | 2,080 | 2,158 | 1,856 | 1,843 |

The moneys received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

SPORT AND RECREATION

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 61

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 102 Net amount appropriated to deliver outputs | 13,000 | 16,311 | 16,282 | 16,220 | 17,722 | 16,696 | 16,650 |
| Item 103 Contribution to Community Sporting and Recreation Facilities Fund... | 6,700 | 10,750 | 9,250 | 11,750 | 10,750 | 10,500 | 9,000 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Lotteries Commission Act 1990 | 9,378 | 9,251 | 9,375 | 9,520 | 9,660 | 9,800 | 9,940 |
| - Salaries and Allowances Act 1975 | 135 | 135 | 149 | 149 | 149 | 149 | 149 |
| Total appropriations provided to deliver outputs | 29,213 | 36,447 | 35,056 | 37,639 | 38,281 | 37,145 | 35,739 |
| CAPITAL | | | | | | | |
| Item 161 Capital Contribution | - | 1,070 | 120 | 950 | - | - | - |
| GRAND TOTAL..... | 29,213 | 37,517 | 35,176 | 38,589 | 38,281 | 37,145 | 35,739 |

MISSION

Enhance the quality of life of Western Australians through their participation and achievement in sport and recreation.

SIGNIFICANT ISSUES AND TRENDS

- A recent Western Australian study indicates that 48% of Western Australian adults (aged over 18 years) are obese and overweight. Research continues to show that moderate level physical activity provides significant physical and mental health benefits to individuals. The data also demonstrates a strong relationship between levels of inactivity and increased health costs to the nation. The Department is actively working on strategies to increase physical activity among our youth and in the general community.
- There are ongoing community demands for improved sports facilities at all levels. The State Sporting Facilities Plan (SSFP) provides a strategic and systematic approach for the future development of Western Australia's infrastructure at the national and international level, based on community needs and sustainability.
- Sport and recreation activities and facilities contribute to the well being of a community and as such, all infrastructure planning should be incorporated into broader community infrastructure planning.
- The Department is working on strategies to address the predicted five per cent increase in Western Australia's population by 2010. Subtle demographic shifts e.g. increasing proportion of mature age persons, increasing proportion of single parent families, immigration from non-traditional localities have specific challenges and opportunities for sport and recreation planners.
- Drugs in sport - The elite sport arena continues to be tainted by some athletes using performance enhancing drugs and illegal strategies, such as blood doping and potentially gene technology in the future. The Government has implemented legislation to strengthen drug testing in sport in Western Australia and this initiative supports the international efforts of eradicating artificial means of enhancing performance by elite athletes. The ongoing education and monitoring programs will continue to ensure a sustainable drug free sport and recreation environment.

- Sport and recreation are critical components of the social fabric of any society, and especially in the country areas of Western Australia. Through sport and recreation, social values, norms and policies need to be upheld and reflected so that a safe and enjoyable environment is provided for those who participate, especially within the more vulnerable sectors of our community, such as children, young women and non-English speaking people. Social statements supporting child protection, harassment free sport, anti-racism, codes of behaviour, disability access, gender equity and age appropriate activities are included in the criteria for applications for Sports Lottery Account funding.
- The Australian Sports Commission continues its focus of the development of sport through national sporting organisations. In an attempt to ensure the continuation of State representation on national sporting organisations, the Department's Chief Executive Officer is Chair of a national taskforce on the governance of national sporting organisations.
- Insurance - Increased insurance premiums and, in some instances, the non-availability of cover is adversely impacting sport and recreation service providers. State and Commonwealth tort law reforms should bring stability to the market to ensure availability of affordable public liability insurance to sport and recreation service providers. Improved risk management and pooling are key strategies for service providers.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| State Sporting Facilities Plan - Infrastructure Fund | - | - | - | 3,000 |
| West Coast Dive Park..... | 250 | - | - | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Infrastructure and organisational development | 23,323 | 31,684 | 33,354 | 35,499 | | | |
| Output 2: | | | | | | | |
| People development in sport and recreation | 4,787 | 5,809 | 5,826 | 5,772 | | | |
| Total Cost of Outputs | 28,110 | 37,493 | 39,180 | 41,271 | 40,107 | 39,140 | 37,410 |
| <i>Less</i> Revenues from Ordinary Activities | 1,513 | 935 | 1,678 | 1,664 | 1,546 | 1,546 | 1,463 |
| Net Cost of Outputs | 26,597 | 36,558 | 37,502 | 39,607 | 38,561 | 37,594 | 35,947 |
| Adjustments ^(a) | 2,616 | (111) | (2,446) | (1,968) | (280) | (449) | (208) |
| Appropriation provided to deliver Outputs. | 29,213 | 36,447 | 35,056 | 37,639 | 38,281 | 37,145 | 35,739 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | - | 1,070 | 120 | 950 | - | - | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 29,213 | 37,517 | 35,176 | 38,589 | 38,281 | 37,145 | 35,739 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Output(s) |
|--|--|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Enhanced lifestyle of Western Australians through their participation and achievement in sport and recreation. | 1. Infrastructure and organisational development 2. People development in sport and recreation |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Enhanced lifestyle of Western Australians through their participation and achievement in sport and recreation. | | | | | |
| Available grant funds allocated (SLA and CSRFF) | 90% | 100% | 100% | 100% | |
| Stakeholders reflecting social policy in their operations..... | 68% | 60% | 60% | 60% | |
| Satisfaction rating of the agency's consultation advice to clients..... | 84% | 80% | 80% | 80% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Infrastructure and organisational development

Provide industry leadership and support for infrastructure and organisational development, through funding and advice to sport and recreation organisations Statewide, including state and local government.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 23,323 | 31,684 | 33,354 | 35,499 | |
| Less Revenues from Ordinary Activities | 500 | 119 | 229 | 524 | |
| Net Cost of Output | 22,823 | 31,565 | 33,125 | 34,975 | |
| Adjustments ^(a) | 1,882 | (88) | (1,712) | (1,378) | |
| Appropriation for delivery of Output 1 | 24,705 | 31,477 | 31,413 | 33,597 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Grants managed and provided each year | 1,252 | 1,200 | 1,421 | 1,495 | |
| Organisations provided consultancy support ... | 559 | 1,000 | 560 | 560 | |
| Quality | | | | | |
| Satisfaction rating of recipients regarding the management of grants..... | 81% | 80% | 80% | 80% | |
| Satisfaction rating of organisations provided consultancy..... | 86% | 85% | 85% | 85% | |
| Timeliness | | | | | |
| Grants managed within time frames | 96% | 95% | 95% | 95% | |
| Public perception of Department being punctual to meetings, returning phone calls.. | 92% | 90% | 90% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost to manage grants | \$1,817 | \$2,023 | \$1,972 | \$1,815 | |
| Average cost of grants provided | \$14,012 | \$21,487 | \$19,593 | \$19,254 | |
| Average cost of providing consultancy to organisations..... | \$6,269 | \$3,471 | \$4,841 | \$7,146 | |
| Full Time Equivalents (FTEs) | 75 | 76 | 76 | 76 | |

Major Achievements For 2003-04

- Continued to implement the SSFP, to ensure the development of sporting facilities is well planned and orchestrated.
- Major works commenced/completed including:
 - the rectangular stadium at Perth Oval;
 - the upgrades to Leederville Oval; and
 - the State Baseball Centre.
- \$9 million from the Community Sporting and Recreation Facilities Fund (CSRFF) was allocated to local governments and sport and recreation organisations throughout the State. A significant majority of this funding was allocated to regional areas, as part of the State Government's commitment to investing in the future health and wellbeing of regional Western Australia.
- A Sport and Recreation Asset Management Guide for industry personnel was produced to provide advice on the maintenance and management of sporting facilities.
- Management of the Trails Funding Program and allocation of \$500,000 of Lotterywest funding to support trails development and marketing initiatives throughout Western Australia. Completion of the Future Directions for Trails document in conjunction with the Trails stakeholders. Increased visitor numbers to local trails provides a boost to the local economy and helps create jobs.
- \$9 million from the Sports Lotteries Account (SLA) was allocated to support sporting organisations in their delivery of participation, development and achievement initiatives, using the newly established funding assessment system.
- Ongoing promotion and implementation of *Strategic Directions for Western Australian Sport and Recreation 2003-05 (SD3)* across sport and recreation industry stakeholders commencing with a \$2 million Special Initiatives fund to support programs that respond to strategic priorities and target groups with lower participation levels and/or an identified disadvantage.
- Contributed to the development of the Statewide Water Safety Plan in partnership with the Departments of Health and Education and Training.
- Developed an historic Memorandum of Understanding (MOU) with the Indian Government that recognised Western Australia as a world leader in sport. The agreement will see the Department directly assist the Indian Government in its preparations for hosting the 2010 Commonwealth Games in New Dehli.

Major Initiatives For 2004-05

- The SSFP will continue to be used as a tool to encourage well planned facilities that meet both the training and competition requirements of Western Australian sport.
- Investigate the development of a Regional Facilities Planning framework and process to support successful regional infrastructure and service planning initiatives Statewide.
- Develop training opportunities in facility/asset management in conjunction with peak facility management organisations and training providers.
- Progress implementation of the Trails Future Directions document and manage the Trails Funding Program and allocation of \$500,000 of Lotterywest funding to support trails development and marketing initiatives throughout Western Australia.
- \$9 million will be allocated to local governments and sport and recreation organisations through the Community Sporting and Recreation Facilities Fund – reinforcing the State Government’s commitment to building healthy communities.
- Actively promote and support utilisation/implementation of sustainability initiatives in the sport and recreation market place (e.g. facility development and management, organisational development and building social capital).
- Ongoing promotion and implementation of SD3 and provision of funding support to organisations through the Sports Lotteries Account Special Initiatives targeted to the achievement of the Government priorities highlighted in the document.
- Ongoing provision of an education and awareness program for sport and recreation around Second stage Tort Law Reforms.
- Enhanced website capability, including progress toward web based mapping of facilities and trails from pilot to staged implementation and implementation of coaching and officiating education delivery services on-line.
- Ongoing support of beach safety and water safety initiatives through both the Surf Life Saving Society and Royal Life Saving Society, and implementation of the State Water Safety Framework in conjunction with the Departments of Health and Education and Training.
- Provide executive support for, and manage the transition of the Western Australian Boxing Commission to the Professional Combat Sports Commission once established and fully functional.
- Continued delivery of the Statewide communications infrastructure (line costs and professional support) including the Sports House framework.
- In accordance with the recently signed MOU with the Indian Government, provide Western Australian sporting expertise and assistance for the preparation of the 2010 Commonwealth Games in New Delhi.

Output 2: People development in sport and recreation

Provide information, advice and education support to personnel involved in sport and recreation service delivery (e.g. coaches, officials, local governments, facility and trails managers, administrators and volunteers).

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 4,787 | 5,809 | 5,826 | 5,772 | |
| Less Revenues from Ordinary Activities | 1,013 | 816 | 1,449 | 1,140 | |
| Net Cost of Output | 3,774 | 4,993 | 4,377 | 4,632 | |
| Adjustments ^(a) | 734 | (23) | (734) | (590) | |
| Appropriation for delivery of Output 2 | 4,508 | 4,970 | 3,643 | 4,042 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Industry representatives with whom the Department has contact each year..... | 11,204 | 8,500 | 10,000 | 10,000 | |
| Quality | | | | | |
| Satisfaction rating with forums, seminars and programs..... | 85% | 80% | 80% | 80% | |
| Timeliness | | | | | |
| Clients' rating of service responsiveness | 92% | 90% | 90% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost of providing the contact type services | \$427 | \$683 | \$583 | \$577 | |
| Full Time Equivalents (FTEs) | 31 | 32 | 32 | 32 | |

Major Achievements For 2003-04

- Provided policy and program support to the Premier's Physical Activity Taskforce – specifically by way of secretariat services, organisation of the National Physical Activity Conference 2003 and implementation of the strategic plan.
- Secured a three year partnership with Rio Tinto to support the delivery of an expanded volunteer management program with State sport associations and local governments.
- Conducted an inaugural Club Conference for community level sports club volunteers, attended by close to 400 people, 130 of which were from regional Western Australia. Due to the success of the conference, it is planned to make it an annual event.
- Supported the Year of the Official program implementation across Western Australia providing reward and recognition for officials in sport and managed the Official Grants Program providing \$150,000 in funding support to development initiatives conducted by State sport associations.
- Continued implementation of the Drugs in Sport education program and the Drugs in Sport Policy, and kept industry informed of developments and impacts of the World Anti-Doping Code.
- Contributed to the development of the Fitness Industry Code of Practice and Fitness Industry Professional Standards.

- Provided consultancy and funding support to Outdoors WA for the introduction of practitioner registration and accreditation training programs.
- Supported the delivery of the National Parks and Leisure Australia Conference held in Perth.
- Successful conduct of the biennial Sport and Recreation Industry Awards.
- Supported the expansion of the Senior Recreation Council network supporting senior's physical activity initiatives in regional areas.

Major Initiatives For 2004-05

- Ongoing support for sport and recreation volunteers and community based organisations through the Rio Tinto Volunteer Management Scheme and Club Development initiatives, resources and grants.
- Ongoing support for high performance athletes attending the Western Australian Institute of Sport, many of whom will this year compete in the Athens Olympics and in the future at the 2006 Commonwealth Games in Melbourne.
- Continue to manage and expand the Academy of Sport Program supporting athletes with potential in regional Western Australia.
- Increased delivery of youth leadership initiatives, especially in regions.
- Strengthened Statewide delivery mechanisms for coaches and women in sport initiatives.
- Sport education opportunities accessible to more regional and remote Indigenous communities.
- Development of strategies to encourage State sporting associations and peak recreation organisations to cater for needs of seniors.
- Host the National Leaders in Sport Conference (November 2004), an initiative of the Sport and Recreation Minister's Council with the annual WA Sport and Recreation Industry Conference, 'Active 2004', incorporated as a parallel program.
- Ongoing implementation of select recommendations within Future Success, strategic plan for High Performance Sport in Western Australia.

CAPITAL WORKS PROGRAM

The allocation of \$200,000 for computer hardware/software and \$70,000 for regional information access relate to the ongoing replacement of network hardware and software consistent with industry standards and to ensure regional offices continue to have access to a contemporary communications environment.

The allocation of \$950,000 relates to fit-out costs in relocating the Department from its current accommodation at Perry Lakes Stadium.

The allocation of \$1.579 million relates to the Government's final contribution to the costs of developing soccer and rugby facilities at Perth Oval.

The total allocation of \$4.8 million (\$1.0 million in 2004-05) for AK Reserve relates to the Government's contribution to the construction of a State level athletics facility, a part of the sporting precinct that will be created as part of the redevelopment of Perry Lakes land.

The allocation of \$250,000 for West Coast Dive Park relates to the Government's commitment to create a marine dive park off the coast of Rockingham. This expense relates to the acquisition and sinking of the first vessel.

The allocation for the Multi-purpose 'boutique' stadium relates to the Government's contribution to the development of an indoor stadium capable of servicing the needs of a variety of sports. The facility seating capacity is intended to fill a gap in the stadium hierarchy identified within the State Sporting Facilities Plan.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Office Accommodation - Relocation from Perry Lakes - Fit-Out | 1,050 | 100 | 100 | 950 |
| State Sporting Facilities Plan - Perth Oval Redevelopment | 6,079 | 4,500 | 4,500 | 1,579 |
| COMPLETED WORKS | | | | |
| Computer Hardware and Software - 2002-03 Program | 150 | 150 | 32 | - |
| 2003-04 Program | 200 | 200 | 200 | - |
| Regional Information Access Program - 2003-04 Program | 90 | 90 | 90 | - |
| State Sporting Facilities Plan - Tom Bateman Reserve Baseball | 1,500 | 1,500 | 1,500 | - |
| NEW WORKS | | | | |
| Computer Hardware and Software - 2004-05 Program | 200 | - | - | 200 |
| Election Commitment - West Coast Dive Park | 250 | - | - | 250 |
| Regional Information Access Program - 2004-05 Program | 70 | - | - | 70 |
| State Sporting Facilities Plan - Multi-purpose 'boutique' Stadium | 1,700 | - | - | 850 |
| State Athletics Centre - AK Reserve | 4,800 | - | - | 1,000 |
| | 16,089 | 6,540 | 6,422 | 4,899 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 612 | 5,840 | 6,422 | 4,899 | 4,920 | 3,347 | 3,406 |
| | 612 | 5,840 | 6,422 | 4,899 | 4,920 | 3,347 | 3,406 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account | 150 | 180 | 180 | 200 | 200 | 257 | 316 |
| Funding included in output appropriations ^(a) .. | 1,570 | 4,590 | 4,590 | 3,749 | 4,720 | 3,090 | 3,090 |
| Internal Funds and Balances | (1,108) | - | 1,532 | - | - | - | - |
| Capital Contribution | - | 1,070 | 120 | 950 | - | - | - |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 5,952 | 6,416 | 6,210 | 6,282 | 6,488 | 6,699 | 7,053 |
| Superannuation | 577 | 579 | 550 | 575 | 592 | 608 | 626 |
| Grants and subsidies ^(b) | 17,127 | 26,150 | 27,841 | 29,502 | 28,009 | 26,793 | 24,604 |
| Supplies and services | 3,362 | 3,064 | 3,308 | 3,454 | 3,506 | 3,514 | 3,601 |
| Accommodation | 428 | 579 | 488 | 729 | 742 | 755 | 755 |
| Capital User Charge | 354 | 390 | 525 | 366 | 396 | 396 | 396 |
| Depreciation and amortisation | 302 | 258 | 258 | 323 | 332 | 332 | 332 |
| Doubtful Debts | 1 | - | - | - | - | - | - |
| Costs of disposal of non-current assets | 7 | - | - | - | - | - | - |
| Other expenses | - | 57 | - | 40 | 42 | 43 | 43 |
| TOTAL COST OF SERVICES | 28,110 | 37,493 | 39,180 | 41,271 | 40,107 | 39,140 | 37,410 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 239 | 30 | 240 | 240 | 240 | 240 | 240 |
| Grants and subsidies | 1,022 | 665 | 1,368 | 1,354 | 1,236 | 1,236 | 1,153 |
| Proceeds from disposal of non-current assets .. | 12 | - | - | - | - | - | - |
| Other Revenue | 240 | 240 | 70 | 70 | 70 | 70 | 70 |
| Total Revenues from Ordinary Activities | 1,513 | 935 | 1,678 | 1,664 | 1,546 | 1,546 | 1,463 |
| NET COST OF SERVICES | 26,597 | 36,558 | 37,502 | 39,607 | 38,561 | 37,594 | 35,947 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 29,213 | 36,447 | 35,056 | 37,639 | 38,281 | 37,145 | 35,739 |
| Resources received free of charge | 32 | 26 | 26 | - | - | - | - |
| Liabilities assumed by the Treasurer | 44 | - | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 29,289 | 36,473 | 35,082 | 37,639 | 38,281 | 37,145 | 35,739 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 2,692 | (85) | (2,420) | (1,968) | (280) | (449) | (208) |
| Extraordinary items | (1) | - | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 2,691 | (85) | (2,420) | (1,968) | (280) | (449) | (208) |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 106, 108 and 108 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 2,228 | 435 | 1,131 | 969 | 925 | 912 | 728 |
| Restricted cash..... | 6,002 | 6,663 | 4,877 | 2,784 | 2,549 | 2,139 | 2,164 |
| Receivables..... | 1,145 | 1,445 | 1,134 | 1,134 | 1,134 | 1,134 | 1,134 |
| Inventories..... | 23 | 6 | 20 | 20 | 20 | 20 | 20 |
| Amounts receivable for outputs..... | 180 | - | 200 | 200 | 257 | 316 | - |
| Prepayments..... | 109 | 5 | 89 | 89 | 89 | 89 | 89 |
| Total current assets..... | 9,687 | 8,554 | 7,451 | 5,196 | 4,974 | 4,610 | 4,135 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 51 | 309 | 109 | 232 | 307 | 323 | 655 |
| Plant, equipment and vehicles..... | 396 | 1,387 | 438 | 1,265 | 1,133 | 1,058 | 1,042 |
| Total non-current assets..... | 447 | 1,696 | 547 | 1,497 | 1,440 | 1,381 | 1,697 |
| TOTAL ASSETS..... | 10,134 | 10,250 | 7,998 | 6,693 | 6,414 | 5,991 | 5,832 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 776 | 3,905 | 919 | 833 | 807 | 808 | 832 |
| Provision for employee entitlements..... | 693 | 552 | 700 | 697 | 709 | 709 | 709 |
| Accrued Salaries..... | 168 | 219 | 203 | - | 25 | 50 | 75 |
| Other..... | 273 | 84 | 259 | 261 | 263 | 263 | 263 |
| Total current liabilities..... | 1,910 | 4,760 | 2,081 | 1,791 | 1,804 | 1,830 | 1,879 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 509 | 441 | 502 | 505 | 493 | 493 | 493 |
| Total non-current liabilities..... | 509 | 441 | 502 | 505 | 493 | 493 | 493 |
| TOTAL LIABILITIES..... | 2,419 | 5,201 | 2,583 | 2,296 | 2,297 | 2,323 | 2,372 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 328 | 1,398 | 448 | 1,398 | 1,398 | 1,398 | 1,398 |
| Accumulated surplus/(deficit)..... | 7,387 | 3,651 | 4,967 | 2,999 | 2,719 | 2,270 | 2,062 |
| Total equity..... | 7,715 | 5,049 | 5,415 | 4,397 | 4,117 | 3,668 | 3,460 |
| TOTAL LIABILITIES AND EQUITY..... | 10,134 | 10,250 | 7,998 | 6,693 | 6,414 | 5,991 | 5,832 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 29,027 | 36,189 | 34,798 | 37,316 | 37,949 | 36,813 | 35,407 |
| Capital Contribution | - | 1,070 | 120 | 950 | - | - | - |
| Holding Account Drawdowns..... | 150 | 180 | 180 | 200 | 200 | 257 | 316 |
| Net cash provided by State government..... | 29,177 | 37,439 | 35,098 | 38,466 | 38,149 | 37,070 | 35,723 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (5,823) | (6,416) | (6,007) | (6,485) | (6,463) | (6,649) | (6,978) |
| Superannuation..... | (533) | (579) | (550) | (575) | (592) | (608) | (626) |
| Supplies and services..... | (3,427) | (3,071) | (3,307) | (3,478) | (3,530) | (3,538) | (3,627) |
| Grants and subsidies | (20,095) | (26,150) | (27,821) | (29,502) | (28,009) | (26,793) | (24,604) |
| Accommodation..... | (420) | (579) | (488) | (729) | (742) | (755) | (755) |
| Capital User Charge..... | (534) | (390) | (525) | (366) | (396) | (396) | (396) |
| Goods and Services Tax | (972) | (1,070) | (1,393) | (1,490) | (1,383) | (1,364) | (1,166) |
| Other..... | - | (57) | - | (40) | (42) | (43) | (43) |
| Receipts | | | | | | | |
| User charges and fees | 256 | 190 | 240 | 240 | 240 | 240 | 240 |
| Goods and Services Tax | 1,201 | 1,082 | 1,393 | 1,490 | 1,383 | 1,364 | 1,166 |
| Grants and subsidies | 1,151 | 665 | 1,368 | 1,354 | 1,236 | 1,236 | 1,153 |
| Other..... | 265 | 80 | 70 | 70 | 70 | 70 | 70 |
| Net cash from operating activities..... | (28,931) | (36,295) | (37,020) | (39,511) | (38,228) | (37,236) | (35,566) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (235) | (1,270) | (300) | (1,210) | (200) | (257) | (316) |
| Proceeds from sale of non-current assets | 12 | - | - | - | - | - | - |
| Net cash from investing activities..... | (223) | (1,270) | (300) | (1,210) | (200) | (257) | (316) |
| NET INCREASE/(DECREASE) IN CASH HELD | 23 | (126) | (2,222) | (2,255) | (279) | (423) | (159) |
| Cash assets at the beginning of the reporting period | 8,207 | 7,224 | 8,230 | 6,008 | 3,753 | 3,474 | 3,051 |
| Cash assets at the end of the reporting period..... | 8,230 | 7,098 | 6,008 | 3,753 | 3,474 | 3,051 | 2,892 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| Community Sporting and Recreational Facilities Fund | 6,396 | 10,250 | 9,430 | 12,430 | 9,930 | 10,380 | 8,880 |
| Sports Lotteries Account | 8,538 | 9,251 | 9,188 | 10,289 | 10,375 | 9,970 | 9,555 |
| Sports Financial Grants | 1,808 | 6,649 | 8,799 | 6,359 | 7,280 | 6,019 | 5,745 |
| Commonwealth Grants | 385 | - | 424 | 424 | 424 | 424 | 424 |
| TOTAL | 17,127 | 26,150 | 27,841 | 29,502 | 28,009 | 26,793 | 24,604 |

TRUST ACCOUNT DETAILS

Community Sporting and Recreation Facilities Trust Fund

The Fund holds moneys appropriated for the purpose of making grants for the development of public sporting and recreational facilities and for the management and administration of those grants.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------------------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 4,275 | 4,111 | 1,799 | 1,499 |
| Receipts: | | | | |
| Appropriations | 6,700 | 10,750 | 9,250 | 11,750 |
| Other | - | - | - | - |
| | 10,975 | 14,861 | 11,049 | 13,249 |
| Payments | 9,176 | 10,311 | 9,550 | 12,500 |
| CLOSING BALANCE | 1,799 | 4,550 | 1,499 | 749 |

Sports Lotteries Trust Fund

The purpose of the Account is to hold moneys received, pursuant to section 22(2)(c) and 22(3) of the *Lotteries Commission Act*, to be applied in such proportions and among such bodies engaged in the conduct of sport in the State.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------------------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | 2,846 | 2,239 | 3,580 | 3,175 |
| Receipts: | | | | |
| Appropriations | 9,378 | 9,251 | 9,375 | 9,520 |
| Other | - | - | - | - |
| | 12,224 | 11,490 | 12,955 | 12,695 |
| Payments | 8,644 | 9,797 | 9,780 | 10,660 |
| CLOSING BALANCE | 3,580 | 1,693 | 3,175 | 2,035 |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|
| Proceeds from the provision of sport participation services to the Commonwealth | 868 | 620 | 805 | 806 |
| Proceeds from the provision of sport development services to industry bodies | 539 | 45 | 803 | 788 |
| Other | 265 | 270 | 70 | 70 |
| GST input credits..... | 935 | 1,007 | 1,113 | 1,325 |
| GST receipts on sales | 266 | 75 | 280 | 165 |
| TOTAL..... | 2,873 | 2,017 | 3,071 | 3,154 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 62

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 104 Net amount appropriated to deliver outputs | 16,573 | 13,948 | 13,706 | 14,031 | 14,375 | 14,899 | 15,380 |
| Total appropriations provided to deliver outputs | 16,573 | 13,948 | 13,706 | 14,031 | 14,375 | 14,899 | 15,380 |
| CAPITAL | | | | | | | |
| Item 162 Capital Contribution | - | 300 | 840 | 890 | 900 | - | 85 |
| GRAND TOTAL..... | 16,573 | 14,248 | 14,546 | 14,921 | 15,275 | 14,899 | 15,465 |

MISSION

To manage and promote major state owned sporting, recreation and entertainment facilities for the benefit of all West Australians by delivering excellence in venue presentation, customer service and financial management.

SIGNIFICANT ISSUES AND TRENDS

- The State Sporting Facilities Plan's feasibility study into the redevelopment of Challenge Stadium will be completed in 2003-04 and provide Government with a ten year development plan for Challenge Stadium.
- The continued closure and uncertain future of the Perth Entertainment Centre has and will continue to provide increased opportunities for the staging of entertainment style events at Challenge Stadium and Arena Joondalup.
- The potential relocation of Perry Lakes sporting facilities to land adjacent to Challenge Stadium will provide an opportunity for the integrated expansion of the Challenge Stadium precinct.
- The trust is developing strategies to ensure Challenge Stadium continues to compete effectively for events and functions following the opening of the Perth Convention Centre in August 2004.
- The Trust is actively seeking a replacement naming rights sponsor for Challenge Stadium and a new naming rights sponsor for Arena Joondalup.
- The Trust continues to work with all key stakeholders to ensure an equitable balance for venue access.

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Management of elite sport facilities..... | 11,102 | 11,776 | 11,925 | 12,217 | | | |
| Output 2: | | | | | | | |
| Management of community sport, entertainment and recreation facilities | 17,951 | 13,506 | 15,808 | 16,208 | | | |
| Total Cost of Outputs | 29,053 | 25,282 | 27,733 | 28,425 | 29,084 | 29,952 | 30,842 |
| <i>Less</i> Revenues from Ordinary Activities | 12,237 | 11,344 | 14,236 | 14,671 | 14,973 | 15,313 | 15,652 |
| Net Cost of Outputs | 16,816 | 13,938 | 13,497 | 13,754 | 14,111 | 14,639 | 15,190 |
| Adjustments ^(a) | (243) | 10 | 209 | 277 | 264 | 260 | 190 |
| Appropriation provided to deliver Outputs. | 16,573 | 13,948 | 13,706 | 14,031 | 14,375 | 14,899 | 15,380 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | - | 300 | 840 | 890 | 900 | - | 85 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 16,573 | 14,248 | 14,546 | 14,921 | 15,275 | 14,899 | 15,465 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer, the Chairperson and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|--|---|
| To enhance the quality of life and wellbeing of all people throughout Western Australia. | Provision of facilities for elite sports training and competition. | 1. Management of elite sport facilities |
| | Provision of facilities for community sport, entertainment and recreation. | 2. Management of community sport, entertainment and recreation facilities |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Provision of facilities for elite sports training and competition. | | | | | |
| Survey of participants of elite sports training facilities | 80% | 82% | 80% | 81% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Management of elite sport facilities

Manage and maintain facilities of an international level for elite sport programs.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 11,102 | 11,776 | 11,925 | 12,217 | |
| Less Revenues from Ordinary Activities | 992 | 750 | 780 | 800 | |
| Net Cost of Output | 10,110 | 11,026 | 11,145 | 11,417 | |
| Adjustments ^(a) | - | 5 | 209 | 277 | |
| Appropriation for delivery of Output 1 | 10,110 | 11,031 | 11,354 | 11,694 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Hours of elite training and competition | 35,633 | 35,713 | 35,650 | 35,700 | |
| Quality | | | | | |
| Customer satisfaction | 78% | 82% | 78% | 80% | |
| Timeliness | | | | | |
| Facilities are available on a timely basis..... | 73% | 85% | 73% | 75% | |
| Cost (Efficiency) | | | | | |
| Average cost per hour of elite training and competition..... | \$311.57 | \$329.74 | \$334.50 | \$342.21 | |
| Full Time Equivalent (FTEs) | 93 | 90 | 95 | 95 | |

Major Achievements For 2003-04

- Western Australian Sports Centre Trust venues continue to attract local, national and international events, providing a multitude of benefits to the Western Australian community. Increased visitor numbers to the facilities generates additional revenue for the Trust to reinvest in infrastructure and facility management. The additional funds generated by increased visitor numbers to the State benefits local businesses and creates jobs.
- In 2003-04, the Western Australian Sports Centre Trust:
 - staged the National Age Swimming Championships at Challenge Stadium;
 - staged the Western Pacific Rim Junior Diving Championships at Challenge Stadium;
 - hosted the Wildcat's National Basketball League home fixtures at Challenge Stadium;
 - hosted the Perth Oriel's Commonwealth Bank Trophy National Netball League fixtures at Challenge Stadium;
 - staged the Perth International Track Cycling Grand Prix at the SpeedDome;
 - staged the National In - Line Hockey Championships at the SpeedDome;
 - hosted British Track Cycling Team training camp at SpeedDome;
 - hosted West Perth Football Club home games at Arena Joondalup; and
 - provided training facilities at Arena Joondalup for a team competing in the Rugby World Cup.

Major Initiatives For 2004-05

- In 2004-05, the Western Australian Sports Centre Trust is planning to:
 - host the Wildcat's National Basketball League home fixtures at Challenge Stadium;
 - host the Perth Oriel's Commonwealth Bank Trophy National Netball League fixtures at Challenge Stadium;
 - stage the Perth International Track Cycling Grand Prix at the SpeedDome;
 - host the 6th Federation Internationale De Natation Amateur (FINA) Junior Women's World Waterpolo Championships at Challenge Stadium;
 - host National Taekwondo Championships at SpeedDome; and
 - host Joondalup Falcons Football Club home games at Arena Joondalup.

Output 2: Management of community sport, entertainment and recreation facilities

Manage and market facilities which encourage community sport, entertainment and recreation to maximise utilisation, revenue and reduce net operating cost.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 17,951 | 13,506 | 15,808 | 16,208 | |
| Less Revenues from Ordinary Activities | 11,245 | 10,594 | 13,456 | 13,871 | |
| Net Cost of Output | 6,706 | 2,912 | 2,352 | 2,337 | |
| Adjustments ^(a) | (243) | 5 | - | - | |
| Appropriation for delivery of Output 2 | 6,463 | 2,917 | 2,352 | 2,337 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual ^(a) | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|----------------------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Annual patron visits to Challenge Stadium..... | 982,076 | 930,000 | 1,000,010 | 1,020,900 | |
| Annual patron visits to Arena Joondalup..... | 771,663 | 840,000 | 900,000 | 905,200 | |
| Annual patron visits to SpeedDome | 26,692 | 27,500 | 32,000 | 28,000 | |
| Quality | | | | | |
| Customer satisfaction at Challenge Stadium.... | 84% | 84% | 84% | 85% | |
| Customer satisfaction at Arena Joondalup..... | 84% | 85% | 84% | 85% | |
| Customer satisfaction at SpeedDome | 81% | 85% | 81% | 82% | |
| Timeliness | | | | | |
| Facilities are available on a timely basis at Challenge Stadium..... | 88% | 79% | 85% | 85% | |
| Facilities are available on a timely basis at Arena Joondalup..... | 80% | 85% | 80% | 80% | |
| Facilities are available on a timely basis at SpeedDome | 86% | 88% | 85% | 85% | |
| Cost (Efficiency) | | | | | |
| Average cost per patron to Challenge Stadium | \$8.25 | \$7.32 | \$8.17 | \$8.24 | |
| Average cost per patron visit to Arena Joondalup..... | \$8.15 | \$7.31 | \$7.85 | \$7.99 | |
| Average cost per patron visit to SpeedDome... | \$20.89 | \$20.30 | \$17.89 | \$20.10 | Variations between 2004-05 budget and 2003-04 estimated actual is due to one- off events in 2003-04. |
| Full Time Equivalents (FTEs) | 93 | 90 | 95 | 95 | |

(a) Estimated cost measures for 2002-03 exclude a one off compensation payment of \$3,002,000 for the purchase of land at Kwinana Motorplex from LandCorp.

Major Achievements For 2003-04

- Staged two major rock concerts at Arena Joondalup attracting total attendances in excess of 40,000 people.
- Provided training facilities at Arena Joondalup for teams competing in the Rugby World Cup.
- Staged a significant number of concerts at Challenge Stadium.
- Completed an additional access road and extensions to sealed car park at Arena Joondalup at a cost of \$840,000, easing access problems.
- Hosted the Australian and New Zealand Police and Emergency Services Cycling Championships at SpeedDome.
- Completed a geothermal energy system at Challenge Stadium that will provide the heating requirements for the venue's five swimming pools and domestic water supply. Energy savings of some \$200,000 per annum will also be achieved.

Major Initiatives For 2004-05

- Continue to stage major rock concerts and regular community entertainment events at Arena Joondalup.
- Increase the number of concerts and entertainment events at Challenge Stadium.
- Seek a major venue naming rights sponsor for Challenge Stadium and Arena Joondalup.

CAPITAL WORKS PROGRAM

The Capital Works Program for 2004-05 includes funding of \$900,000 for capital upgrades, maintenance and replacement at the Trust's venues, comprising Arena Joondalup \$324,000, Challenge Stadium \$481,000 and Midvale SpeedDome \$95,000.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Office Equipment and Computer Replacement Program | 245 | 235 | 10 | 10 |
| COMPLETED WORKS | | | | |
| Arena Joondalup - | | | | |
| Access to Moore Drive and Bitumen Carpark | 840 | 840 | 840 | - |
| Capital Upgrades and Maintenance - | | | | |
| 2003-04 Program | 300 | 300 | 300 | - |
| Capital Maintenance | 557 | 557 | 557 | - |
| Challenge Stadium - | | | | |
| Geothermal heating of swimming pools | 1,036 | 1,036 | 1,036 | - |
| NEW WORKS | | | | |
| Capital Upgrades and Maintenance - | | | | |
| 2004-05 Program | 890 | - | - | 890 |
| | 3,868 | 2,968 | 2,743 | 900 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 1,035 | 867 | 2,743 | 900 | 900 | 1,350 | 1,665 |
| | 1,035 | 867 | 2,743 | 900 | 900 | 1,350 | 1,665 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account | 889 | 567 | 567 | 10 | - | 1,025 | 1,190 |
| Funding included in output appropriations ^(a) .. | - | - | - | - | - | 325 | 390 |
| Internal Funds and Balances | 146 | - | 1,336 | - | - | - | - |
| Capital Contribution | - | 300 | 840 | 890 | 900 | - | 85 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 7,523 | 6,351 | 7,749 | 7,980 | 8,219 | 8,580 | 8,919 |
| Superannuation | 616 | 520 | 650 | 670 | 690 | 710 | 730 |
| Cost of Goods Sold | 1,886 | 1,500 | 1,900 | 1,950 | 2,000 | 2,050 | 2,090 |
| Grants and subsidies ^(b) | 3,002 | - | - | - | - | - | - |
| Supplies and services | 1,496 | 1,670 | 1,810 | 1,890 | 1,935 | 2,360 | 2,685 |
| Accommodation | 1,059 | 1,210 | 1,090 | 1,120 | 1,150 | 1,180 | 1,210 |
| Capital User Charge | 7,345 | 8,015 | 7,726 | 8,136 | 8,229 | 8,286 | 8,307 |
| Depreciation and amortisation | 2,312 | 2,541 | 2,354 | 2,354 | 2,531 | 2,531 | 2,531 |
| Administration | 2,948 | 2,575 | 3,474 | 3,495 | 3,463 | 3,363 | 3,462 |
| State Taxes | 466 | 400 | 480 | 495 | 510 | 525 | 540 |
| Other expenses | 400 | 500 | 500 | 335 | 357 | 367 | 368 |
| TOTAL COST OF SERVICES | 29,053 | 25,282 | 27,733 | 28,425 | 29,084 | 29,952 | 30,842 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 10,591 | 10,144 | 12,366 | 12,736 | 13,000 | 13,300 | 13,600 |
| Grants and subsidies | 207 | 130 | 350 | 400 | 400 | 400 | 400 |
| Interest | 79 | 70 | 70 | 70 | 70 | 70 | 70 |
| Other Revenue | 1,360 | 1,000 | 1,450 | 1,465 | 1,503 | 1,543 | 1,582 |
| Total Revenues from Ordinary Activities | 12,237 | 11,344 | 14,236 | 14,671 | 14,973 | 15,313 | 15,652 |
| NET COST OF SERVICES | 16,816 | 13,938 | 13,497 | 13,754 | 14,111 | 14,639 | 15,190 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 16,573 | 13,948 | 13,706 | 14,031 | 14,375 | 14,899 | 15,380 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 16,573 | 13,948 | 13,706 | 14,031 | 14,375 | 14,899 | 15,380 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | (243) | 10 | 209 | 277 | 264 | 260 | 190 |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (243) | 10 | 209 | 277 | 264 | 260 | 190 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 186, 190 and 190 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 239 | 1,070 | 134 | 161 | 225 | 265 | 265 |
| Receivables | 472 | 447 | 490 | 690 | 840 | 840 | 840 |
| Inventories | 313 | 300 | 300 | 400 | 450 | 450 | 450 |
| Amounts receivable for outputs | 567 | 10 | 10 | - | 1,025 | 1,190 | 1,190 |
| Prepayments | 108 | 100 | 100 | 100 | 150 | 150 | 150 |
| Total current assets | 1,699 | 1,927 | 1,034 | 1,351 | 2,690 | 2,895 | 2,895 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | 3,527 | 6,068 | 5,885 | 8,289 | 9,795 | 11,146 | 12,487 |
| Land and Buildings | 95,452 | 93,134 | 94,468 | 92,644 | 90,720 | 88,766 | 86,812 |
| Receivables | 300 | 200 | 200 | 100 | - | 100 | 100 |
| Plant, equipment and vehicles | 2,088 | 2,167 | 3,461 | 3,831 | 4,124 | 4,572 | 5,270 |
| Total non-current assets | 101,367 | 101,569 | 104,014 | 104,864 | 104,639 | 104,584 | 104,669 |
| TOTAL ASSETS | 103,066 | 103,496 | 105,048 | 106,215 | 107,329 | 107,479 | 107,564 |
| CURRENT LIABILITIES | | | | | | | |
| Payables | 755 | 1,190 | 563 | 520 | 520 | 510 | 510 |
| Provision for employee entitlements | 608 | 504 | 620 | 620 | 620 | 630 | 630 |
| Non interest-bearing liabilities (Borrowings) | - | - | 200 | 200 | 200 | 200 | 200 |
| Accrued Salaries | 205 | 100 | 220 | 230 | 230 | 230 | 230 |
| Other | 984 | 1,086 | 1,080 | 1,263 | 1,413 | 1,503 | 1,513 |
| Total current liabilities | 2,552 | 2,880 | 2,683 | 2,833 | 2,983 | 3,073 | 3,083 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements | 348 | 324 | 350 | 400 | 400 | 400 | 400 |
| Non interest-bearing liabilities (Borrowings) | - | - | 800 | 600 | 400 | 200 | - |
| Other | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Total non-current liabilities | 448 | 424 | 1,250 | 1,100 | 900 | 700 | 500 |
| TOTAL LIABILITIES | 3,000 | 3,304 | 3,933 | 3,933 | 3,883 | 3,773 | 3,583 |
| EQUITY | | | | | | | |
| Contributed Equity | 2,044 | 2,344 | 2,884 | 3,774 | 4,674 | 4,674 | 4,759 |
| Accumulated surplus/(deficit) | 79,798 | 80,074 | 80,007 | 80,284 | 80,548 | 80,808 | 80,998 |
| Asset revaluation reserve | 18,224 | 17,774 | 18,224 | 18,224 | 18,224 | 18,224 | 18,224 |
| Total equity | 100,066 | 100,192 | 101,115 | 102,282 | 103,446 | 103,706 | 103,981 |
| TOTAL LIABILITIES AND EQUITY | 103,066 | 103,496 | 105,048 | 106,215 | 107,329 | 107,479 | 107,564 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 13,995 | 11,397 | 11,338 | 11,627 | 11,844 | 12,358 | 12,849 |
| Capital Contribution | - | 300 | 840 | 890 | 900 | - | 85 |
| Holding Account Drawdowns..... | 889 | 567 | 567 | 10 | - | 1,025 | 1,190 |
| Net cash provided by State government..... | 14,884 | 12,264 | 12,745 | 12,527 | 12,744 | 13,383 | 14,124 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (7,223) | (6,341) | (7,720) | (7,920) | (8,219) | (8,570) | (8,919) |
| Superannuation | (616) | (520) | (650) | (670) | (690) | (710) | (730) |
| Supplies and services..... | (3,382) | (3,170) | (3,710) | (3,840) | (3,935) | (4,410) | (4,755) |
| Grants and subsidies | (3,002) | - | - | - | - | - | - |
| Accommodation..... | (1,059) | (1,210) | (1,090) | (1,120) | (1,150) | (1,180) | (1,210) |
| Administration..... | (3,151) | (2,485) | (3,483) | (3,610) | (3,500) | (3,420) | (3,510) |
| Capital User Charge..... | (7,615) | (8,015) | (7,726) | (8,136) | (8,229) | (8,286) | (8,307) |
| State Taxes | (466) | (400) | (480) | (495) | (510) | (525) | (540) |
| Goods and Services Tax | (1,196) | (1,000) | (1,184) | (1,230) | (1,300) | (1,350) | (1,380) |
| Other..... | (400) | (500) | (500) | (335) | (357) | (367) | (368) |
| Receipts | | | | | | | |
| User charges and fees | 10,591 | 10,144 | 12,366 | 12,736 | 13,000 | 13,300 | 13,600 |
| Interest..... | 79 | 70 | 70 | 70 | 70 | 70 | 70 |
| Goods and Services Tax | 1,119 | 1,000 | 1,200 | 1,250 | 1,300 | 1,350 | 1,380 |
| Grants and subsidies | 207 | 130 | 350 | 400 | 400 | 400 | 400 |
| Other..... | 1,360 | 1,000 | 1,450 | 1,500 | 1,540 | 1,580 | 1,620 |
| Net cash from operating activities..... | (14,754) | (11,297) | (11,107) | (11,400) | (11,580) | (12,118) | (12,649) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (761) | (867) | (2,743) | (900) | (900) | (1,025) | (1,275) |
| Net cash from investing activities..... | (761) | (867) | (2,743) | (900) | (900) | (1,025) | (1,275) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | - | - | - | (200) | (200) | (200) | (200) |
| Proceeds from borrowings..... | - | - | 1,000 | - | - | - | - |
| Net cash from financing activities..... | - | - | 1,000 | (200) | (200) | (200) | (200) |
| NET INCREASE/(DECREASE) IN CASH HELD | (631) | 100 | (105) | 27 | 64 | 40 | - |
| Cash assets at the beginning of the reporting period | 870 | 970 | 239 | 134 | 161 | 225 | 265 |
| Cash assets at the end of the reporting period..... | 239 | 1,070 | 134 | 161 | 225 | 265 | 265 |

PEEL DEVELOPMENT COMMISSION

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 63

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 105 Net amount appropriated to deliver outputs | 1,485 | 2,758 | 2,756 | 1,304 | 1,321 | 1,526 | 1,533 |
| Total appropriations provided to deliver outputs | 1,485 | 2,758 | 2,756 | 1,304 | 1,321 | 1,526 | 1,533 |
| CAPITAL | | | | | | | |
| Capital Contribution | 50 | 50 | 50 | - | - | - | - |
| GRAND TOTAL | 1,535 | 2,808 | 2,806 | 1,304 | 1,321 | 1,526 | 1,533 |

MISSION

Through leadership and productive partnerships enhance sustainable economic opportunities, strengthen the community and maintain the integrity of the environment.

SIGNIFICANT ISSUES AND TRENDS

- Peel's population is projected to grow 136% between 2001 and 2031, compared to 66% for regional WA and 52% for the State. This level of population growth makes effective regional planning essential to capitalise on opportunities for investment and employment, whilst ensuring sound planning for infrastructure, services and the environment.
- Efficient transport infrastructure will continue to be critical for Peel and neighbouring regions as a result of the growth in tourism, population and investment. The Southern Suburbs Rail service, due for completion in 2006, will cut travel time from Perth to Mandurah to 48 minutes. The Commission, with its Local, State and Commonwealth partners, will continue to work for a collaborative approach to the completion of the Kwinana Freeway extension and Peel Deviation as soon as is practicable.
- Mining, retail, manufacturing and construction continue to be the major drivers of the Peel regional economy.
- From 2001-02 to 2002-03 the total value of building approvals rose from \$165 million to \$327 million. The Commission is working with partners in industry, training, education and government to capitalise on job opportunities from this building growth. Alcoa's \$440 million Pinjarra alumina refinery efficiency upgrade will contribute significantly to employment generation in the short-term, with an expected peak of 1,000 jobs during the construction phase.
- The development and expansion of suitably zoned industrial land is critical to the region's future capacity to attract and grow business and generate employment opportunities. With its partners from the Department of Planning and Infrastructure, LandCorp and local government, the Commission has implemented immediate and long-term strategies to support the availability of industrial sites for light and general industry.
- Approximately 21% of the region's population is over 60 years of age, compared to the overall state average of 15%. However, an increase in the 0 - 4 year age range of 60.8% is projected over the years 2001 to 2016, compared to an estimated State average increase of 16.9% in the same period.

- The maintenance of river, estuarine and coastal water quality and biodiversity remains the most significant environmental issue in the Peel region. The \$2.1 million Commonwealth/State Coastal Catchments Initiatives projects are among the important coordinated approaches to addressing this.
- Priorities in the community/social sector include services in the area of mental health, sexual assault and domestic violence counselling for young people, as well as the prevention of youth homelessness.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|------------------------------------|---|--|--|--|
| Pinjarra Rail Heritage Centre..... | - | - | 181 | 59 |
| Tullis to Boddington Railway..... | - | - | - | 105 |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Facilitation and Co-ordination..... | 1,997 | 2,816 | 3,940 | 1,980 | | | |
| Output 2: | | | | | | | |
| Advice and Information..... | 248 | 377 | 174 | 207 | | | |
| Total Cost of Outputs..... | 2,245 | 3,193 | 4,114 | 2,187 | 1,403 | 1,527 | 1,563 |
| <i>Less Revenues from Ordinary Activities</i> | <i>337</i> | <i>400</i> | <i>641</i> | <i>707</i> | <i>66</i> | <i>-</i> | <i>-</i> |
| Net Cost of Outputs..... | 1,908 | 2,793 | 3,473 | 1,480 | 1,337 | 1,527 | 1,563 |
| Adjustments ^(a) | (423) | (35) | (717) | (176) | (16) | (1) | (30) |
| Appropriation provided to deliver Outputs. | 1,485 | 2,758 | 2,756 | 1,304 | 1,321 | 1,526 | 1,533 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b)..... | 50 | 50 | 50 | - | - | - | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 1,535 | 2,808 | 2,806 | 1,304 | 1,321 | 1,526 | 1,533 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal(s) | Desired Outcome(s) | Output(s) |
|--|---|--|
| To ensure that regional Western Australia is strong and vibrant. | Development and Promotion of the Peel Region. | 1. Facilitation and Co-ordination 2. Advice and Information |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Development and Promotion of the Peel Region. | | | | | |
| Client satisfaction with contribution to the region's economic base | 73% | 95% | 80% | 85% | |
| Client satisfaction with the provision of regional information | 97% | 95% | 95% | 95% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Facilitation and Co-ordination

Facilitate and co-ordinate regional development activities

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 1,997 | 2,816 | 3,940 | 1,980 | Funding for finite projects is expected to decrease in 2004-05. |
| Less Revenues from Ordinary Activities | 337 | 400 | 641 | 707 | |
| Net Cost of Output | 1,660 | 2,416 | 3,299 | 1,273 | |
| Adjustments ^(a) | (425) | (35) | (920) | (176) | |
| Appropriation for delivery of Output 1 | 1,235 | 2,381 | 2,379 | 1,097 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Service hours | 15,064 | 9,500 | 16,700 | 16,000 | |
| Quality | | | | | |
| Client satisfaction with service provided | 82% | 95% | 95% | 95% | |
| Timeliness | | | | | |
| Client satisfaction with response and delivery times | 82% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per unit of service hour | \$132.57 | \$296.40 | \$235.90 | \$123.75 | 2004-05 figure adjusts for reduced level of funding for finite projects. |
| Full Time Equivalents (FTEs) | 10 | 7 | 10 | 10 | |

Major Achievements For 2003-04

- Facilitated the formation of the Peel 2020 Partnership - bringing together leaders from industry, the Indigenous community, social, environmental and economic sectors and Local, State and Commonwealth Government, as a peak leadership group - to develop local solutions to local issues. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Planning in partnership for a sustainable future.
- Coordinated the identification of immediate and short-term priorities from the Peel Sustainable Development Strategy 2020 and led communication strategies with Commonwealth, State and other potential partners. This included coordination of the Peel Region delegation to Canberra of leaders from Local, State and Commonwealth partners with industry and education leaders to promote recognition of the region's priorities with the Commonwealth Government.
- With regional and State Government partners began implementing immediate and long-term strategies to address the limited availability of suitably zoned industrial land. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Improved regional infrastructure.
- Formed a partnership with industry, education, training and employment bodies to increase the opportunities for young people to access employment and training in growth areas, including the building industry.
- Facilitated the establishment and growth of Indigenous businesses, including Indigenous art. Provided opportunities for local Indigenous artists to develop and promote their work, including exhibiting at March's Bunuru art exhibition. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Plentiful and diversified employment opportunities for Indigenous peoples to support Indigenous economic growth.
- Engaged an architect to design the Pinjarra Railway Station and prepare the tender documentation for its construction. With the Department of Land Information, finalised the acquisition of land for a continuous rail reserve from Pinjarra to Boddington.
- Completed the Pinjarra Business Retention and Expansion Program report which addressed issues confronting the business community of Pinjarra. Facilitated the formation of a local Taskforce to commence actions on the recommendations from the report.
- Partnered with the Peel Business Enterprise Centre, City of Mandurah and others in securing \$515,000 from the Commonwealth Government for the development of the Mandurah Small Business Incubator.
- Completed the first phase of the feasibility study for an open-range zoo in Boddington in partnership with State, Commonwealth, local government and other agencies including Perth Zoo.
- In partnership with agencies, including the Department of Agriculture and Waroona Shire, assessed options for expanding sustainable horticulture and aquaculture in the Peel region. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Diversified regional economies.

- Facilitated business expansion into the region valued at more than \$17 million. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Enhanced regional investment.
- Partnered in the development of the 'Mandurah Waterfront' Mandurah CBD Redevelopment strategy and supported the Waroona Town Centre Redevelopment Strategy.
- Contributed to the development of a Water Sensitive Design Framework for the Peel-Harvey catchment. In consultation with local Government prepared Model Planning Provisions and Technical Guidelines. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Conserved and restored natural and built environment.
- Participated in the implementation of the 'Economic Development and Recreation Management Plan for the Peel Waterways', including leading the development of the concept for a Peel Waterways Institute.
- Provided support for implementation of the Development and Management Plan for the Jarrahdale Heritage Park.
- Partnered with Curtin University and others to establish concepts for a Peel Tourism and Heritage Precinct which capitalises on Peel's rich history and proximity to Perth.
- Led the development of the Peel Marketing Alliance, comprising membership from Local, State and Commonwealth government and industry, to focus on marketing and promoting the tourism, investment and lifestyle opportunities of the region.
- In two years, managed \$800,000 from the State Government's Regional Development Scheme resulting in the generation of \$7.8 million worth of projects in the Peel Region.

Major Initiatives For 2004-05

- Implementation of the next stage of Peel 2020 Sustainability Strategy through the Peel 2020 Partnership.
- Continue to work with Commonwealth, State, and local government partners on a collaborative approach to complete the extension of the Kwinana Freeway and Peel Deviation. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcome: Improved Regional Infrastructure.
- With partners, progress development, including infrastructure, of the current Pinjarra Light Industrial Area and plan for other immediate and long-term industrial land needs across the Region.
- Complete the re-commissioning of the railway line from Tullis Bridge to Boddington and construct the Pinjarra railway station as part of the region's heritage railway tourism attraction.
- Complete the feasibility study into a potential open range zoo at Boddington.
- With partners, finalise the 'Mandurah Waterfront' Mandurah CBD Redevelopment Strategy for consideration by Local, State and Commonwealth government, and support progression on Waroona Town Centre Redevelopment.
- Progress implementation of recommendations from the study undertaken in partnership with Curtin University to develop the Peel Heritage Tourism Precinct.
- With the Peel Marketing Alliance, develop and commence implementation of a coordinated strategy to promote Peel as a great place to visit, live and invest.
- With partners from industry, training, education and employment sectors, implement strategies to increase the employment opportunities for young people in the building industry.
- Implement regional studies addressing: a positive ageing population, the lack of affordable transport options to and from smaller parts of the region, and alcohol and other drug related issues. This is consistent with the State Government's Better Planning: Better Services Strategic Planning Framework strategic outcomes: Safe and cohesive regional communities; and enhanced quality of regional lifestyles.
- Facilitate the finalisation of a Water Sensitive Design Framework for the Peel-Harvey Catchment through the Coastal Catchments Initiative.
- Prepare a business case to support the development of a Peel Waterways Institute.

Output 2: Advice and Information

Provide advice and information on regional development activities or matters

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 248 | 377 | 174 | 207 | Decrease in costs for 2003-04 estimated actual mainly reflects absence of key staff member. |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 248 | 377 | 174 | 207 | |
| Adjustments ^(a) | 2 | - | 203 | - | |
| Appropriation for delivery of Output 2 | 250 | 377 | 377 | 207 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Service hours | 3,142 | 4,000 | 2,100 | 2,500 | Absence of key staff member during 2003-04 on extra leave. |
| Quality | | | | | |
| Client satisfaction with service provided | 95% | 95% | 95% | 95% | |
| Timeliness | | | | | |
| Client satisfaction with response and delivery times | 95% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per unit of service hour | \$78.79 | \$94.20 | \$82.80 | \$82.80 | |
| Full Time Equivalents (FTEs) | 1 | 3 | 1 | 1 | |

Major Achievements For 2003-04

- Reviewed and updated the Peel Publications and the Peel Photographic library.
- Prepared and delivered an information workshop to local business on the WA Cleaner Production Statement.
- With partners, implemented the first of a series of workshops to increase the export-readiness of local business.
- Coordinated the first of a series of workshops to encourage local businesses to capitalise on the business opportunities arising through the completion of the Southern Suburbs Rail.

Major Initiatives For 2004-05

- Work with the Peel community, including the Indigenous community, to assist with the implementation of priority initiatives to improve employment opportunities.
- Continue the series of workshops to increase export-readiness of local industry and encourage local businesses to capitalise on the business opportunities arising through the completion of the Southern Suburbs Rail.

CAPITAL WORKS PROGRAM

The Peel Development Commission's capital works program for 2004-05 will consist of the completion of Stage 2 of the Mandurah Ocean Marina, and the continuation of the Commission's ongoing information and technology replacement program.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Mandurah Ocean Marina - Stage 2 | 274 | 224 | 65 | 50 |
| Railway Heritage Centre | 2,413 | 2,173 | 919 | - |
| COMPLETED WORKS | | | | |
| Information and Technology Replacement 2003-04 | 50 | 50 | 50 | - |
| Pinjarra to Boddington Railway Reconstruction | 1,000 | 1,000 | 1,000 | - |
| NEW WORKS | | | | |
| Information and Technology Replacement 2004-05 | 42 | - | - | 42 |
| | 3,779 | 3,447 | 2,034 | 92 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 487 | 1,550 | 2,034 | 92 | 40 | 221 | 209 |
| | 487 | 1,550 | 2,034 | 92 | 40 | 221 | 209 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account | - | 7 | 7 | 42 | 40 | 40 | 45 |
| Funding included in output appropriations ^(a) .. | - | 1,493 | 1,493 | - | - | 181 | 164 |
| Other | 971 | - | - | - | - | - | - |
| Internal Funds and Balances | (534) | - | 484 | 50 | - | - | - |
| Capital Contribution | 50 | 50 | 50 | - | - | - | - |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 910 | 636 | 904 | 803 | 713 | 700 | 733 |
| Superannuation | 147 | 88 | 105 | 94 | 87 | 87 | 90 |
| Grants and subsidies ^(b) | 177 | 400 | 658 | 400 | - | - | - |
| Supplies and services | 768 | 1,923 | 2,268 | 732 | 451 | 580 | 580 |
| Accommodation | 96 | 99 | 100 | 99 | 104 | 104 | 104 |
| Capital User Charge | 90 | 4 | 36 | 6 | - | 2 | 2 |
| Depreciation and amortisation | 57 | 43 | 43 | 39 | 34 | 40 | 40 |
| Other expenses | - | - | - | 14 | 14 | 14 | 14 |
| TOTAL COST OF SERVICES | 2,245 | 3,193 | 4,114 | 2,187 | 1,403 | 1,527 | 1,563 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 59 | - | 9 | - | - | - | - |
| Grants and subsidies | 277 | 400 | 632 | 707 | 66 | - | - |
| Other Revenue | 1 | - | - | - | - | - | - |
| Total Revenues from Ordinary Activities | 337 | 400 | 641 | 707 | 66 | - | - |
| NET COST OF SERVICES | 1,908 | 2,793 | 3,473 | 1,480 | 1,337 | 1,527 | 1,563 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 1,485 | 2,758 | 2,756 | 1,304 | 1,321 | 1,526 | 1,533 |
| Resources received free of charge | 12 | 11 | 11 | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 1,497 | 2,769 | 2,767 | 1,304 | 1,321 | 1,526 | 1,533 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | (411) | (24) | (706) | (176) | (16) | (1) | (30) |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | (411) | (24) | (706) | (176) | (16) | (1) | (30) |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 11, 11 and 11 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash | 1,108 | 203 | 324 | 151 | 134 | 139 | 129 |
| Receivables | 14 | 13 | 27 | 26 | 26 | 26 | 26 |
| Amounts receivable for outputs | 151 | 42 | 42 | 40 | 40 | 45 | 45 |
| Prepayments | 2 | 5 | 5 | 5 | 5 | 5 | 5 |
| Total current assets | 1,275 | 263 | 398 | 222 | 205 | 215 | 205 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs | - | 145 | 145 | 153 | 159 | 158 | 157 |
| Plant, equipment and vehicles | 63 | 69 | 68 | 71 | 78 | 71 | 85 |
| Other | 5 | 9 | 8 | 1 | - | 6 | 4 |
| Total non-current assets | 68 | 223 | 221 | 225 | 237 | 235 | 246 |
| TOTAL ASSETS | 1,343 | 486 | 619 | 447 | 442 | 450 | 451 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation | 322 | - | 341 | 347 | 354 | 361 | 369 |
| Payables | 48 | 12 | 26 | 45 | 35 | 33 | 33 |
| Provision for employee entitlements | 189 | 63 | 146 | 158 | 187 | 181 | 176 |
| Accrued Salaries | 22 | 21 | 27 | - | 2 | 3 | 6 |
| Other | 48 | 11 | 12 | 9 | 9 | 9 | 10 |
| Total current liabilities | 629 | 107 | 552 | 559 | 587 | 587 | 594 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation | - | 291 | 1 | 1 | 1 | 1 | 1 |
| Provision for employee entitlements | 58 | 44 | 66 | 63 | 46 | 55 | 79 |
| Total non-current liabilities | 58 | 335 | 67 | 64 | 47 | 56 | 80 |
| TOTAL LIABILITIES | 687 | 442 | 619 | 623 | 634 | 643 | 674 |
| EQUITY | | | | | | | |
| Contributed Equity | 80 | 130 | 130 | 130 | 130 | 130 | 130 |
| Accumulated surplus/(deficit) | 576 | (86) | (130) | (306) | (322) | (323) | (353) |
| Total equity | 656 | 44 | - | (176) | (192) | (193) | (223) |
| TOTAL LIABILITIES AND EQUITY | 1,343 | 486 | 619 | 447 | 442 | 450 | 451 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 1,420 | 2,715 | 2,713 | 1,256 | 1,275 | 1,482 | 1,489 |
| Capital Contribution | 50 | 50 | 50 | - | - | - | - |
| Holding Account Drawdowns..... | - | 7 | 7 | 42 | 40 | 40 | 45 |
| Net cash provided by State government..... | 1,470 | 2,772 | 2,770 | 1,298 | 1,315 | 1,522 | 1,534 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (760) | (631) | (927) | (811) | (711) | (697) | (726) |
| Superannuation | (83) | (73) | (87) | (90) | (79) | (80) | (82) |
| Supplies and services..... | (694) | (1,920) | (2,319) | (731) | (540) | (671) | (571) |
| Grants and subsidies | (172) | (400) | (663) | (400) | - | - | - |
| Accommodation..... | (96) | (99) | (100) | (100) | (15) | (14) | (104) |
| Capital User Charge..... | (90) | (4) | (36) | (6) | - | (2) | (2) |
| Goods and Services Tax | (136) | (182) | (376) | (194) | (68) | (51) | (51) |
| Other..... | - | - | - | (14) | (14) | (14) | (14) |
| Receipts | | | | | | | |
| Goods and Services Tax | 113 | 189 | 364 | 210 | 69 | 52 | 51 |
| Grants and subsidies | 280 | 400 | 632 | 707 | 66 | - | - |
| Other..... | 61 | - | 8 | - | - | - | - |
| Net cash from operating activities | (1,577) | (2,720) | (3,504) | (1,429) | (1,292) | (1,477) | (1,499) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (50) | (50) | (50) | (42) | (40) | (40) | (45) |
| Net cash from investing activities | (50) | (50) | (50) | (42) | (40) | (40) | (45) |
| NET INCREASE/(DECREASE) IN CASH HELD | (157) | 2 | (784) | (173) | (17) | 5 | (10) |
| Cash assets at the beginning of the reporting period | 1,265 | 201 | 1,108 | 324 | 151 | 134 | 139 |
| Cash assets at the end of the reporting period..... | 1,108 | 203 | 324 | 151 | 134 | 139 | 129 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---------------------------------------|-----------------------------|-----------------------------|--|---|--|--|--|
| City of Mandurah | 84 | - | - | - | - | - | - |
| Curtin University of Technology | 30 | - | - | - | - | - | - |
| National Trust of WA | 16 | - | - | - | - | - | - |
| Fairbridge Western | 15 | - | - | - | - | - | - |
| Minor Grants | 32 | - | 200 | - | - | - | - |
| Regional Development Scheme | - | 400 | 458 | 400 | - | - | - |
| TOTAL | 177 | 400 | 658 | 400 | - | - | - |

SOUTH WEST DEVELOPMENT COMMISSION

PART 14 - MINISTER FOR TOURISM; SMALL BUSINESS; SPORT AND RECREATION; PEEL AND THE SOUTH WEST

DIVISION 64

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 106 Net amount appropriated to deliver outputs | 4,474 | 3,529 | 3,550 | 6,504 | 4,240 | 3,799 | 3,844 |
| Total appropriations provided to deliver outputs | 4,474 | 3,529 | 3,550 | 6,504 | 4,240 | 3,799 | 3,844 |
| CAPITAL | | | | | | | |
| Item 163 Capital Contribution | 806 | 1,121 | 1,121 | 818 | 818 | 848 | 848 |
| GRAND TOTAL..... | 5,280 | 4,650 | 4,671 | 7,322 | 5,058 | 4,647 | 4,692 |

MISSION

To develop the region's economy and enhance those qualities which make the South West the best place in which to live, work and invest.

SIGNIFICANT ISSUES AND TRENDS

- The South West continues to be one of the most vibrant and economically diverse regions in Western Australia and will continue to present a significant alternative lifestyle and investment choice to the Perth Metropolitan Area.
- The value of the region's gross regional product in 2002-03 was estimated at \$5.35 billion, having increased at an average of 6.4 % per annum over the last five years.
- The population of the South West continues to grow as people seek new lifestyles and pursue opportunities within the region. Growth is not uniform, with coastal centres such as Margaret River (4.7%) growing strongly, whilst inland areas remain static.
- There is some evidence of increased land values in inland areas suggesting increased demand and possible future population growth.
- Exports continue to be an expanding part of the region's economy. In addition to the traditional mainstays of minerals, forest products and agri-business, the export growth of the region is coming from gourmet food and beverage, including wines, industrial products and services, Indigenous art products and other services such as education.
- The growing population will require careful planning in relation to the provision of human services, and in particular health and education planning, to ensure services are located to maximise access.
- Major industry projects, including the proposed expansion of Worsley Alumina, the expansion of Alcoa at Pinjarra, the expansion of woodchip processing and the construction of a peak load power plant at Kemerton Industrial Park, will provide new opportunities for small and medium enterprise growth.
- The Kwinana industrial area is likely to reach capacity in the future, presenting new opportunities for the Kemerton Industrial Park as the State's major heavy industry park south of Geraldton. The growth of Kemerton will drive growth at the Bunbury Port in relation to bulk product and, potentially, container product.

- Major project activity in the North West will provide new opportunities for local South West businesses, increasing demand for regional skills development.
- A collaboration between training providers, industry and the business enterprise centre network in the region will emerge as a basis for improving skills and customer service standards within the growing hospitality and tourism industry.
- Quality infrastructure remains a key priority for the region, in particular ensuring it keeps pace with industry requirements and population movements.
- The South West Indigenous arts industry is gaining increasing recognition in the international market place with prices for works likely to increase, providing further opportunities for international cultural tourism.
- Agriculture will continue to experience competition in traditional markets. The trend towards the development of new products and improved agri-businesses, especially in the high value-adding sectors such as wine, dairy, processed produce and improved fruit varieties, provide the pathway for the future.
- Biodiversity will become an increasingly valued aspect of the region.
- Finalisation of timber contracts will provide long-term stability for the timber industry.
- Processing of bluegums will be a stimulant for growth in the next few years, particularly as investigations into the feasibility of a pulp mill progress.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--------------------------------------|---|--|--|--|
| Bunbury Region capital projects..... | 200 | - | - | - |
| Collie Region capital projects..... | 278 | - | - | - |
| Western Five Lake Development | - | 500 | - | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Regional Development | 5,964 | 6,329 | 6,068 | 10,637 | | | |
| Total Cost of Outputs | 5,964 | 6,329 | 6,068 | 10,637 | 4,588 | 4,116 | 4,215 |
| <i>Less</i> Revenues from Ordinary Activities | 1,916 | 320 | 1,888 | 857 | 317 | 317 | 317 |
| Net Cost of Outputs | 4,048 | 6,009 | 4,180 | 9,780 | 4,271 | 3,799 | 3,898 |
| Adjustments ^(a) | 426 | (2,480) | (630) | (3,276) | (31) | - | (54) |
| Appropriation provided to deliver Outputs. | 4,474 | 3,529 | 3,550 | 6,504 | 4,240 | 3,799 | 3,844 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 806 | 1,121 | 1,121 | 818 | 818 | 848 | 848 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 5,280 | 4,650 | 4,671 | 7,322 | 5,058 | 4,647 | 4,692 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Relationship to Government Strategic Goals

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Output |
|--|--|-------------------------|
| To ensure that regional Western Australia is strong and vibrant. | An environment which is conducive to the balanced economic development of the South West Region. | 1. Regional Development |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: An environment which is conducive to the balanced economic development of the South West Region. | | | | | |
| Customer satisfaction survey | 70% | 75% | 75% | 75% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Regional Development

To provide a regional development service which contributes to sustainable development within the South West through the provision of information, advice and support together with marketing and promotion of the region.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 5,964 | 6,329 | 6,068 | 10,637 | Completion of significant capital works projects in 2004-05. Revenue includes sale of land in 2003-04. |
| Less Revenues from Ordinary Activities | 1,916 | 320 | 1,888 | 857 | |
| Net Cost of Output | 4,048 | 6,009 | 4,180 | 9,780 | Significant cash outflows associated with capital works. |
| Adjustments ^(a) | 426 | (2,480) | (630) | (3,276) | |
| Appropriation for delivery of Output 1 | 4,474 | 3,529 | 3,550 | 6,504 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Hours of Service..... | 50,546 | 50,000 | 46,297 | 44,212 | |
| Quality | | | | | |
| Customer satisfaction survey | 77 | 80 | 80 | 80 | |
| Timeliness | | | | | |
| Customer satisfaction with response and delivery times | 70 | 80 | 80 | 80 | |
| Cost (Efficiency) | | | | | |
| Average cost per hour of service | 117.99 | 126.58 | 131.07 | 240.59 | Hourly cost in 2004-05 higher due to grants associated with capital works. |
| Full Time Equivalents (FTEs) | 25 | 25 | 24 | 24 | |

Major Achievements For 2003-04

- Undertook further subdivision of industry lots at Picton to meet the emerging market need for smaller lot developments for industry.
- Completed a development options report for the balance of Commission land holdings at Picton as a springboard for Industry 2030.
- Commenced technical investigations for the proposed Shotts Industrial Park at Collie.
- Supported the evaluation of general and light industry sites for the Warren Blackwood.
- Funded the provision of three-phase power at the Harvey Industrial Estate as an industry investment strategy.
- Provided funding for the redevelopment of Westrail land at Manjimup into an open parkland, markets and entertainment area.
- Provided funding to assist the completion of the Pemberton Recreation Centre.
- The Commission has worked with the Small Business Development Corporation and migration agents to increase awareness of the South West as a migration destination.
- The Commission has facilitated planning to increase business awareness of financing expansions and new investments through the Leschenault Business Enterprise Centre. A broader program will be developed for mid-2004.
- An investment tour of the timber industry was completed in March 2004 with further follow-up visits scheduled for later in 2004.
- A TradeStart office has been established in collaboration with Austrade. Thirty-three businesses were assisted to export and over 100 product presentations were made to overseas buyers of South West product.
- The Commission hosted two trade delegations from China leading to interest in a South West pulp mill, as well as trade delegations from Japan, England, Italy and other European countries.
- Infrastructure planning was completed for the Western Five Lake Project. Final development of an investment prospectus is subject to completion of water quality assessment.
- Three Indigenous Art exhibitions have been held in the South West and two were held overseas in conjunction with TradeStart and the Department of Industry and Resources.
- The Northcliffe Timber Cluster became an operational entity providing employment for four families at Northcliffe with the direct technical support of the Commission.

- Technical advice and assistance with Government approvals was provided to 200 businesses wishing to locate or expand operations in the South West under the Invest South West program.
- Funding and technical assistance was provided to support the Margaret River International Wine Tourism Conference.
- The Commission provided certifying services to 31 skilled migration visa applications from more than 170 enquiries.
- Public submissions from the Telecommunications Audit were reviewed and a subsequent campaign to expand ADSL within the region was undertaken. Negotiations are now underway with Telstra to expand broadband infrastructure.
- The Commission has provided funding to allow for the development of free-to-air radio broadcasting at Northcliffe and Walpole. The service became operational in March 2004.
- Funding was provided:
 - to assist the Nannup Shire Council address mobile telephone black spots on the Brockman Highway;
 - to Connect South West for the redevelopment of the South West web portal. The project will be completed in late 2004. In addition over 400 seniors have accessed internet training under the 'Basic Bytes' program; and
 - to the Bunbury City Council for the development of the South West electronic library with implementation expected to occur in the second half of 2004.
- A three-year e-commerce PhD program has been offered, with Commission support, by Edith Cowan University and a candidate appointed. The research will develop strategies for the long-term sustainability of community portals.
- The Commission has undertaken preliminary research for the development of a South West Water Strategy which explores the water requirements of industry across the region.
- The Northcliffe Interpretative and Cultural Centre received funding to allow for commencement of works for the cultural centre. It is expected the project will be completed in 2005.
- One hundred and sixty one people participated in a pilot project undertaken in partnership with the University of Western Australia for the development of community leadership skills.
- A model for a community foundation for the provision of aged care services was established at Balingup.
- Technical support was provided to the South West Catchments Council for the development of a South West natural resource management strategy.
- Facilitated the development of a collaborative agreement for the development of tourism infrastructure at Yarloop.
- \$400,000 was administered under the Regional Development Scheme providing funding for 14 projects, with the objective of improving the economic and social development of the South West.
- \$50,000 was provided under the South West Events Program to support 25 small festivals and events within the region as a catalyst for increasing visitation to local communities.
- A marketing strategy for the Kemerton Industrial Park has been completed.
- The inaugural Noongar Arts Catalogue was produced with 900 copies distributed to collectors, overseas trade missions and tourism offices, and galleries.
- 'Regionwide' continued to be published as a regional news magazine.

Major Initiatives For 2004-05

- Industrial Land
 - Pending feasibility study, commence rezoning of the Collie Shotts Industrial Park.
 - Dispose of land assets (at value) held for purposes of Bunbury Port expansion and Glen Iris floodway.

- Urban Renewal
 - Finalise Stage 2 of the Bunbury Coastal Enhancement Project.
 - Develop an action plan, in partnership with local governments, for central business district renewal for Bunbury and Brunswick.
 - Assist the redevelopment of Bunbury's Outer Harbour to open a new front for development in Bunbury.
- Business Development
 - Conduct a major overseas promotion with local producers under the Austrade partnership to boost exports and expand market opportunities.
 - Implement a project ready program to assist small business take advantage of the Kemerton Power Station and other major industry expansions.
 - In partnership with the Small Business Development Corporation, implement a promotional strategy to increase business migration to the South West.
 - Develop Stage 3 of the Indigenous Arts Strategy to support effective retailing of art product.
 - Continue to host trade delegations in collaboration with the Department of Industry and Resources and Austrade.
- Information Technology and E-Commerce
 - Finalise planning and commence construction of the e-library in partnership with the City of Bunbury.
 - Complete works to facilitate opening of the new Bunbury call centre.
 - Complete the re-vamp of the South West web portal under the South West Online policy initiative.
 - In partnership with Connect South West, continue to improve access to IT training for business and community groups across the region.
 - Complete negotiations with Telstra to develop a broadband blueprint for the region.
 - Facilitate a networked video conferencing service in the region.
- Sustaining Communities
 - In partnership with water providers, produce an access and distribution plan/strategy for water in the region.
 - Work with the South West Human Services Planning Committee to develop a framework for ensuring human services match changing needs in the region.
 - Undertake a further investment tour for the timber industry.
 - Develop a program with the Small Business Development Corporation to assist in the development of marketing skills for timber merchants and millers.
 - Administer the South West Events Program and Regional Development Scheme for 2004-05.
- Information and Marketing
 - Promote the Kemerton Industrial Park at local and overseas major projects forums.
 - Support the 2004 South West Focus Conference.
 - Support 'Western Australia on Show' at the Perth Convention Centre opening with a major food and wine promotion.
 - In partnership with the Western Australian Tourism Commission, Australia's South West and key stakeholders develop themed food, wine and tourism trails.

CAPITAL WORKS PROGRAM

In 2004-05 a total of \$5.6 million will be spent on projects related to the Bunbury Back Beach. This expenditure will consist of \$3.2 million to complete the Bunbury Back Beach Coastal Enhancement, and \$2.4 million for the Bunbury Back Beach Stage 2.

Funding has also been allocated for a series of discrete capital works projects in Bunbury and Collie for 2004-05. In the Bunbury region these include the capping of the Koombana Bay Groyne, the construction of a memorial at the Pioneer Park Cemetery, and the provision of basic infrastructure at Turkey Point. These projects total \$200,000 in 2004-05.

In the Collie region, capital works include the expansion of the Collie Library, restorations to the Collie River and boardwalk, and the restoration of the Collie Rail Footbridge. These projects will total \$278,000 in 2004-05.

The Commission will continue its technology and asset replacement program in 2004-05.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Other Works - | | | | |
| Bunbury Back Beach Coastal Enhancement | 5,368 | 2,168 | 442 | 3,200 |
| COMPLETED WORKS | | | | |
| Asset Replacement - | | | | |
| 2003-04 Program | 60 | 60 | 60 | - |
| Other Works - | | | | |
| Manjimup Marshalling Yards | 722 | 722 | 289 | - |
| Network Server Upgrade | 70 | 70 | 70 | - |
| Pemberton Hydro Pipeline | 200 | 200 | 200 | - |
| Pemberton Hydroelectric Scheme | 1,183 | 1,183 | 156 | - |
| NEW WORKS | | | | |
| Other Works - | | | | |
| Bunbury Back Beach - Stage 2 | 2,400 | - | - | 2,400 |
| Capping of Koombana Bay Groyne | 30 | - | - | 30 |
| Expansion of Collie Public Library | 50 | - | - | 50 |
| Pioneer Park Cemetery Memorial | 100 | - | - | 100 |
| Restoration of Collie River and Boardwalk | 215 | - | - | 215 |
| Restorations to Collie Rail Footbridge | 13 | - | - | 13 |
| Turkey Point Infrastructure | 70 | - | - | 70 |
| Asset Replacement - | | | | |
| 2004-05 Program | 30 | - | - | 30 |
| | 10,511 | 4,403 | 1,217 | 6,108 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 2,353 | 130 | 1,217 | 6,108 | 530 | 30 | 30 |
| Working capital requirement | | | | | | | |
| Loan repayments | 765 | 791 | 791 | 818 | 818 | 848 | 848 |
| | 3,118 | 921 | 2,008 | 6,926 | 1,348 | 878 | 878 |
| LESS | | | | | | | |
| Asset Sales | 633 | - | 289 | - | - | - | - |
| Drawdowns from the Holding Account | - | - | - | 30 | 30 | 30 | 30 |
| Funding included in output appropriations ^(a) .. | 514 | - | - | 2,878 | 500 | - | - |
| Other | 62 | - | - | - | - | - | - |
| Internal Funds and Balances | 1,103 | (200) | 598 | 3,200 | - | - | - |
| Capital Contribution | 806 | 1,121 | 1,121 | 818 | 818 | 848 | 848 |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 1,509 | 1,397 | 1,477 | 1,501 | 1,450 | 1,479 | 1,506 |
| Superannuation | 129 | 172 | 172 | 182 | 192 | 192 | 195 |
| Cost of Goods Sold | 370 | - | 600 | - | - | - | - |
| Grants and subsidies ^(b) | 1,719 | 2,610 | 1,590 | 6,743 | 710 | 210 | 210 |
| Consultancies expense | 39 | - | - | - | - | - | - |
| Supplies and services | 829 | 730 | 788 | 749 | 707 | 708 | 777 |
| Accommodation | 219 | 359 | 359 | 362 | 372 | 372 | 372 |
| Borrowing costs | 859 | 802 | 802 | 806 | 778 | 778 | 778 |
| Depreciation and amortisation | 97 | 79 | 100 | 100 | 100 | 100 | 100 |
| State Taxes | 49 | 46 | - | - | - | - | - |
| Other expenses | 145 | 134 | 180 | 194 | 279 | 277 | 277 |
| TOTAL COST OF SERVICES | 5,964 | 6,329 | 6,068 | 10,637 | 4,588 | 4,116 | 4,215 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 1,061 | - | 1,030 | - | - | - | - |
| Grants and subsidies | 603 | 250 | 650 | 650 | 250 | 250 | 250 |
| Interest | 19 | - | - | - | - | - | - |
| Rent | 82 | 50 | 50 | 50 | 50 | 50 | 50 |
| Other Revenue | 151 | 20 | 158 | 157 | 17 | 17 | 17 |
| Total Revenues from Ordinary Activities | 1,916 | 320 | 1,888 | 857 | 317 | 317 | 317 |
| NET COST OF SERVICES | 4,048 | 6,009 | 4,180 | 9,780 | 4,271 | 3,799 | 3,898 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 4,474 | 3,529 | 3,550 | 6,504 | 4,240 | 3,799 | 3,844 |
| Resources received free of charge | 13 | 13 | 13 | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 4,487 | 3,542 | 3,563 | 6,504 | 4,240 | 3,799 | 3,844 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | | | | | | | |
| | 439 | (2,467) | (617) | (3,276) | (31) | - | (54) |
| Extraordinary items | 332 | - | - | - | - | - | - |
| CHANGE IN EQUITY AFTER EXTRAORDINARY ITEMS | 771 | (2,467) | (617) | (3,276) | (31) | - | (54) |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 25, 24 and 24 respectively.

(b) Refer Details of Controlled Grants and Subsidies table for further information.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 2 | 414 | 1,032 | 1,032 | 1,032 | 1,032 | 1,028 |
| Restricted cash..... | 4,453 | - | 3,259 | 1 | 24 | 20 | 20 |
| Receivables..... | 173 | 111 | 100 | 100 | 101 | 105 | 109 |
| Inventories..... | 508 | - | - | - | - | - | - |
| Amounts receivable for outputs..... | 169 | - | 30 | 30 | 30 | 30 | 30 |
| Prepayments..... | 6 | 4 | 6 | 6 | 6 | 6 | 6 |
| Other..... | 1 | - | 1 | 1 | 1 | 1 | 1 |
| Total current assets..... | 5,312 | 529 | 4,428 | 1,170 | 1,194 | 1,194 | 1,194 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | - | 261 | 252 | 335 | 418 | 488 | 558 |
| Land and Buildings..... | 5,603 | 4,404 | 5,577 | 5,551 | 5,525 | 5,525 | 5,525 |
| Plant, equipment and vehicles..... | 20 | 190 | 82 | 74 | 66 | 105 | 144 |
| Inventories..... | 1,257 | 1,106 | 1,165 | 1,165 | 1,165 | 1,165 | 1,165 |
| Other..... | 1,375 | 1,271 | 1,769 | 1,763 | 1,757 | 1,757 | 1,757 |
| Total non-current assets..... | 8,255 | 7,232 | 8,845 | 8,888 | 8,931 | 9,040 | 9,149 |
| TOTAL ASSETS..... | 13,567 | 7,761 | 13,273 | 10,058 | 10,125 | 10,234 | 10,343 |
| CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | - | 3 | 1 | 2 | 3 | 3 | 3 |
| Payables..... | 41 | 53 | 90 | 154 | 218 | 218 | 218 |
| Provision for employee entitlements..... | 262 | 226 | 263 | 264 | 265 | 265 | 265 |
| Interest-bearing liabilities..... | 792 | 818 | 819 | 846 | 873 | 873 | 873 |
| Interest payable..... | 195 | 171 | 170 | 145 | 120 | 120 | 120 |
| Accrued Salaries..... | 36 | 29 | 37 | - | - | - | 33 |
| Other..... | 1,072 | 522 | 1,004 | 1,000 | 996 | 1,075 | 1,175 |
| Total current liabilities..... | 2,398 | 1,822 | 2,384 | 2,411 | 2,475 | 2,554 | 2,687 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Superannuation..... | 368 | 405 | 387 | 406 | 425 | 425 | 425 |
| Provision for employee entitlements..... | 178 | 89 | 190 | 202 | 214 | 214 | 214 |
| Interest-bearing liabilities..... | 8,445 | 7,628 | 7,627 | 6,809 | 5,991 | 5,173 | 4,355 |
| Other..... | - | 6 | 3 | 6 | 9 | 9 | 9 |
| Total non-current liabilities..... | 8,991 | 8,128 | 8,207 | 7,423 | 6,639 | 5,821 | 5,003 |
| TOTAL LIABILITIES..... | 11,389 | 9,950 | 10,591 | 9,834 | 9,114 | 8,375 | 7,690 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 1,613 | 2,734 | 2,734 | 3,552 | 4,370 | 5,218 | 6,066 |
| Accumulated surplus/(deficit)..... | (2,647) | (7,281) | (3,264) | (6,540) | (6,571) | (6,571) | (6,625) |
| Asset revaluation reserve..... | 3,212 | 2,358 | 3,212 | 3,212 | 3,212 | 3,212 | 3,212 |
| Total equity..... | 2,178 | (2,189) | 2,682 | 224 | 1,011 | 1,859 | 2,653 |
| TOTAL LIABILITIES AND EQUITY..... | 13,567 | 7,761 | 13,273 | 10,058 | 10,125 | 10,234 | 10,343 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 4,387 | 3,437 | 3,437 | 6,391 | 4,127 | 3,699 | 3,744 |
| Capital Contribution | 806 | 1,121 | 1,121 | 818 | 818 | 848 | 848 |
| Holding Account Drawdowns..... | - | - | - | 30 | 30 | 30 | 30 |
| Net cash provided by State government..... | 5,193 | 4,558 | 4,558 | 7,239 | 4,975 | 4,577 | 4,622 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (1,349) | (1,396) | (1,476) | (1,500) | (1,449) | (1,478) | (1,505) |
| Superannuation..... | (127) | (152) | (152) | (162) | (172) | (172) | (175) |
| Supplies and services..... | (891) | (699) | (757) | (753) | (667) | (726) | (762) |
| Grants and subsidies | (2,866) | (2,610) | (1,590) | (6,743) | (710) | (210) | (210) |
| Borrowing costs..... | (888) | (820) | (820) | (806) | (798) | (798) | (798) |
| Accommodation..... | (218) | (374) | (374) | (377) | (387) | (387) | (387) |
| State Taxes | (47) | (46) | - | - | - | - | - |
| Goods and Services Tax | (310) | (120) | (120) | (120) | (120) | (120) | (120) |
| Other..... | (232) | (84) | (130) | (146) | (221) | (232) | (211) |
| Receipts | | | | | | | |
| User charges and fees | 1,061 | - | 1,030 | - | - | - | - |
| Interest..... | 19 | - | - | - | - | - | - |
| Goods and Services Tax | 262 | 120 | 120 | 120 | 120 | 120 | 120 |
| Grants and subsidies | 621 | 250 | 650 | 650 | 250 | 250 | 250 |
| Other..... | 205 | 70 | 208 | 208 | 70 | 70 | 70 |
| Net cash from operating activities..... | (4,760) | (5,861) | (3,411) | (9,629) | (4,084) | (3,683) | (3,728) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (630) | (520) | (520) | (50) | (50) | (80) | (80) |
| Net cash from investing activities..... | (630) | (520) | (520) | (50) | (50) | (80) | (80) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (765) | (791) | (791) | (818) | (818) | (818) | (818) |
| Net cash from financing activities | (765) | (791) | (791) | (818) | (818) | (818) | (818) |
| NET INCREASE/(DECREASE) IN CASH HELD | (962) | (2,614) | (164) | (3,258) | 23 | (4) | (4) |
| Cash assets at the beginning of the reporting period | 5,417 | 3,028 | 4,455 | 4,291 | 1,033 | 1,056 | 1,052 |
| Cash assets at the end of the reporting period..... | 4,455 | 414 | 4,291 | 1,033 | 1,056 | 1,052 | 1,048 |

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| Bunbury Back Beach..... | - | 2,000 | 300 | 5,500 | - | - | - |
| Capital Works - Bunbury..... | - | - | - | 200 | - | - | - |
| Capital Works - Collie..... | - | - | - | 278 | - | - | - |
| Manjimup Railway Marshalling Yards..... | 433 | - | 289 | - | - | - | - |
| Regional Development Scheme..... | - | 400 | 400 | 400 | - | - | - |
| Regional Development Scheme (via Department of Local Government and Regional Development)..... | 1,273 | - | - | - | - | - | - |
| Saving Our Old Growth Forest Program | - | - | 500 | - | - | - | - |
| Western Five Lake Development | - | - | - | - | 500 | - | - |
| Other Payments | 13 | 210 | 101 | 365 | 210 | 210 | 210 |
| TOTAL | 1,719 | 2,610 | 1,590 | 6,743 | 710 | 210 | 210 |

Part 15

Minister for Housing and Works; Racing and Gaming; Government Enterprises; Land Information

SUMMARY OF PORTFOLIO APPROPRIATIONS

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 1085 | Housing and Works | | | |
| | – Delivery of Outputs | 24,655 | 27,052 | 28,734 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 75,797 | 75,797 | 2,917 |
| | – Capital Contribution | - | 500 | 500 |
| | Total | 100,452 | 103,349 | 32,151 |
| 1096 | State Housing Commission | ... | ... | ... |
| 1099 | Country Housing Authority | ... | ... | ... |
| 1100 | Government Employees Housing Authority | ... | ... | ... |
| 1101 | State Supply Commission | | | |
| | – Delivery of Outputs | 1,415 | 1,417 | 1,494 |
| | – Capital Contribution | - | - | 19 |
| | Total | 1,415 | 1,417 | 1,513 |
| 1111 | Racing, Gaming and Liquor | | | |
| | – Delivery of Outputs | 3,074 | 3,074 | 3,208 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 74,100 | 71,900 | 73,600 |
| | Total | 77,174 | 74,974 | 76,808 |
| 1122 | Racing and Wagering Western Australia | ... | ... | ... |
| 1123 | Western Australian Greyhound Racing Authority | ... | ... | ... |
| 1124 | Gold Corporation | ... | ... | ... |
| 1125 | Insurance Commission of Western Australia | ... | ... | ... |
| 1126 | Lotteries Commission | ... | ... | ... |
| 1128 | Water Corporation | ... | ... | ... |

Part 15**Minister for Housing and Works; Racing and Gaming; Government Enterprises; Land Information — *continued*****SUMMARY OF PORTFOLIO APPROPRIATIONS**

| Page | Agency | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|------|--|-----------------------------|--|---|
| 1131 | Land Information | | | |
| | – Delivery of Outputs | 26,824 | 26,824 | 24,805 |
| | – Capital Contribution | 7,991 | 7,991 | 278 |
| | Total | 34,815 | 34,815 | 25,083 |
| | GRAND TOTAL | | | |
| | – Delivery of Outputs | 55,968 | 58,367 | 58,241 |
| | – Administered Grants, Subsidies and Other Transfer Payments | 149,897 | 147,697 | 76,517 |
| | – Capital Contribution | 7,991 | 8,491 | 797 |
| | Total | 213,856 | 214,555 | 135,555 |

HOUSING AND WORKS

PART 15 - MINISTER FOR HOUSING AND WORKS; RACING AND GAMING; GOVERNMENT ENTERPRISES; LAND INFORMATION

DIVISION 65

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 107 Net amount appropriated to deliver outputs | 26,387 | 24,527 | 26,924 | 28,606 | 28,767 | 29,035 | 28,048 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 126 | 128 | 128 | 128 | 128 | 128 | 128 |
| Total appropriations provided to deliver outputs | 26,513 | 24,655 | 27,052 | 28,734 | 28,895 | 29,163 | 28,176 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 108 Amount provided for Administered Grants, Subsidies and Other Transfer Payments..... | 48,955 | 75,797 | 75,797 | 2,917 | - | - | - |
| CAPITAL | | | | | | | |
| Item 164 Capital Contribution | 1,246 | - | 500 | 500 | 5,100 | 5,100 | - |
| GRAND TOTAL..... | 76,714 | 100,452 | 103,349 | 32,151 | 33,995 | 34,263 | 28,176 |

MISSION

Responding to the hopes of all Western Australians for their housing and construction needs.

SIGNIFICANT ISSUES AND TRENDS

- The Building Cost Index has risen 7% in 2003-04 as a direct result of market pressures. That is, demand has outstripped supply, and comes on top of a higher than normal increase for the previous financial year. The impact of this increase is industry wide and not just Department of Housing and Works specific.
- Building industry activity continues to remain at high levels and this trend is expected to continue.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Statement of Financial Performance since publication of the 2003-04 Budget to Parliament on 8 May 2003 are outlined below.

| | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|---|--|--|--|
| 175th Anniversary Celebrations - John Curtin Statue..... | 200 | - | - | - |
| Bunbury Tower accommodation obligations | 1,200 | 1,200 | - | - |
| State War Memorial repairs..... | 445 | - | - | - |

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Delivery, management and maintenance of Government buildings, projects and office accommodation..... | 42,865 | 44,066 | 49,018 | 49,402 | | | |
| Total Cost of Outputs | 42,865 | 44,066 | 49,018 | 49,402 | 48,554 | 48,870 | 47,881 |
| <i>Less</i> Revenues from Ordinary Activities | 21,920 | 17,775 | 22,967 | 23,909 | 19,380 | 19,472 | 19,552 |
| Net Cost of Outputs | 20,945 | 26,291 | 26,051 | 25,493 | 29,174 | 29,398 | 28,329 |
| Adjustments ^(a) | 5,568 | (1,636) | 1,001 | 3,241 | (279) | (235) | (153) |
| Appropriation provided to deliver Outputs. | 26,513 | 24,655 | 27,052 | 28,734 | 28,895 | 29,163 | 28,176 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Appropriation for Administered Grants, Subsidies and Transfer Payments | 48,955 | 75,797 | 75,797 | 2,917 | - | - | - |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 1,246 | - | 500 | 500 | 5,100 | 5,100 | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 76,714 | 100,452 | 103,349 | 32,151 | 33,995 | 34,263 | 28,176 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Director General and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Output |
|--|---|--|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | Government buildings and accommodation delivered, managed and maintained at agreed standards. | 1. Delivery, management and maintenance of Government buildings, projects and office accommodation |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Government buildings and accommodation delivered, managed and maintained at agreed standards. | | | | | |
| The extent to which the Department has delivered and maintained government buildings and accommodation to agreed standards | na | 75% | 75% | 75% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Delivery, management and maintenance of Government buildings, projects and office accommodation

Management services for the delivery of public buildings, infrastructure assets, Government's office accommodation portfolio, projects and the on-going management of Government properties. Includes policy development and advice to Government in relation to its building and construction activities.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 42,865 | 44,066 | 49,018 | 49,402 | |
| Less Revenues from Ordinary Activities | 21,920 | 17,775 | 22,967 | 23,909 | |
| Net Cost of Output | 20,945 | 26,291 | 26,051 | 25,493 | |
| Adjustments ^(a) | 5,568 | (1,636) | 1,001 | 3,241 | |
| Appropriation for delivery of Output 1 | 26,513 | 24,655 | 27,052 | 28,734 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|---|
| Quantity | | | | | |
| Value of capital works projects delivered..... | \$220 million | \$230 million | \$230 million | \$230 million | |
| Value of buildings and office accommodation managed..... | \$82 million | \$87 million | \$87 million | \$87 million | |
| Value of minor works and maintenance services delivered. | \$117 million | \$111 million | \$111 million | \$111 million | |
| Quality | | | | | |
| Client satisfaction with the delivery of capital works projects..... | 73% | 75% | 75% | 75% | The targets for Quality client satisfaction were established from benchmark results and are considered reasonable yet challenging to achieve. |
| Client satisfaction with the management of buildings and office accommodation. | 74% | 75% | 75% | 75% | |
| Client satisfaction with the delivery of minor works and maintenance services..... | 80% | 75% | 75% | 75% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Timeliness | | | | | |
| Capital works projects that are delivered within the timeframes agreed with clients..... | 97% | 85% | 85% | 85% | The targets for Timeliness were established from benchmark results and are considered reasonable yet challenging to achieve. |
| Building and office accommodation transactions delivered within the agreed timeframe..... | 86% | 85% | 85% | 85% | |
| Client satisfaction with the timeliness of delivery of minor works and maintenance services..... | 76% | 75% | 75% | 75% | |
| Cost (Efficiency) | | | | | |
| Cost per million dollars of value of capital works projects delivered..... | \$38,470 | \$33,694 | \$34,693 | \$34,700 | The increase in costs reflects the Fremantle Prison restoration program of \$670,000 commencing in 2004-05. |
| Cost per million dollars of value of buildings and office accommodation managed..... | \$275,676 | \$264,323 | \$303,845 | \$315,250 | |
| Cost per million dollars of value of minor works and maintenance services delivered ... | \$100,825 | \$120,002 | \$131,568 | \$126,076 | |
| Full Time Equivalents (FTEs) | 164 | 178 | 199 | 197 | |

Major Achievements For 2003-04

- The Perth Convention and Exhibition Centre is scheduled to be completed for an August 2004 opening.
- Completion of a pilot sustainable primary school at South Atwell.
- Appointment of Professor Geoffrey London as the Government Architect.
- The planned program of country office collocations of the Department of Housing and Works is substantially completed.
- The National and State launch of the Year of the Built Environment (YBE) 2004. The YBE National Executive is being coordinated from WA and a range of events and activities have been initiated.
- Introduction to Parliament of the Local Government (Miscellaneous Provisions) Amendment Bill 2003, Architects Bill 2003 and Construction Contracts Bill 2004.
- Transfer of the building control function from the Department of Local Government and Regional Development to the Department of Housing and Works.
- The total visitation to the Fremantle Prison precinct is at its highest level since 1992-93, when the Prison was first opened to the public. This has been achieved against a backdrop of a very difficult tourism market.

Major Initiatives For 2004-05

- Development of the collocated Central Business District Courts Project as a Public Private Partnership (PPP).
- Implementation of the Security of Payment Legislation (Construction Contracts Bill 2004).
- Development of the Fremantle Prison's extensive tunnel system as a new tourism attraction.
- Implement changes to building surveyor qualifications and local government approval processes under the *Local Government (Miscellaneous Provisions) Act 1960*.
- Delivery of executive support to the State and National steering committees for the Year of the Built Environment.
- Completion of the Migrant Welcome Wall at the Fremantle Maritime Museum.
- Erection of a statue in Fremantle commemorating the life of John Curtin.

CAPITAL WORKS PROGRAM

The Department's 2004-2005 capital works program includes the following significant items:

- Completing the construction of a Migrant Welcome Wall at the Fremantle Maritime Museum.
- Commencement of the Fremantle Prison Restoration Program.
- A \$500,000 upgrade to the Old Treasury Buildings roof.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| 175th Anniversary Celebrations - Migrant Welcome Wall..... | 500 | 450 | 450 | 50 |
| COMPLETED WORKS | | | | |
| Buildings - Minor Works - | | | | |
| 2002-03 Program..... | 1,839 | 1,839 | 991 | - |
| 2003-04 Program..... | 2,050 | 2,050 | 2,050 | - |
| Computer and Office Equipment Replacement - | | | | |
| 2003-04 Program..... | 25 | 25 | 25 | - |
| Contribution to Rockingham City - | | | | |
| Landscaping and Engineering Services..... | 2,000 | 2,000 | 600 | - |
| Heritage and Conservation Planning and Works - | | | | |
| 2003-04 Program..... | 350 | 350 | 350 | - |
| Land Development and Disposal - | | | | |
| 2003-04 Program..... | 586 | 586 | 586 | - |
| Perth Convention and Exhibition Centre..... | 121,974 | 121,974 | 74,424 | - |
| NEW WORKS | | | | |
| Buildings - Minor Works - | | | | |
| 2004-05 Program..... | 1,950 | - | - | 1,950 |
| Computer and Office Equipment Replacement - | | | | |
| 2004-05 Program..... | 25 | - | - | 25 |
| Fremantle Prison Restoration - | | | | |
| 2004-05 Program..... | 670 | - | - | 670 |
| Heritage and Conservation Planning and Works - | | | | |
| 2004-05 Program..... | 250 | - | - | 250 |
| Land Development and Disposal - | | | | |
| 2004-05 Program..... | 586 | - | - | 586 |
| Old Treasury Buildings - Roof Repairs..... | 500 | - | - | 500 |
| | 133,305 | 129,274 | 79,476 | 4,031 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 52,532 | 77,385 | 79,476 | 4,031 | 9,145 | 9,945 | 3,475 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account..... | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Funding included in output appropriations ^(a) .. | 2,239 | 2,936 | 2,936 | 3,506 | 4,020 | 4,820 | 3,450 |
| Funding included in administered appropriations..... | 47,550 | 74,424 | 74,424 | - | - | - | - |
| Internal Funds and Balances..... | 1,472 | - | 1,591 | - | - | - | - |
| Capital Contribution..... | 1,246 | - | 500 | 500 | 5,100 | 5,100 | - |

(a) Capital works expensed through the Statement of Financial Performance.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 10,027 | 10,860 | 11,871 | 12,186 | 12,680 | 13,034 | 13,166 |
| Superannuation | 1,138 | 1,067 | 1,284 | 1,312 | 1,368 | 1,405 | 1,405 |
| Supplies and services | 16,559 | 17,924 | 18,654 | 18,103 | 17,800 | 17,304 | 15,960 |
| Accommodation | 833 | 1,324 | 1,255 | 1,011 | 1,031 | 1,031 | 1,031 |
| Borrowing costs | 644 | - | 963 | 1,496 | - | - | - |
| Capital User Charge | 10,623 | 10,773 | 11,948 | 12,315 | 12,691 | 13,112 | 13,333 |
| Depreciation and amortisation | 3,041 | 2,118 | 3,043 | 2,894 | 2,894 | 2,894 | 2,894 |
| Other expenses | - | - | - | 85 | 90 | 90 | 92 |
| TOTAL COST OF SERVICES | 42,865 | 44,066 | 49,018 | 49,402 | 48,554 | 48,870 | 47,881 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 21,897 | 16,649 | 22,926 | 23,909 | 19,380 | 19,472 | 19,552 |
| Net Profit on disposal of non-current assets | - | 41 | 41 | - | - | - | - |
| Other Revenue | 23 | 1,085 | - | - | - | - | - |
| Total Revenues from Ordinary Activities | 21,920 | 17,775 | 22,967 | 23,909 | 19,380 | 19,472 | 19,552 |
| NET COST OF SERVICES | 20,945 | 26,291 | 26,051 | 25,493 | 29,174 | 29,398 | 28,329 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 26,513 | 24,655 | 27,052 | 28,734 | 28,895 | 29,163 | 28,176 |
| Resources received free of charge | 392 | 100 | 392 | 307 | 302 | 302 | 300 |
| Liabilities assumed by the Treasurer | 115 | - | 115 | 115 | 115 | 115 | 115 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 27,020 | 24,755 | 27,559 | 29,156 | 29,312 | 29,580 | 28,591 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 6,075 | (1,536) | 1,508 | 3,663 | 138 | 182 | 262 |

(a) The Full Time Equivalent (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 164, 199 and 197 respectively.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 13,607 | 6,773 | 8,281 | 7,770 | 7,808 | 7,890 | 8,052 |
| Restricted cash..... | 309 | - | 309 | - | 38 | 77 | 117 |
| Receivables..... | 5,170 | 3,343 | 5,170 | 5,170 | 5,170 | 5,170 | 5,170 |
| Amounts receivable for outputs..... | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Other..... | 490 | 226 | 490 | 490 | 490 | 490 | 490 |
| Total current assets..... | 19,601 | 10,367 | 14,275 | 13,455 | 13,531 | 13,652 | 13,854 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 4,056 | 6,149 | 7,074 | 9,943 | 12,812 | 15,681 | 18,550 |
| Land and Buildings..... | 163,425 | 138,767 | 160,569 | 158,416 | 160,863 | 163,310 | 160,416 |
| Plant, equipment and vehicles..... | 1,933 | 854 | 1,577 | 1,370 | 1,163 | 947 | 972 |
| Other..... | - | - | 500 | 500 | 500 | 500 | 500 |
| Total non-current assets..... | 169,414 | 145,770 | 169,720 | 170,229 | 175,338 | 180,438 | 180,438 |
| TOTAL ASSETS..... | 189,015 | 156,137 | 183,995 | 183,684 | 188,869 | 194,090 | 194,292 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 3,441 | 1,589 | 2,189 | 2,198 | 2,207 | 2,207 | 2,207 |
| Provision for employee entitlements..... | 2,109 | 1,966 | 2,009 | 1,909 | 1,809 | 1,709 | 1,609 |
| Finance leases..... | 3,590 | 3,020 | 4,079 | - | - | - | - |
| Accrued Salaries..... | 304 | 211 | 304 | - | 38 | 77 | 117 |
| Other..... | 3,008 | 830 | 922 | 922 | 922 | 922 | 922 |
| Total current liabilities..... | 12,452 | 7,616 | 9,503 | 5,029 | 4,976 | 4,915 | 4,855 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 1,135 | 978 | 1,135 | 1,135 | 1,135 | 1,135 | 1,135 |
| Finance leases..... | 4,079 | 7,669 | - | - | - | - | - |
| Total non-current liabilities..... | 5,214 | 8,647 | 1,135 | 1,135 | 1,135 | 1,135 | 1,135 |
| TOTAL LIABILITIES..... | 17,666 | 16,263 | 10,638 | 6,164 | 6,111 | 6,050 | 5,990 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 28,459 | 3,268 | 28,959 | 29,459 | 34,559 | 39,659 | 39,659 |
| Accumulated surplus/(deficit)..... | 134,191 | 133,095 | 135,699 | 139,362 | 139,500 | 139,682 | 139,944 |
| Asset revaluation reserve..... | 8,699 | 3,511 | 8,699 | 8,699 | 8,699 | 8,699 | 8,699 |
| Total equity..... | 171,349 | 139,874 | 173,357 | 177,520 | 182,758 | 188,040 | 188,302 |
| TOTAL LIABILITIES AND EQUITY..... | 189,015 | 156,137 | 183,995 | 183,684 | 188,869 | 194,090 | 194,292 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 24,400 | 22,537 | 24,009 | 25,840 | 26,001 | 26,269 | 25,282 |
| Capital Contribution | 596 | - | 500 | 500 | 5,100 | 5,100 | - |
| Holding Account Drawdowns..... | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Net cash provided by State government..... | 25,021 | 22,562 | 24,534 | 26,365 | 31,126 | 31,394 | 25,307 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (9,668) | (10,960) | (11,971) | (12,590) | (12,742) | (13,095) | (13,226) |
| Superannuation..... | (1,061) | (1,067) | (1,169) | (1,197) | (1,253) | (1,290) | (1,290) |
| Supplies and services..... | (14,591) | (16,824) | (21,599) | (17,796) | (17,498) | (17,002) | (15,660) |
| Borrowing costs..... | (555) | - | (963) | (1,496) | - | - | - |
| Accommodation..... | (837) | (1,324) | (1,255) | (1,011) | (1,031) | (1,031) | (1,031) |
| Capital User Charge..... | (10,623) | (10,773) | (11,948) | (12,315) | (12,691) | (13,112) | (13,333) |
| Goods and Services Tax | (40,173) | (35,373) | (35,373) | (35,373) | (35,373) | (35,373) | (35,373) |
| Other..... | - | - | - | (85) | (90) | (90) | (92) |
| Receipts | | | | | | | |
| User charges and fees | 21,105 | 16,649 | 22,926 | 23,909 | 19,380 | 19,472 | 19,552 |
| Goods and Services Tax | 39,939 | 35,373 | 35,373 | 35,373 | 35,373 | 35,373 | 35,373 |
| Other..... | 20 | 1,085 | - | - | - | - | - |
| Net cash from operating activities..... | (16,444) | (23,214) | (25,979) | (22,581) | (25,925) | (26,148) | (25,080) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (412) | (25) | (525) | (525) | (5,125) | (5,125) | (25) |
| Proceeds from sale of non-current assets | - | 234 | 234 | - | - | - | - |
| Net cash from investing activities..... | (412) | 209 | (291) | (525) | (5,125) | (5,125) | (25) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Other payments for financing activities | (3,020) | - | (3,590) | (4,079) | - | - | - |
| Net cash from financing activities | (3,020) | - | (3,590) | (4,079) | - | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | 5,145 | (443) | (5,326) | (820) | 76 | 121 | 202 |
| Cash assets at the beginning of the reporting period | 2,998 | 7,216 | 13,916 | 8,590 | 7,770 | 7,846 | 7,967 |
| Net cash transferred to/from other agencies..... | 5,773 | - | - | - | - | - | - |
| Cash assets at the end of the reporting period..... | 13,916 | 6,773 | 8,590 | 7,770 | 7,846 | 7,967 | 8,169 |

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Grants and subsidies | 47,800 | 41,567 | 21,488 | 2,917 | - | - | - |
| Supplies and services..... | 360,249 | 376,798 | 387,918 | 397,887 | 398,287 | 398,587 | 398,587 |
| Net loss on transfer of non-current assets | - | - | 2,837 | - | - | - | - |
| Receipts paid into Consolidated Fund..... | 9,590 | - | 10,000 | 11,200 | 15,200 | 17,200 | 17,200 |
| TOTAL ADMINISTERED EXPENSES (a) .. | 417,639 | 418,365 | 422,243 | 412,004 | 413,487 | 415,787 | 415,787 |
| REVENUES | | | | | | | |
| User charges and fees | 278,002 | 298,887 | 298,887 | 298,887 | 298,887 | 298,887 | 298,887 |
| Rent | 91,728 | 77,911 | 99,031 | 110,200 | 114,600 | 116,900 | 116,900 |
| Other Revenue..... | - | 2,000 | 2,000 | - | - | - | - |
| Appropriations..... | 48,955 | 75,797 | 75,797 | 2,917 | - | - | - |
| TOTAL ADMINISTERED REVENUES (a) .. | 418,685 | 454,595 | 475,715 | 412,004 | 413,487 | 415,787 | 415,787 |

(a) Further information is provided in the tables "Details of the Administered Transactions Expenses" and "Details of Administered Transactions Revenues".

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| ADMINISTERED CURRENT ASSETS | | | | | | | |
| Cash..... | 14,169 | 16,433 | 14,378 | 14,378 | 14,378 | 14,378 | 14,378 |
| Receivables..... | 25,453 | 21,895 | 25,453 | 25,453 | 25,453 | 25,453 | 25,453 |
| Prepayments | 39 | 9 | 39 | 39 | 39 | 39 | 39 |
| Total Administered Current Assets | 39,661 | 38,337 | 39,870 | 39,870 | 39,870 | 39,870 | 39,870 |
| ADMINISTERED NON-CURRENT ASSETS | | | | | | | |
| Land and Buildings..... | 16,231 | 15,267 | 16,231 | 16,231 | 16,231 | 16,231 | 16,231 |
| Other..... | 32,799 | 56,100 | 56,100 | 56,100 | 56,100 | 56,100 | 56,100 |
| Total Administered Non-Current Assets | 49,030 | 71,367 | 72,331 | 72,331 | 72,331 | 72,331 | 72,331 |
| TOTAL ADMINISTERED ASSETS | 88,691 | 109,704 | 112,201 | 112,201 | 112,201 | 112,201 | 112,201 |
| ADMINISTERED CURRENT LIABILITIES | | | | | | | |
| Payables..... | 592 | 844 | 592 | 592 | 592 | 592 | 592 |
| Amounts due to the Treasurer..... | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Other..... | 28,972 | 27,954 | 28,972 | 28,972 | 28,972 | 28,972 | 28,972 |
| TOTAL ADMINISTERED LIABILITIES.. | 36,564 | 35,798 | 36,564 | 36,564 | 36,564 | 36,564 | 36,564 |

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Supplies and services | (359,360) | (376,798) | (387,918) | (397,887) | (398,287) | (398,587) | (398,587) |
| Grants and subsidies | (47,800) | (75,797) | (77,588) | (2,917) | - | - | - |
| Receipts paid into Consolidated Fund..... | (9,590) | - | (10,000) | (11,200) | (15,200) | (17,200) | (17,200) |
| Transfer of Assets/Liabilities | 10,025 | - | - | - | - | - | - |
| Financing Activities | | | | | | | |
| Repayment of borrowings..... | (23,000) | - | - | - | - | - | - |
| Investing Activities | | | | | | | |
| Purchase of non-current assets..... | (2,746) | - | - | - | - | - | - |
| TOTAL ADMINISTERED CASH OUTFLOWS..... | (432,471) | (452,595) | (475,506) | (412,004) | (413,487) | (415,787) | (415,787) |
| CASH INFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| User charges and fees | 368,003 | 376,798 | 397,918 | 409,087 | 413,487 | 415,787 | 415,787 |
| Other | - | 2,000 | 2,000 | - | - | - | - |
| Appropriations..... | 48,955 | 75,797 | 75,797 | 2,917 | - | - | - |
| Financing Activities | | | | | | | |
| Proceeds from borrowings | 23,000 | - | - | - | - | - | - |
| Investing Activities | | | | | | | |
| Equity Contribution receipts..... | 650 | - | - | - | - | - | - |
| TOTAL ADMINISTERED CASH INFLOWS..... | 440,608 | 454,595 | 475,715 | 412,004 | 413,487 | 415,787 | 415,787 |
| NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS | 8,137 | 2,000 | 209 | - | - | - | - |

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES | | | | | | | |
| City of Melville - land sales..... | 250 | 1,373 | 3,164 | 2,917 | - | - | - |
| OTHER STATE SERVICES | | | | | | | |
| Perth Convention and Exhibition Centre | 47,550 | 40,194 | 18,324 | - | - | - | - |
| Supplies and Services - Payment on behalf of client agencies for Construction Contracts.... | 267,130 | 298,887 | 301,724 | 298,887 | 298,887 | 298,887 | 298,887 |
| Payments for Lease Accommodation on behalf of other government agencies | 93,119 | 77,911 | 89,031 | 99,000 | 99,400 | 99,700 | 99,700 |
| Receipts paid into Consolidated Fund | 9,590 | - | 10,000 | 11,200 | 15,200 | 17,200 | 17,200 |
| TOTAL | 417,639 | 418,365 | 422,243 | 412,004 | 413,487 | 415,787 | 415,787 |

DETAILS OF THE ADMINISTERED TRANSACTIONS REVENUE

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| OTHER | | | | | | | |
| Recoups from client agencies of Payments made under Construction Contracts..... | 278,002 | 298,887 | 298,887 | 298,887 | 298,887 | 298,887 | 298,887 |
| Lease Rental Receipts from other government agencies | 91,728 | 79,911 | 101,031 | 110,200 | 114,600 | 116,900 | 116,900 |
| Appropriations..... | 48,955 | 75,797 | 75,797 | 2,917 | - | - | - |
| TOTAL | 418,685 | 454,595 | 475,715 | 412,004 | 413,487 | 415,787 | 415,787 |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|--------------------------------------|-----------------------------|-----------------------------|--|---|
| Provision of Contract Services | 19,519 | 15,983 | 21,175 | 22,043 |
| Fremantle Prison..... | 1,586 | 1,730 | 1,730 | 1,845 |
| Executive Vehicle Scheme | 20 | 21 | 21 | 21 |
| GST Input Credits | 1,459 | 100 | 100 | 100 |
| GST receipts on sales | 38,480 | 35,273 | 35,273 | 35,273 |
| TOTAL..... | 61,064 | 53,107 | 58,299 | 59,282 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

THE STATE HOUSING COMMISSION

CAPITAL WORKS PROGRAM

The total construction and improvements program continues to be strong and follows a considerable 2003-04 program, with total commencements expected to be 1,903 units for 2004-05. This includes the refurbishment of 436 units under the New Living Program.

The New Living program continues to expand in 2004-05. Two additional projects will be launched in the suburbs of Queens Park and Hamilton Hill. The program includes the upgrade of parks and community facilities and has been integral in reducing crime rates in re-developed suburbs.

A new Regional Upgrade Strategy will see 200 properties undergo an improvement program across regional areas to upgrade and replace stock.

The Brownlie Towers re-vitalisation project, which involves a substantial refurbishment of the complex and redevelopment of the surrounding area, will be completed at a cost of \$4.5 million.

In accordance with the current Indigenous Housing Agreement, funding to Indigenous programs significantly increases in 2004-05 by over 50% from 2003-04. The commitment to Aboriginal Housing and the establishment of the Indigenous Housing Agreement ensures the future growth of these programs.

The Keystart scheme, with funding of \$506.4 million, will provide over 4,600 home loans for low to moderate income earners.

The Land Program including acquisitions, development and re-development will continue to be strong and will produce 2,718 lots overall in 2004-05. In particular, the Joint Venture area continues to thrive and with two new projects added to the existing 10 operating Joint Ventures the program will produce 1,998 of these lots.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| WORKS IN PROGRESS | | | | |
| Brownlie Towers | 5,000 | 500 | 500 | 4,500 |
| COMPLETED WORKS | | | | |
| Aboriginal Housing – Urban / Village Construction - | | | | |
| 2003-04 Program | 20,308 | 20,308 | 20,308 | - |
| Other Aboriginal Housing Capital Works - | | | | |
| 2003-04 Program | 36,895 | 36,895 | 36,895 | - |
| Administration and Interest - | | | | |
| 2003-04 Program | 2,812 | 2,812 | 2,812 | - |
| Community Housing - | | | | |
| 2003-04 Program | 5,200 | 5,200 | 5,200 | - |
| Computer Hardware and Software - | | | | |
| 2003-04 Program | 3,595 | 3,595 | 3,595 | - |
| Construction and Purchase of Houses - | | | | |
| 2003-04 Program | 114,479 | 114,479 | 114,479 | - |
| Crisis Accommodation - | | | | |
| 2003-04 Program | 4,895 | 4,895 | 4,895 | - |
| Estate Improvement Land Redevelopment - | | | | |
| 2003-04 Program | 6,258 | 6,258 | 6,258 | - |
| Land - | | | | |
| Acquisition - | | | | |
| 2003-04 Program | 32,134 | 32,134 | 32,134 | - |
| Development - | | | | |
| 2003-04 Program | 51,880 | 51,880 | 51,880 | - |
| Holding Costs - | | | | |
| 2003-04 Program | 2,732 | 2,732 | 2,732 | - |
| Redevelopment - | | | | |
| 2003-04 Program | 2,421 | 2,421 | 2,421 | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| Loans to Homebuyers - | | | | |
| Goodstart Scheme - | | | | |
| 2003-04 Program | 11,100 | 11,100 | 11,100 | - |
| Keystart Scheme - | | | | |
| 2003-04 Program | 480,000 | 480,000 | 480,000 | - |
| Minor Works - | | | | |
| 2003-04 Program | 4,290 | 4,290 | 4,290 | - |
| Offices and Shops - | | | | |
| 2003-04 Program | 901 | 901 | 901 | - |
| Other - | | | | |
| 2003-04 Program | 202 | 202 | 202 | - |
| NEW WORKS | | | | |
| Aboriginal Housing – Urban / Village Construction - | | | | |
| 2004-05 Program | 42,625 | - | - | 42,625 |
| Other Aboriginal Housing Capital Works - | | | | |
| 2004-05 Program | 45,882 | - | - | 45,882 |
| Administration and Interest - | | | | |
| 2004-05 Program | 2,725 | - | - | 2,725 |
| Community Housing - | | | | |
| 2004-05 Program | 3,544 | - | - | 3,544 |
| Computer Hardware and Software - | | | | |
| 2004-05 Program | 2,587 | - | - | 2,587 |
| Construction and Purchase of Houses - | | | | |
| 2004-05 Program | 106,566 | - | - | 106,566 |
| Crisis Accommodation - | | | | |
| 2004-05 Program | 3,932 | - | - | 3,932 |
| Estate Improvement Land Redevelopment - | | | | |
| 2004-05 Program | 7,275 | - | - | 7,275 |
| Land - | | | | |
| Acquisition - | | | | |
| 2004-05 Program | 35,794 | - | - | 35,794 |
| Development - | | | | |
| 2004-05 Program | 40,874 | - | - | 40,874 |
| Holding Costs - | | | | |
| 2004-05 Program | 2,794 | - | - | 2,794 |
| Redevelopment - | | | | |
| 2004-05 Program | 804 | - | - | 804 |
| Loans to Homebuyers - | | | | |
| Goodstart Scheme - | | | | |
| 2004-05 Program | 9,192 | - | - | 9,192 |
| Keystart Scheme - | | | | |
| 2004-05 Program | 506,386 | - | - | 506,386 |
| Minor Works - | | | | |
| 2004-05 Program | 3,339 | - | - | 3,339 |
| Offices and Shops - | | | | |
| 2004-05 Program | 500 | - | - | 500 |
| Other - | | | | |
| 2004-05 Program | 206 | - | - | 206 |
| | 1,600,127 | 780,602 | 780,602 | 819,525 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 609,221 | 836,119 | 780,602 | 819,525 | 772,988 | 783,457 | 774,244 |
| | 609,221 | 836,119 | 780,602 | 819,525 | 772,988 | 783,457 | 774,244 |
| LESS | | | | | | | |
| Asset Sales | 165,154 | 162,468 | 179,867 | 147,639 | 155,083 | 158,609 | 132,813 |
| Borrowings | - | 7,000 | 5,375 | 16,000 | 1,976 | - | - |
| Commonwealth Grants | 120,786 | 115,432 | 115,126 | 140,291 | 139,234 | 140,507 | 114,095 |
| Specific Contributions ^(a) | 19,669 | 24,263 | 23,963 | 22,963 | 22,963 | 21,480 | 21,480 |
| Government Equity Contribution | 15,000 | 15,500 | 15,500 | 19,500 | 15,000 | 15,000 | 15,000 |
| Keystart Program | 365,397 | 533,478 | 480,000 | 506,386 | 526,638 | 546,898 | 562,096 |
| Internal Funds and Balances | (76,785) | (22,022) | (39,229) | (33,254) | (87,906) | (99,037) | (71,240) |
| Capital Contribution | - | - | - | - | - | - | - |

(a) Includes funding provided through the Department of Treasury and Finance administered appropriations.

STATE SUPPLY COMMISSION

PART 15 - MINISTER FOR HOUSING AND WORKS; RACING AND GAMING; GOVERNMENT ENTERPRISES; LAND INFORMATION

DIVISION 66

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 109 Net amount appropriated to deliver outputs | 1,514 | 1,415 | 1,417 | 1,494 | 1,576 | 1,646 | 1,676 |
| Total appropriations provided to deliver outputs | 1,514 | 1,415 | 1,417 | 1,494 | 1,576 | 1,646 | 1,676 |
| CAPITAL | | | | | | | |
| Item 165 Capital Contribution | 36 | - | - | 19 | 42 | - | - |
| GRAND TOTAL..... | 1,550 | 1,415 | 1,417 | 1,513 | 1,618 | 1,646 | 1,676 |

MISSION

To achieve universal adoption of best practice in government procurement and disposals.

SIGNIFICANT ISSUES AND TRENDS

- The Government spent approximately \$5.9 billion on goods and services, construction and related services in 2002-03, with services representing some 80% of that spend. The State Supply Commission expects this level of expenditure to continue in 2003-04 and 2004-05.
- The State Supply Commission will continue to play a key role in the implementation of the procurement reform agenda. The revised policy suite will come into effect on 1 July 2004 and their impact on both procurers and suppliers will be closely monitored and modified where deemed appropriate.
- The Commission will also work closely with the Department of Treasury and Finance to develop and implement a focussed training strategy that will be matched with a career progression model for rebadged procurement officers.
- As procurement methodologies become more complex, the Commission will continuously monitor procurement performance through its Health Check programs to ensure that the taxpayer receives the best outcome from government procurement processes.
- StateFleet's financial performance will continue to deliver returns to the government through the implementation of its improved leasing model.

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: Support and promotion of the use of the supply policy framework | 4,794 | 1,317 | 1,319 | 1,355 | | | |
| Output 2: Support to the State Tender Committee..... | 158 | 147 | 147 | 150 | | | |
| Output 3: Management of the funding and leasing of the State's vehicle fleet | 110,470 | 67,099 | 130,021 | 130,252 | | | |
| Total Cost of Outputs | 115,422 | 68,563 | 131,487 | 131,757 | 132,472 | 129,932 | 131,323 |
| <i>Less Revenues from Ordinary Activities</i> | 126,909 | 73,392 | 131,931 | 130,705 | 133,599 | 133,789 | 136,868 |
| Net Cost of Outputs | (11,487) | (4,829) | (444) | 1,052 | (1,127) | (3,857) | (5,545) |
| Adjustments ^(a) | 13,001 | 6,244 | 1,861 | 442 | 2,703 | 5,503 | 7,221 |
| Appropriation provided to deliver Outputs. | 1,514 | 1,415 | 1,417 | 1,494 | 1,576 | 1,646 | 1,676 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(b) | 36 | - | - | 19 | 42 | - | - |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 1,550 | 1,415 | 1,417 | 1,513 | 1,618 | 1,646 | 1,676 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcomes | Outputs |
|---|--|--|
| To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future. | The use of best practice procurement and disposal processes by all public authorities | 1. Support and promotion of the use of the supply policy framework 2. Support to the State Tender Committee |
| | Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time | 3. Management of the funding and leasing of the State's vehicle fleet |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: The use of best practice procurement and disposal processes by all public authorities | | | | | |
| The use of best practice procurement and disposal processes by all public authorities ... | 100% | 100% | 100% | 100% | |
| Outcome: Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time | | | | | |
| Extent to which State Fleet operations are economically sustainable ^(b) | \$13,026 | \$6,290 | \$1,907 | \$450 | |

(a) More details of effectiveness indicators are provided in the annual report.

(b) Sustainability evidenced by achieving an accounting profit four out of every five years.

Output 1: Support and promotion of the use of the supply policy framework

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|---|
| Total Cost of Output..... | 4,794 | 1,317 | 1,319 | 1,355 | Included within this output in 2002-03 is \$3.397 million representing the receipt and recoup of fees from common use contracts that are administered on behalf of the Department of Treasury and Finance via the Commission's bank account. These transactions have no relationship to the operations of the Commission and therefore no output performance measures are listed. |
| <i>Less</i> Revenues from Ordinary Activities | 3,413 | 3 | 3 | 3 | |
| Net Cost of Output | 1,381 | 1,314 | 1,316 | 1,352 | |
| Adjustments ^(a) | (19) | (41) | (41) | (7) | |
| Appropriation for delivery of Output 1 | 1,362 | 1,273 | 1,275 | 1,345 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Total number of contracts and tenders over \$10,000..... | 3,865 | 3,500 | 3,500 | 3,500 | |
| Quality | | | | | |
| Total number of complaints..... | 26 | 55 | 55 | 50 | |
| Timeliness | | | | | |
| Enquiries handled within 45 days taking into account the Commission's complaint handling process | 54% | 70% | 70% | 90% | |
| Cost (Efficiency) | | | | | |
| Average cost of State Supply Commission services per contract or tender over \$10,000. | \$361 | \$376 | \$377 | \$387 | |
| Full Time Equivalent (FTEs) | 11 | 11 | 11 | 11 | |

Major Achievements For 2003-04

- Undertook a complete review of the State Supply Commission's policies and guidelines.
- Developed and implemented an Environmental Procurement policy and guidelines.
- Developed a Standard Service Agreement and a Standard Grant Agreement across government for the purchase of community services by government agencies under the Funding and Purchasing Community Services policy.
- Undertook Health Check 5 to assess the purchasing and contracting skills across public authorities.
- Continued to provide an independent review of supplier complaints.

Major Initiatives For 2004-05

- Develop a supply policy training and awareness program for the whole of Government in conjunction with the Department of Treasury and Finance.
- Participate in a review of the legislative framework for procurement across Government as part of the ongoing procurement reform agenda of the Functional Review Taskforce.
- Investigate the possible introduction of a Gateway Risk Management process for all goods and services contracts across Government.
- Undertake two Health Checks of public authorities' procurement.
- In line with the procurement reforms, review the exemption levels of public authorities.
- Continue to manage supplier complaints.

Output 2: Support to the State Tender Committee

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 158 | 147 | 147 | 150 | |
| Less Revenues from Ordinary Activities | - | - | - | - | |
| Net Cost of Output | 158 | 147 | 147 | 150 | |
| Adjustments ^(a) | (6) | (5) | (5) | (1) | |
| Appropriation for delivery of Output 2 | 152 | 142 | 142 | 149 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Procurement plans and contracts considered ... | 353 | 280 | 280 | 350 | Variations due to changes in SSC policies |
| Quality | | | | | |
| Procurement plans and contracts endorsed by the State Tender Committee..... | 77% | 93% | 93% | 95% | |
| Procurement plans and contracts not endorsed by the State Tender Committee..... | 23% | 7% | 7% | 5% | |
| Timeliness | | | | | |
| Lodged procurement plans and contracts considered by the State Tender Committee within 10 days..... | 100% | 100% | 100% | 100% | |
| Advice on decisions provided to authorities within 3 days..... | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of State Tender Committee operations per procurement plan or contract. | \$448 | \$525 | \$525 | \$429 | |
| Full Time Equivalents (FTEs) | 1 | 1 | 1 | 1 | |

Major Achievements For 2003-04

- Revamped the role of the State Tenders Committee, including its Constitution and Code of Conduct and its membership to a more strategic approach to procurement activities.

Major Initiatives For 2004-05

- Continue to provide support to the State Tenders Committee.

Output 3: Management of the funding and leasing of the State's vehicle fleet

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 110,470 | 67,099 | 130,021 | 130,252 | For the 2003-04 budget estimate, revenues and expenses arising from the sale of vehicles were reported on a net basis. However, in compliance with amendments to Treasurer's Instructions, revenues and expenses from the sale of vehicles are now reported on a gross basis. On a gross basis, the 2003-04 budget estimate revenue was \$128.0 million and the expenditure \$121.7 million. The estimated actual net result is below budget primarily due to a reduction in vehicle resale values. |
| Less Revenues from Ordinary Activities | 123,496 | 73,389 | 131,928 | 130,702 | |
| Net Cost of Output | (13,026) | (6,290) | (1,907) | (450) | |
| Adjustments ^(a) | 13,026 | 6,290 | 1,907 | 450 | |
| Appropriation for delivery of Output 3 | - | - | - | - | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Number of leased vehicles..... | 8,287 | 8,350 | 8,400 | 8,600 | Vehicle numbers determined by client agencies. |
| Quality | | | | | |
| Errors per 100,000 vehicles invoiced..... | 3 | <10 | <5 | <10 | |
| Timeliness | | | | | |
| Timing requirements for wholesale financing obligations are met..... | 100% | 100% | 100% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of leased vehicle..... | \$13,331 | \$8,036 | \$15,479 | \$15,146 | The 2003-04 budget estimated average cost of a leased vehicle was reported on a net basis. On a gross basis, the 2003-04 budget average cost of a leased vehicle was \$14,580. |
| Full Time Equivalents (FTEs) | 4 | 4 | 4 | 7 | |

Major Achievements For 2003-04

- A major achievement for 2003-04 was the tender for a new set of fleet contracts that addressed issues with the current fleet contracts and identified potential savings to government in overall fleet costs. The contracts will run for a period of three to five years and cover the outsourced fleet functions of fleet management, vehicle inspection services and vehicle disposal.
- A revised vehicle selection policy has been developed that takes account of environmental, operational and financial factors in the selection of operational vehicles.

Major Initiatives For 2004-05

- The major initiative for 2004-05 will be the implementation and transition management of the new fleet contracts for fleet management, vehicle inspection services and vehicle disposal.

CAPITAL WORKS PROGRAM

State Fleet will continue with ongoing vehicle purchases in accordance with its clients' needs. Other capital works expenditure is primarily for the replacement of computer and office equipment to support the delivery of the agency's outputs.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| State Fleet - Vehicle Purchases..... | 125,468 | 125,468 | 125,468 | - |
| Office Equipment - 2000-03 Program..... | 20 | 20 | 6 | - |
| NEW WORKS | | | | |
| State Fleet - Vehicle Purchases..... | 123,319 | - | - | 123,319 |
| Office Equipment - 2004-05 Program..... | 24 | - | - | 24 |
| Computer Hardware and Software - 2004-05 Program..... | 7 | - | - | 7 |
| | <u>248,838</u> | <u>125,488</u> | <u>125,474</u> | <u>123,350</u> |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 100,333 | 112,692 | 125,474 | 123,350 | 122,157 | 121,153 | 120,714 |
| | 100,333 | 112,692 | 125,474 | 123,350 | 122,157 | 121,153 | 120,714 |
| LESS | | | | | | | |
| Borrowings..... | 100,291 | 112,692 | 125,468 | 123,319 | 122,115 | 121,153 | 120,696 |
| Drawdowns from the Holding Account..... | 6 | - | - | 12 | - | - | 18 |
| Internal Funds and Balances..... | - | - | 6 | - | - | - | - |
| Capital Contribution..... | 36 | - | - | 19 | 42 | - | - |

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 919 | 957 | 957 | 964 | 984 | 972 | 991 |
| Superannuation | 91 | 103 | 103 | 104 | 104 | 92 | 92 |
| Consultancies expense | 41 | 78 | 78 | 89 | 89 | 70 | 70 |
| Supplies and services | 161 | 102 | 102 | 111 | 111 | 216 | 216 |
| Accommodation | 134 | 128 | 128 | 132 | 132 | 135 | 135 |
| Borrowing Costs | 10,156 | 10,800 | 11,500 | 13,200 | 12,700 | 11,700 | 12,100 |
| Capital User Charge | 23 | 22 | 24 | 25 | 27 | 29 | 29 |
| Depreciation and amortisation | 79,805 | 52,500 | 56,076 | 36,530 | 37,446 | 37,588 | 38,398 |
| Administration | 4,957 | 1,400 | 1,453 | 1,219 | 994 | 994 | 994 |
| Motor Vehicle Fleet Expense | 5,609 | 2,395 | 2,251 | 193 | 58 | - | - |
| Cost of disposal of non-current assets | 13,327 | - | 58,737 | 79,110 | 79,690 | 77,996 | 78,151 |
| Other expenses | 199 | 78 | 78 | 80 | 137 | 140 | 147 |
| TOTAL COST OF SERVICES | 115,422 | 68,563 | 131,487 | 131,757 | 132,472 | 129,932 | 131,323 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 52,556 | 46,990 | 53,233 | 54,809 | 55,476 | 54,819 | 56,606 |
| Interest | 346 | 50 | 210 | 210 | 210 | 210 | 210 |
| Proceeds from disposal of non-current assets .. | 12,598 | - | 53,720 | 73,554 | 77,267 | 78,750 | 80,042 |
| Other Revenue | 61,409 | 26,352 | 24,768 | 2,132 | 646 | 10 | 10 |
| Total Revenues from Ordinary Activities | 126,909 | 73,392 | 131,931 | 130,705 | 133,599 | 133,789 | 136,868 |
| NET COST OF SERVICES | (11,487) | (4,829) | (444) | 1,052 | (1,127) | (3,857) | (5,545) |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 1,514 | 1,415 | 1,417 | 1,494 | 1,576 | 1,646 | 1,676 |
| Resources received free of charge | 47 | 46 | 46 | 8 | 6 | 6 | 5 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 1,561 | 1,461 | 1,463 | 1,502 | 1,582 | 1,652 | 1,681 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 13,048 | 6,290 | 1,907 | 450 | 2,709 | 5,509 | 7,226 |

(a) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 16, 16 and 19 respectively.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 7,240 | 3,294 | 7,235 | 7,226 | 7,217 | 7,212 | 7,207 |
| Investments..... | - | 2,696 | - | - | - | - | - |
| Receivables..... | 4,544 | 21,907 | 4,546 | 4,547 | 4,548 | 4,548 | 4,548 |
| Interest receivable..... | 21 | - | 21 | 21 | 21 | 21 | 21 |
| Amounts receivable for outputs..... | - | 12 | 12 | - | - | 18 | 18 |
| Prepayments..... | 28,022 | 28 | 1,941 | 808 | 19 | 24 | 1,617 |
| Total current assets..... | 39,827 | 27,947 | 13,755 | 12,602 | 11,805 | 11,823 | 13,411 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 6 | 23 | 9 | 30 | 52 | 56 | 60 |
| Investments..... | - | 685 | - | - | - | - | - |
| Plant, equipment and vehicles..... | 167,181 | 197,488 | 203,695 | 213,329 | 219,140 | 224,709 | 228,873 |
| Deferred expenses..... | 2,714 | - | 2,378 | 1,588 | 1,588 | 1,588 | - |
| Total non-current assets..... | 169,901 | 198,196 | 206,082 | 214,947 | 220,780 | 226,353 | 228,933 |
| TOTAL ASSETS..... | 209,728 | 226,143 | 219,837 | 227,549 | 232,585 | 238,176 | 242,344 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 2,030 | 18,155 | 2,033 | 2,026 | 2,019 | 2,019 | 2,019 |
| Provision for employee entitlements..... | 212 | 258 | 212 | 212 | 212 | 212 | 212 |
| Interest bearing liabilities..... | 97,508 | 44,752 | 103,524 | 107,149 | 108,295 | 108,336 | 106,807 |
| Interest payable..... | 373 | 2,001 | 373 | 373 | 373 | 373 | 373 |
| Other..... | 2,637 | 1,950 | 2,072 | 2,072 | 2,072 | 2,072 | 2,072 |
| Total current liabilities..... | 102,760 | 67,116 | 108,214 | 111,832 | 112,971 | 113,012 | 111,483 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 101 | 19 | 101 | 101 | 101 | 101 | 101 |
| Interest bearing liabilities..... | 100,776 | 150,000 | 103,524 | 107,149 | 108,295 | 108,336 | 106,807 |
| Total non-current liabilities..... | 100,877 | 150,019 | 103,625 | 107,250 | 108,396 | 108,437 | 106,908 |
| TOTAL LIABILITIES..... | 203,637 | 217,135 | 211,839 | 219,082 | 221,367 | 221,449 | 218,391 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 20,051 | 20,051 | 20,051 | 20,070 | 20,112 | 20,112 | 20,112 |
| Accumulated surplus/(deficit)..... | (13,960) | (11,043) | (12,053) | (11,603) | (8,894) | (3,385) | 3,841 |
| Total equity..... | 6,091 | 9,008 | 7,998 | 8,467 | 11,218 | 16,727 | 23,953 |
| TOTAL LIABILITIES AND EQUITY..... | 209,728 | 226,143 | 219,837 | 227,549 | 232,585 | 238,176 | 242,344 |

STATEMENT OF CASH FLOWS
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 1,508 | 1,400 | 1,402 | 1,473 | 1,554 | 1,624 | 1,654 |
| Capital Contribution | 36 | - | - | 19 | 42 | - | - |
| Holding Account Drawdowns | 6 | - | - | 12 | - | - | 18 |
| Net cash provided by State government | 1,550 | 1,400 | 1,402 | 1,504 | 1,596 | 1,624 | 1,672 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs | (867) | (915) | (915) | (935) | (935) | (972) | (991) |
| Superannuation | (93) | (104) | (104) | (104) | (104) | (98) | (98) |
| Supplies and services | (189) | (2,619) | (2,475) | (427) | (349) | (289) | (289) |
| Borrowing costs | (12,295) | (10,800) | (11,500) | (13,200) | (12,700) | (11,700) | (12,100) |
| Accommodation | (134) | (116) | (116) | (120) | (124) | (135) | (135) |
| Administration | (4,017) | (1,400) | (1,453) | (1,219) | (994) | (994) | (994) |
| Capital User Charge | (28) | (22) | (24) | (25) | (27) | (29) | (29) |
| Goods and Services Tax | (10,443) | (19,045) | (11,045) | (11,045) | (11,047) | (11,164) | (11,164) |
| Other | (238) | (46) | (46) | (93) | (108) | (129) | (140) |
| Receipts | | | | | | | |
| User charges and fees | 53,472 | 46,990 | 53,233 | 54,809 | 55,476 | 54,819 | 56,606 |
| Interest | 343 | 50 | 210 | 210 | 210 | 210 | 210 |
| Goods and Services Tax | 10,830 | 19,050 | 11,050 | 11,051 | 11,050 | 11,164 | 11,164 |
| Other | 2,872 | 10 | 10 | 10 | 10 | 10 | 11 |
| Net cash from operating activities | 39,213 | 31,033 | 36,825 | 38,912 | 40,358 | 40,693 | 42,051 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets | (100,333) | (112,692) | (125,474) | (123,350) | (122,157) | (121,153) | (120,714) |
| Proceeds from sale of non-current assets | 12,598 | 54,647 | 53,720 | 73,554 | 77,267 | 78,750 | 80,042 |
| Proceeds from sale of investments | 52,635 | 26,343 | 24,758 | 2,122 | 636 | - | - |
| Net cash from investing activities | (35,100) | (31,702) | (46,996) | (47,674) | (44,254) | (42,403) | (40,672) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings | (230,178) | (113,422) | (116,704) | (116,070) | (119,824) | (121,072) | (123,752) |
| Proceeds from borrowings | 228,462 | 112,692 | 125,468 | 123,319 | 122,115 | 121,153 | 120,696 |
| Net cash from financing activities | (1,716) | (730) | 8,764 | 7,249 | 2,291 | 81 | (3,056) |
| NET INCREASE/(DECREASE) IN CASH HELD | 3,947 | 1 | (5) | (9) | (9) | (5) | (5) |
| Cash assets at the beginning of the reporting period | 3,293 | 3,293 | 7,240 | 7,235 | 7,226 | 7,217 | 7,212 |
| Cash assets at the end of the reporting period | 7,240 | 3,294 | 7,235 | 7,226 | 7,217 | 7,212 | 7,207 |

RACING, GAMING AND LIQUOR

PART 15 - MINISTER FOR HOUSING AND WORKS; RACING AND GAMING; GOVERNMENT ENTERPRISES; LAND INFORMATION

DIVISION 67

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 110 Net amount appropriated to deliver outputs | 2,452 | 2,942 | 2,942 | 3,076 | 3,199 | 3,260 | 3,260 |
| Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 | 132 | 132 | 132 | 132 | 132 | 132 | 132 |
| Total appropriations provided to deliver outputs | 2,584 | 3,074 | 3,074 | 3,208 | 3,331 | 3,392 | 3,392 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 111 Amount provided for Administered Grants, Subsidies and Other Transfer Payments..... | 61,446 | 69,800 | 66,900 | 68,100 | 70,500 | 72,200 | 73,100 |
| Amount Authorised by Other Statutes Liquor Licensing Act 1988..... | 4,980 | 4,300 | 5,000 | 5,500 | 6,000 | 6,500 | 7,000 |
| GRAND TOTAL..... | 69,010 | 77,174 | 74,974 | 76,808 | 79,831 | 82,092 | 83,492 |

MISSION

To promote and maintain the integrity of lawful gambling and liquor activities through the licensing and regulation of suppliers, within community expectations on harm minimisation.

SIGNIFICANT ISSUES AND TRENDS

- The decisions reached at the conference of Australasian Racing Ministers continue to raise significant issues for the Department to consider. At the last conference, the Ministers:
 - declared full support for a national product fee scheme covering bookmaker race wagering and supporting the application of any product fee scheme to Trans-Tasman betting;
 - supported the national racing industry in its endeavours to introduce a national product fee scheme; and
 - resolved that there be a complete and total prohibition on the offering of betting exchange services to Australians.
- The Government proposes to abolish the minimum betting levels for telephone and Internet betting with bookmakers to achieve uniformity with other jurisdictions.
- The Government's proposal to establish a State Administrative Tribunal, which may assume responsibility for the functions of the Racing Penalties Appeal Tribunal, continues to require on-going liaison between officers of the Department of Racing, Gaming and Liquor and the Department of Justice.
- The statutory review of the *Liquor Licensing Act 1988*, required by section 178 of that Act, will address National Competition Policy and other issues affecting the liquor industry.
- Working with communities, particularly in remote locations, where members of the community seek the assistance of the Director of Liquor Licensing in addressing alcohol related harm in the local community, continues to be a significant trend for the Director of Liquor Licensing.

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| <i>Output 1:</i> | | | | | | | |
| Licensing - Evaluation and determination of applications..... | 3,515 | 3,793 | 3,793 | 3,664 | | | |
| <i>Output 2:</i> | | | | | | | |
| Compliance audits and inspections..... | 3,766 | 3,955 | 3,955 | 4,274 | | | |
| Total Cost of Outputs..... | 7,281 | 7,748 | 7,748 | 7,938 | 8,075 | 8,223 | 8,323 |
| <i>Less Revenues from Ordinary Activities.....</i> | <i>4,654</i> | <i>4,574</i> | <i>4,552</i> | <i>4,618</i> | <i>4,629</i> | <i>4,712</i> | <i>4,808</i> |
| Net Cost of Outputs..... | 2,627 | 3,174 | 3,196 | 3,320 | 3,446 | 3,511 | 3,515 |
| Adjustments ^(a) | (43) | (100) | (122) | (112) | (115) | (119) | (123) |
| Appropriation provided to deliver Outputs. | 2,584 | 3,074 | 3,074 | 3,208 | 3,331 | 3,392 | 3,392 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Appropriation for Administered Grants, Subsidies and Transfer Payments..... | 66,426 | 74,100 | 71,900 | 73,600 | 76,500 | 78,700 | 80,100 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS..... | 69,010 | 77,174 | 74,974 | 76,808 | 79,831 | 82,092 | 83,492 |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome | Outputs |
|--|---|---|
| To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future. | To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation. | 1. Licensing - Evaluation and determination of applications 2. Compliance audits and inspections |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation. | | | | | |
| Applications granted that comply with statutory requirements | 100% | 100% | 99% | 100% | |
| Licenses/service providers that comply with audit requirements and statutory criteria..... | 96% | 95% | 96% | 96% | |

(a) More details of effectiveness indicators are provided in the annual report.

Output 1: Licensing - Evaluation and determination of applications

Receive, process and determine applications in accordance with the legislation.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 3,515 | 3,793 | 3,793 | 3,664 | |
| Less Revenues from Ordinary Activities | 2,570 | 2,606 | 2,711 | 2,744 | |
| Net Cost of Output | 945 | 1,187 | 1,082 | 920 | |
| Adjustments ^(a) | 115 | (48) | (56) | (35) | |
| Appropriation for delivery of Output 1 | 1,060 | 1,139 | 1,026 | 885 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Applications determined..... | 11,129 | 12,000 | 11,000 | 11,000 | |
| Quality | | | | | |
| Applications that complied with the statutory requirements at the time the application was granted..... | 100% | 100% | 99% | 100% | |
| Timeliness | | | | | |
| Applications finalised within the required predetermined timeframe..... | 95% | 100% | 95% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of determining applications..... | \$316 | \$316 | \$345 | \$333 | |
| Full Time Equivalents (FTEs) | 46 | 47 | 47 | 46 | |

Major Achievements For 2003-04

- Implementation of legislation to:
 - establish Racing and Wagering Western Australia (RWVA) as the single controlling authority for thoroughbred, harness and greyhound racing in Western Australia and to be responsible for the off-course wagering activities of the TAB; and
 - amalgamate the Betting Control Board and Gaming Commission of Western Australia to form the Gaming and Wagering Commission of Western Australia (GWCWA).
- Implementation, effective from 22 August 2003, of a web-based facility for the lodgement of financial returns and payment of the sports betting levy by race clubs in relation to betting turnover by bookmakers.
- Implementation, effective from 1 August 2003, of a racing module for the Department's computerised systems to accommodate:
 - Corporate licensing provisions for bookmakers; and
 - Licensing of Directors and key employees of RWVA.
- Amendments to the Agreement scheduled to the *Casino (Burswood Island) Agreement Act 1985* were assented to on 2 September 2003 enabling:
 - a three-tier taxation system for electronic gaming machines, table games including keno and international commission business; and
 - removal of the individual share limitation of 10 per cent of the aggregate number of issued shares in Burswood Limited. However, a person cannot hold a relevant interest of more than 10 per cent of Burswood Limited's voting shares on issue at any time without a probity approval notice issued by the GWCWA.
- Completion of probity investigations into Wilfex Pty Ltd and its parent entity Publishing and Broadcasting Limited. This resulted in the issue of a probity approval notice by the GWCWA to Wilfex Pty Ltd to hold more than 10 per cent of the voting shares in Burswood Limited.
- Inquiries into alcohol-related harm were conducted in:
 - Meekatharra;
 - Newman;
 - Halls Creek;
 - Derby; and
 - Nullagine.

In all cases, the Director of Liquor Licensing was satisfied on the evidence that the harm occurring was so significant that the Director imposed a range of restrictions, relating to packaged liquor, on licences in these communities. Those restrictions are specific to each community and apply, in most cases, for 12 month trial periods.

The appeal to the Supreme Court in respect of the inquiry into alcohol-related harm in Port Hedland and South Hedland was withdrawn resulting in the commencement on 1 January 2004 of the 12 month trial packaged liquor restrictions in those communities.

Major Initiatives For 2004-05

- Support the independent review of the *Liquor Licensing Act 1988* appointed to consider:
 - the effectiveness of the operations of the licensing authority; and
 - such other matters as appear to the Minister to be relevant to the operations and effectiveness of the Act.
- Investigation into the feasibility of establishing a "sly grog hotline" service for remote communities. The term "sly grogging" refers to the practice of unlicensed persons transporting large quantities of alcohol into dry Aboriginal communities for on-sale and consumption in that community.
- Investigation into mandatory "Responsible Service of Alcohol" training of bar staff.

Output 2: Compliance audits and inspections

Conduct audits and inspections to ensure that the service of gambling and liquor is conducted in a responsible and lawful manner.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 3,766 | 3,955 | 3,955 | 4,274 | |
| Less Revenues from Ordinary Activities | 2,084 | 1,968 | 1,841 | 1,874 | |
| Net Cost of Output | 1,682 | 1,987 | 2,114 | 2,400 | |
| Adjustments ^(a) | (158) | (52) | (66) | (77) | |
| Appropriation for delivery of Output 2 | 1,524 | 1,935 | 2,048 | 2,323 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Inspections/audits undertaken..... | 7,547 | 8,000 | 7,500 | 7,700 | Full implementation of risk based auditing in accordance with Australian Standards will provide a more targeted, efficient approach. |
| Quality | | | | | |
| Inspections/audits conducted in accordance with the approved program | 100% | 100% | 100% | 100% | |
| Timeliness | | | | | |
| Inspectorial/audit program completed by 30 June each year..... | 94% | 95% | 94% | 100% | |
| Cost (Efficiency) | | | | | |
| Average cost of conducting inspections..... | \$499 | \$494 | \$527 | \$555 | |
| Full Time Equivalents (FTEs) | 43 | 45 | 45 | 46 | |

Major Achievements For 2003-04

- Further system development to facilitate the adoption of a systematic, risk management approach to the selection of organisations to be audited. The methodology of identifying the risk is compatible with national and international standards for risk management, including the AS/NZS 4360 and the Australian Auditing Standards. Regulatory review programs relating to community gaming activities have also been reviewed to provide greater adherence to audit practices and procedures detailed in the Australian Auditing Standards.
- Development of guidelines for holders of continuing lottery permits to explain legislative requirements and minimum standards for record keeping and control.

Major Initiatives For 2004-05

- Implementation of a systematic risk based approach to the selection of audit targets, the completion and review of audit programs and the recording and analysis of results to enable the targeting of liquor and gambling organisations or venues identified as having the greatest degree of risk.

CAPITAL WORKS PROGRAM

The Department's 2004-05 Capital Works Program is for ongoing computer software and hardware replacement.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Computer Hardware and Software - | | | | |
| 2002-03 Program | 209 | 209 | 82 | - |
| 2003-04 Program | 449 | 449 | 449 | - |
| Financial Management Information System Enhancements - | | | | |
| 2002-03 Program | 20 | 20 | 20 | - |
| E-Commerce..... | 100 | 100 | 100 | - |
| Furniture and Office Equipment - | | | | |
| 2002-03 Program | 65 | 65 | 65 | - |
| Telecommunications Replacement Program - | | | | |
| 2002-03 Program | 1 | 1 | 1 | - |
| NEW WORKS | | | | |
| Computer Hardware and Software - | | | | |
| 2004-05 Program | 30 | - | - | 30 |
| | 874 | 844 | 717 | 30 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 201 | 449 | 717 | 30 | 500 | 30 | 30 |
| | 201 | 449 | 717 | 30 | 500 | 30 | 30 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account | 395 | 449 | 449 | 30 | 500 | 30 | 30 |
| Internal Funds and Balances | (194) | - | 268 | - | - | - | - |
| Capital Contribution | - | - | - | - | - | - | - |

FINANCIAL STATEMENTS

**STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(a) | 4,462 | 4,698 | 4,698 | 4,862 | 5,008 | 5,158 | 5,249 |
| Superannuation | 511 | 510 | 510 | 525 | 541 | 557 | 578 |
| Supplies and services | 854 | 887 | 887 | 900 | 799 | 821 | 841 |
| Accommodation | 522 | 544 | 544 | 547 | 611 | 616 | 620 |
| Capital User Charge | 186 | 194 | 194 | 198 | 201 | 201 | 201 |
| Depreciation and amortisation | 463 | 617 | 617 | 532 | 527 | 473 | 420 |
| Administration | 272 | 298 | 298 | 332 | 344 | 353 | 369 |
| Other expenses | 11 | - | - | 42 | 44 | 44 | 45 |
| TOTAL COST OF SERVICES | 7,281 | 7,748 | 7,748 | 7,938 | 8,075 | 8,223 | 8,323 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 3,116 | 3,072 | 3,000 | 3,062 | 3,073 | 3,156 | 3,252 |
| Regulatory Fees and Fines | 1,538 | 1,500 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 |
| Other Revenue | - | 2 | 2 | 6 | 6 | 6 | 6 |
| Total Revenues from Ordinary Activities | 4,654 | 4,574 | 4,552 | 4,618 | 4,629 | 4,712 | 4,808 |
| NET COST OF SERVICES | 2,627 | 3,174 | 3,196 | 3,320 | 3,446 | 3,511 | 3,515 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 2,584 | 3,074 | 3,074 | 3,208 | 3,331 | 3,392 | 3,392 |
| Resources received free of charge | 143 | 122 | 122 | 112 | 115 | 119 | 123 |
| Liabilities assumed by the Treasurer | 61 | - | - | - | - | - | - |
| TOTAL REVENUES FROM STATE GOVERNMENT | 2,788 | 3,196 | 3,196 | 3,320 | 3,446 | 3,511 | 3,515 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | 161 | 22 | - | - | - | - | - |

(a) The Full Time Equivalentents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 89, 92 and 92 respectively.

STATEMENT OF FINANCIAL POSITION
(Controlled)

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 1,087 | 671 | 834 | 872 | 868 | 845 | 843 |
| Restricted cash..... | 226 | 236 | 242 | 32 | 48 | 64 | 80 |
| Receivables..... | 215 | 260 | 215 | 215 | 215 | 215 | 215 |
| Amounts receivable for outputs..... | 449 | 500 | 30 | 500 | 30 | 30 | 500 |
| Prepayments..... | 71 | 123 | 71 | 71 | 71 | 71 | 71 |
| Total current assets..... | 2,048 | 1,790 | 1,392 | 1,690 | 1,232 | 1,225 | 1,709 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 43 | 160 | 630 | 662 | 1,159 | 1,602 | 1,522 |
| Plant, equipment and vehicles..... | 1,452 | 1,514 | 1,552 | 1,050 | 1,023 | 580 | 190 |
| Total non-current assets..... | 1,495 | 1,674 | 2,182 | 1,712 | 2,182 | 2,182 | 1,712 |
| TOTAL ASSETS | 3,543 | 3,464 | 3,574 | 3,402 | 3,414 | 3,407 | 3,421 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 97 | 163 | 97 | 97 | 97 | 97 | 97 |
| Provision for employee entitlements..... | 527 | 455 | 533 | 529 | 526 | 522 | 518 |
| Monies in trust..... | 32 | 25 | - | - | - | - | - |
| Accrued Salaries..... | 121 | 156 | 162 | - | 19 | 19 | 40 |
| Other..... | 18 | 4 | 49 | 46 | 46 | 46 | 46 |
| Total current liabilities..... | 795 | 803 | 841 | 672 | 688 | 684 | 701 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 346 | 306 | 334 | 331 | 327 | 324 | 321 |
| Other..... | 3 | - | - | - | - | - | - |
| Total non-current liabilities..... | 349 | 306 | 334 | 331 | 327 | 324 | 321 |
| TOTAL LIABILITIES | 1,144 | 1,109 | 1,175 | 1,003 | 1,015 | 1,008 | 1,022 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 454 | 454 | 454 | 454 | 454 | 454 | 454 |
| Accumulated surplus/(deficit)..... | 1,945 | 1,901 | 1,945 | 1,945 | 1,945 | 1,945 | 1,945 |
| Total equity | 2,399 | 2,355 | 2,399 | 2,399 | 2,399 | 2,399 | 2,399 |
| TOTAL LIABILITIES AND EQUITY | 3,543 | 3,464 | 3,574 | 3,402 | 3,414 | 3,407 | 3,421 |

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 2,119 | 2,457 | 2,457 | 2,676 | 2,804 | 2,919 | 2,972 |
| Holding Account Drawdowns..... | 395 | 449 | 449 | 30 | 500 | 30 | 30 |
| Net cash provided by State government..... | 2,514 | 2,906 | 2,906 | 2,706 | 3,304 | 2,949 | 3,002 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (4,362) | (4,663) | (4,663) | (5,031) | (4,996) | (5,165) | (5,235) |
| Superannuation..... | (447) | (510) | (510) | (525) | (541) | (557) | (578) |
| Supplies and services..... | (855) | (887) | (887) | (900) | (799) | (821) | (841) |
| Accommodation..... | (479) | (544) | (544) | (547) | (611) | (616) | (620) |
| Administration..... | (148) | (176) | (176) | (220) | (229) | (234) | (246) |
| Capital User Charge..... | (182) | (194) | (194) | (198) | (201) | (201) | (201) |
| Goods and Services Tax..... | (162) | (205) | (205) | (205) | (205) | (205) | (205) |
| Other..... | - | - | - | (42) | (44) | (44) | (45) |
| Receipts | | | | | | | |
| Regulatory fees and fines..... | 1,528 | 1,500 | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 |
| User charges and fees..... | 3,116 | 3,072 | 3,000 | 3,062 | 3,073 | 3,156 | 3,252 |
| Goods and Services Tax..... | 196 | 205 | 205 | 205 | 205 | 205 | 205 |
| Other..... | - | 2 | 2 | 6 | 6 | 6 | 6 |
| Net cash from operating activities..... | (1,795) | (2,400) | (2,422) | (2,845) | (2,792) | (2,926) | (2,958) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (201) | (449) | (717) | (30) | (500) | (30) | (30) |
| Proceeds from sale of investments..... | 19 | - | - | - | - | - | - |
| Net cash from investing activities..... | (182) | (449) | (717) | (30) | (500) | (30) | (30) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | - | - | (4) | (3) | - | - | - |
| Proceeds from borrowings..... | 7 | - | - | - | - | - | - |
| Net cash from financing activities..... | 7 | - | (4) | (3) | - | - | - |
| NET INCREASE/(DECREASE) IN CASH HELD..... | 544 | 57 | (237) | (172) | 12 | (7) | 14 |
| Cash assets at the beginning of the reporting period..... | 769 | 850 | 1,313 | 1,076 | 904 | 916 | 909 |
| Cash assets at the end of the reporting period..... | 1,313 | 907 | 1,076 | 904 | 916 | 909 | 923 |

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Grants and subsidies | (66,426) | (74,100) | (71,900) | (73,600) | (76,500) | (78,700) | (80,100) |
| Receipts paid into Consolidated Fund..... | (38,377) | (47,000) | (43,000) | (43,400) | (46,000) | (47,000) | (48,000) |
| TOTAL ADMINISTERED CASH OUTFLOWS..... | (104,803) | (121,100) | (114,900) | (117,000) | (122,500) | (125,700) | (128,100) |
| CASH INFLOWS FROM ADMINISTERED TRANSACTIONS | | | | | | | |
| Operating Activities | | | | | | | |
| Taxation..... | 38,377 | 47,000 | 43,000 | 43,400 | 46,000 | 47,000 | 48,000 |
| Appropriations..... | 66,426 | 74,100 | 71,900 | 73,600 | 76,500 | 78,700 | 80,100 |
| TOTAL ADMINISTERED CASH INFLOWS..... | 104,803 | 121,100 | 114,900 | 117,000 | 122,500 | 125,700 | 128,100 |
| NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS | - | - | - | - | - | - | - |

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|
| Provision of services to the Racing and Gaming Industries..... | 2,923 | 2,866 | 2,931 | 2,993 |
| Provision of services to the Commonwealth in respect of Indian Ocean Territories | 193 | 206 | 69 | 69 |
| Liquor fees revenue | 1,528 | 1,500 | 1,550 | 1,550 |
| Other revenue | - | 2 | 2 | 6 |
| GST input credits..... | 193 | 180 | 180 | 180 |
| GST receipts on sales | 3 | 25 | 25 | 25 |
| TOTAL..... | 4,840 | 4,779 | 4,757 | 4,823 |

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

LOTTERIES COMMISSION

CAPITAL WORKS PROGRAM

The Lotteries Commission's approved capital works program for the 2004-05 financial year is \$3.8 million.

Major projects include:

- \$1.9 million for the replacement of computer equipment, including a total upgrade and replacement of the Private Automatic Branch Exchange (PABX).
- \$1.5 million for improvements to the Gaming System.
- \$0.2 million to continue the implementation of the Lotterywest corporate brand project in licensed lottery retail premises.
- \$0.1 million for the completion of the refurbishment of the Retail Training Centre and improvement of security for the despatch area.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---------------------------------|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Corporate Brand Project | 3,125 | 3,125 | 1,779 | - |
| E - Commerce - | | | | |
| 2003-04 Program | 300 | 300 | 300 | - |
| Furniture and Fittings - | | | | |
| 2002-03 Program | 555 | 555 | 175 | - |
| 2003-04 Program | 35 | 35 | 35 | - |
| Land and Buildings - | | | | |
| 2003-04 Program | 155 | 155 | 155 | - |
| Lotteries History - | | | | |
| 2002-03 Program | 40 | 40 | 22 | - |
| 2003-04 Program | 75 | 75 | 75 | - |
| Management Information System - | | | | |
| 2003-04 Program | 200 | 200 | 200 | - |
| Computer Equipment - | | | | |
| 2003-04 Program | 2,050 | 2,050 | 2,050 | - |
| Plant and Equipment - | | | | |
| 2002-03 Program | 194 | 194 | 15 | - |
| 2003-04 Program | 35 | 35 | 35 | - |
| Point of Sale - | | | | |
| 2002-03 Project | 150 | 150 | 149 | - |
| 2003-04 Project | 250 | 250 | 250 | - |
| NEW WORKS | | | | |
| Furniture and Fittings - | | | | |
| 2004-05 Program | 35 | - | - | 35 |
| Land and Buildings - | | | | |
| 2004-05 Program | 80 | - | - | 80 |
| New Gaming/Lotto Games - | | | | |
| 2004-05 Project | 1,500 | - | - | 1,500 |
| Computer Equipment - | | | | |
| 2004-05 Program | 1,900 | - | - | 1,900 |
| Plant and Equipment - | | | | |
| 2004-05 Program | 40 | - | - | 40 |
| Point of Sale - | | | | |
| 2004-05 Program | 200 | - | - | 200 |
| | 10,919 | 7,164 | 5,240 | 3,755 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 2,658 | 4,190 | 5,240 | 3,755 | 3,223 | 2,934 | 4,620 |
| LESS | | | | | | | |
| Internal Funds and Balances..... | 2,658 | 4,190 | 5,240 | 3,755 | 3,223 | 2,934 | 4,620 |
| Capital Contribution..... | - | - | - | - | - | - | - |

WATER CORPORATION

CAPITAL WORKS PROGRAM

The Water Corporation is committed to providing high quality and reliable water services based on the principle of sustainable management. In 2004-05 the \$356.3 million capital program will provide substantial benefits to Western Australia with the provision of water related services to meet the continuing growth of the State, drinking water quality improvements, upgrades to major wastewater treatment facilities, continuation of the Infill Sewerage Program, and the provision of infrastructure for the development of the Burrup Peninsula in the North West.

\$162.1 million will be spent on the distribution network, to replace and augment existing infrastructure to meet the needs of our growing State. Significant expenditures include \$16.5 million for the Kalgoorlie Pipeline capacity, \$8.5 million in Port Hedland for augmentation of infrastructure for a major customer (BHP Billiton) and \$6 million for an Albany Water Supply upgrade.

The Corporation will spend \$44 million in 2004-05 to continue the implementation of the Infill Sewerage Program, which is currently 75% complete. The program reduces health and environmental risks by replacing septic tanks with deep sewer in metropolitan and country areas. A further \$174.5 million is to be spent before the program will be completed in 2008-09.

Work will continue on projects focussing on securing water supply to Perth metropolitan and country areas with \$30.7 million allocated for this purpose (e.g. water storage tanks in Sawyer's Valley, the Bridgetown Millstream dam raising and the Hopetoun desalination system).

\$23.7 million will be spent as part of the five-year program to fulfil the requirements of the 1996 drinking water guidelines, set by the Department of Health. A further \$6.6 million has been allocated to improve aesthetic water quality in selected country towns.

\$18.4 million will be spent on commercial activities, to complete the Burrup Peninsula desalination plant and saline pipeline to provide water to new industrial developments, and the Kwinana wastewater re-use project.

\$15.7 million will be spent to enable corporate information systems to be renewed and enhanced.

\$14.5 million will be spent on upgrading wastewater treatment plants in the metropolitan and country areas, to allow for growth in the number of customers and enhancement of the treatment process. Of this, \$3.5 million relates to completing significant projects at both the Beenyup and Subiaco Wastewater Treatment Plants to upgrade capacity and reduce odour emissions.

\$8.2 million has been allocated for the continuing installation of Supervisory Control and Data Acquisition (SCADA) to enhance the management of infrastructure assets.

\$6.7 million will be spent on the Dam Safety Program, which includes the completion of remedial works at Churchman Brook Dam. The program covers a wide range of works in both metropolitan and country areas, responding to the national guidelines for large dams released in 1999.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|------------------------|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Corporate Programs - | | | | |
| Wastewater Treatment - | | | | |
| 2002-03 Program | 19,570 | 19,570 | 590 | - |
| 2003-04 Program | 39,593 | 39,593 | 39,593 | - |
| Water Sources - | | | | |
| 2002-03 Program | 23,690 | 23,690 | 2,360 | - |
| 2003-04 Program | 56,792 | 56,792 | 56,792 | - |
| Recurrent Programs - | | | | |
| Distribution Network - | | | | |
| 2002-03 Program | 83,900 | 83,900 | 3,740 | - |
| 2003-04 Program | 108,751 | 108,751 | 108,751 | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|--------------------------------------|-----------------------------------|--|---|---|
| Strategic Programs - | | | | |
| Aesthetic Water Quality - | | | | |
| 2002-03 Program | 4,610 | 4,610 | 3,930 | - |
| 2003-04 Program | 1,692 | 1,692 | 1,692 | - |
| Commercial Projects - | | | | |
| 2003-04 Program | 88,387 | 88,387 | 88,387 | - |
| Dam Safety - | | | | |
| 2002-03 Program | 22,115 | 22,115 | 395 | - |
| 2003-04 Program | 6,913 | 6,913 | 6,913 | - |
| Drinking Water Quality - | | | | |
| 2002-03 Program | 6,600 | 6,600 | 590 | - |
| 2003-04 Program | 14,120 | 14,120 | 14,120 | - |
| Infill Sewerage - | | | | |
| 2002-03 Program | 34,810 | 34,810 | 2,560 | - |
| 2003-04 Program | 24,400 | 24,400 | 24,400 | - |
| Other Minor Works - | | | | |
| 2003-04 Program | 5,043 | 5,043 | 5,043 | - |
| SCADA Program - | | | | |
| 2002-03 Program | 3,775 | 3,775 | 2,165 | - |
| 2003-04 Program | 2,614 | 2,614 | 2,614 | - |
| Wastewater Odour Management - | | | | |
| 2003-04 Program | 37,479 | 37,479 | 37,479 | - |
| Support Programs - | | | | |
| Capital Overheads - | | | | |
| 2003-04 Program | 21,599 | 21,599 | 21,599 | - |
| Drought Response - | | | | |
| 2002-03 Program | 102,820 | 102,820 | 1,180 | - |
| 2003-04 Program | 23,603 | 23,603 | 23,603 | - |
| Fleet and Plant - | | | | |
| 2003-04 Program | 2,497 | 2,497 | 2,497 | - |
| Information Technology - | | | | |
| 2002-03 Program | 16,235 | 16,235 | 2,555 | - |
| 2003-04 Program | 10,563 | 10,563 | 10,563 | - |
| NEW WORKS | | | | |
| Corporate Programs - | | | | |
| Wastewater Treatment - | | | | |
| 2004-05 Program | 11,000 | - | - | 11,000 |
| Water Sources - | | | | |
| 2004-05 Program | 30,678 | - | - | 30,678 |
| Recurrent Programs - | | | | |
| Distribution Network - | | | | |
| 2004-05 Program | 162,100 | - | - | 162,100 |
| Strategic Programs - | | | | |
| Aesthetic Water Quality - | | | | |
| 2004-05 Program | 6,600 | - | - | 6,600 |
| Commercial Projects - | | | | |
| 2004-05 Program | 18,400 | - | - | 18,400 |
| Dam Safety - | | | | |
| 2004-05 Program | 6,700 | - | - | 6,700 |
| Drinking Water Quality - | | | | |
| 2004-05 Program | 23,700 | - | - | 23,700 |
| Infill Sewerage - | | | | |
| 2004-05 Program | 44,000 | - | - | 44,000 |
| Other Minor Works - | | | | |
| 2004-05 Program | 5,997 | - | - | 5,997 |
| SCADA Program - | | | | |
| 2004-05 Program | 8,200 | - | - | 8,200 |
| Wastewater Odour Management - | | | | |
| 2004-05 Program | 3,500 | - | - | 3,500 |
| Support Programs - | | | | |
| Capital Overheads - | | | | |
| 2004-05 Program | 16,000 | - | - | 16,000 |
| Drought Response - | | | | |
| 2004-05 Program | 900 | - | - | 900 |
| Fleet and Plant - | | | | |
| 2004-05 Program | 2,800 | - | - | 2,800 |
| Information Technology - | | | | |
| 2004-05 Program | 15,700 | - | - | 15,700 |
| | 1,118,446 | 762,171 | 464,111 | 356,275 |

CAPITAL CONTRIBUTION

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program | 353,279 | 462,787 | 464,111 | 356,275 | 370,000 | 404,000 | 410,000 |
| LESS | | | | | | | |
| Borrowings | 139,000 | 185,000 | 175,000 | 60,058 | 60,005 | 90,000 | 115,000 |
| Internal Funds and Balances | 214,279 | 277,787 | 289,111 | 296,217 | 309,995 | 314,000 | 295,000 |
| Capital Contribution | - | - | - | - | - | - | - |

LAND INFORMATION

PART 15 - MINISTER FOR HOUSING AND WORKS; RACING AND GAMING; GOVERNMENT ENTERPRISES; LAND INFORMATION

DIVISION 68

APPROPRIATION AND FORWARD ESTIMATES

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|--|--|---|--|--|--|
| DELIVERY OF OUTPUTS | | | | | | | |
| Item 112 Net amount appropriated to deliver outputs | 23,174 | 26,575 | 26,527 | 24,508 | 27,743 | 28,632 | 28,634 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Salaries and Allowances Act 1975 | 306 | 249 | 297 | 297 | 297 | 297 | 297 |
| - Transfer of Land Act 1893 | 105 | - | - | - | - | - | - |
| Total appropriations provided to deliver outputs | 23,585 | 26,824 | 26,824 | 24,805 | 28,040 | 28,929 | 28,931 |
| CAPITAL | | | | | | | |
| Item 166 Capital Contribution | 1,435 | 7,991 | 7,991 | 278 | 370 | 1,070 | 1,070 |
| GRAND TOTAL | 25,020 | 34,815 | 34,815 | 25,083 | 28,410 | 29,999 | 30,001 |

(a) Appropriation amounts for 2002-03 Actual and 2003-04 Budget have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure.

MISSION

To contribute to the sustainable growth and prosperity of Western Australia through innovative land services, a world class land and property information infrastructure, and an impartial valuation service.

SIGNIFICANT ISSUES AND TRENDS

- It is likely that the current high activity levels of the Western Australian property market will continue, resulting in strong ongoing demand for land information, registration and valuation services.
- Land information is gaining recognition as a key element in government decision making, provision of Government services and the delivery of public policy, including sustainable development and emergency management.
- Cabinet has approved the drafting of a Bill during 2004 to establish a land information Statutory Authority with commercial powers, to deliver greater return to government and the community on the State's land information asset.
- Government, industry and the community expect more cost-effective management and delivery of land information through on-line services.
- There is heightened Government and community commitment to the registration of natural resource interest and the recording of Native Title.
- Impartial and accurate valuation continues to underpin the revenue collection of State and local government. Greater attention to data quality and the verification of values will be required to avoid the level of dispute and litigation occurring in other States.
- Independent valuation and property advice is critical to transparency in all government property transactions, and compulsory acquisitions in particular.

OUTPUT AND APPROPRIATION SUMMARY

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| OUTPUTS | | | | | | | |
| Output 1: | | | | | | | |
| Land Information..... | 65,785 | 65,081 | 67,597 | 69,848 | | | |
| Output 2: | | | | | | | |
| Valuation Services..... | 17,114 | 17,266 | 17,703 | 17,870 | | | |
| Output 3: | | | | | | | |
| Access to Government Geographic Information..... | 1,475 | 1,594 | 1,718 | 1,629 | | | |
| Total Cost of Outputs ^(a) | 84,374 | 83,941 | 87,018 | 89,347 | 87,934 | 88,435 | 88,918 |
| <i>Less</i> Revenues from Ordinary Activities | 58,873 | 56,962 | 61,355 | 63,137 | 58,647 | 59,334 | 60,712 |
| Net Cost of Outputs | 25,501 | 26,979 | 25,663 | 26,210 | 29,287 | 29,101 | 28,206 |
| Adjustments ^(b) | (1,916) | (155) | 1,161 | (1,405) | (1,247) | (172) | 725 |
| Appropriation provided to deliver Outputs. | 23,585 | 26,824 | 26,824 | 24,805 | 28,040 | 28,929 | 28,931 |
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Appropriation for Capital Contribution to meet equity needs ^(c) | 1,435 | 7,991 | 7,991 | 278 | 370 | 1,070 | 1,070 |
| TOTAL CONSOLIDATED FUND APPROPRIATIONS | 25,020 | 34,815 | 34,815 | 25,083 | 28,410 | 29,999 | 30,001 |

- (a) The cost of outputs and appropriation amounts for 2002-03 Actual and 2003-04 Budget have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, the Acting Chief Executive Officer and the Treasurer.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION**Relationship to Government Strategic Goals**

Broad, high level government strategic goals are supported at agency level by more specific desired outcomes. Agencies deliver outputs to achieve these desired outcomes, which ultimately contribute to meeting the higher level government strategic goals. The following table illustrates this relationship.

| Government Strategic Goal | Desired Outcome(s) | Output(s) |
|--|--|--|
| To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth. | The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land. | 1. Land Information |
| | Independent valuations support governments' collection of rates and taxes, and management of property assets. | 2. Valuation Services |
| | Coordinated access to WA Land Information Systems (WALIS) community members' geographic information supports the management and development of the State. | 3. Access to Government geographic information |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land. | | | | | |
| 1. Extent to which the State Land Information Capture Program is completed according to target. | 96% | 100% | 100% | 100% | |
| 2. Claims against registered interests as a result of fraud, negligence or errors, settled by the Crown..... | 1 | Nil | Nil | Nil | |
| Outcome: Independent valuations support governments' collection of rates and taxes, and management of property assets. | | | | | |
| 1. International standards for accuracy and uniformity of rating and taxing values are met. | | | | | |
| Means Ratio Test: | | | | | |
| - Gross Rental Value | 93.04% | 92.5% | 92.5% | 92.5% | |
| - Unimproved Value..... | 91.76% | 92.5% | 92.5% | 92.5% | |
| - Coefficient of dispersion: | | | | | |
| - Gross Rental Value | 5.69% | <7% | <7% | <7% | |
| - Unimproved Value..... | 5.17% | <15% | <15% | <15% | |
| 2. Adjustments to Rating and Taxing Values as a result of Objections and Appeals as percentage of total values in force | na | >0.2% | >0.2% | >0.2% | |

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Outcome: Coordinated access to WA Land Information Systems (WALIS) community members' geographic information supports the management and development of the State. ^(b) | | | | | |
| Spatial information policy and planning..... | na | Satisfactory | na | na | Replaced with new measure during 2003-04 |
| Spatial information data quality and access..... | na | Satisfactory | na | na | Replaced with new measure during 2003-04 |
| Spatial information stakeholder relationship management..... | na | Satisfactory | na | na | Replaced with new measure during 2003-04 |
| WALIS office support..... | na | Satisfactory | na | na | Replaced with new measure during 2003-04 |
| Awareness | | | | | |
| Percentage increase in first time participants at WALIS functions..... | na | 5% | 5% | 5% | New measure introduced during 2003-04 |
| Percentage increase in repeat participants at WALIS functions..... | na | 5% | 5% | 5% | New measure introduced during 2003-04 |
| Acceptance | | | | | |
| Percentage increase in number of first time customers accessing spatial information from WALIS community members..... | na | 2% | 2% | 2% | New measure introduced during 2003-04 |
| Reuse | | | | | |
| Percentage increase in number of return customers accessing spatial information from WALIS community members..... | na | 2% | 2% | 2% | New measure introduced during 2003-04 |

(a) More details of effectiveness indicators are provided in the annual report.

(b) Key effectiveness indicator for Outcome - Coordinated access to WA Land Information Systems (WALIS) community members' geographic information supports the management and development of the State has been modified in consultation with the Office of the Auditor General.

Output 1: Land Information

Information about land and land ownership is collected, recorded and made available for use by government, business and the community.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|--|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 65,785 | 65,081 | 67,597 | 69,848 | |
| Less Revenues from Ordinary Activities..... | 52,190 | 48,642 | 53,035 | 52,467 | |
| Net Cost of Output..... | 13,595 | 16,439 | 14,562 | 17,381 | |
| Adjustments ^(a) | (1,403) | (92) | 649 | (892) | |
| Appropriation for delivery of Output 1..... | 12,192 | 16,347 | 15,211 | 16,489 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Land registration actions | 1,892,461 | 1,821,650 | 1,938,311 | 1,849,475 | |
| Land information actions..... | na | na | na | 520,118 | New measure introduced in 2004-05 |
| Physical land information data sets maintained and developed | 9 | 9 | 9 | na | Replaced with new measure in 2004-05 |
| Land boundary information data sets maintained and developed | 3 | 3 | 3 | na | Replaced with new measure in 2004-05 |
| Quality | | | | | |
| Claims against registered interests, as a result of fraud, negligence or error, settled by the Crown | Nil | Nil | Nil | Nil | |
| Maintenance of ISO 9001 quality assurance for processes for physical land information data set maintained and developed..... | Maintained | Maintained | Maintained | Maintained | |
| Maintenance of ISO 9001 quality assurance for processes for land boundary information data sets maintenance and development..... | Achieved | Maintained | Maintained | Maintained | |
| Timeliness | | | | | |
| The time systems providing registration services are available for use | 98.5% | 98% | 98% | 98% | |
| Requests for physical land information data met within target times | 99% | 98% | 95% | 95% | |
| Land boundary information added to data sets within target times | 96% | 95% | 93% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per land registration action ^(b) | \$25.28 | \$25.42 | \$24.76 | \$26.81 | |
| Average cost per land information action | na | na | na | \$38.95 | New measure introduced in 2004-05 |
| Average cost per physical land information data set maintained and developed..... | \$1,658,527 | \$1,737,219 | \$1,802,587 | na | Replaced with new measure in 2004-05 |
| Average cost per land boundary information data set maintained and developed..... | \$1,004,159 | \$1,044,709 | \$1,126,617 | na | Replaced with new measure in 2004-05 |
| Full Time Equivalents (FTEs) | 573 | 584 | 574 | 574 | |

(a) Cost of goods sold is reflected in the Total Cost of Output. This treatment may differ from the agency's annual report.

(b) The average cost per land registration action for 2002-03 Actual and 2003-04 Budget has been adjusted for comparative purposes for the impact of the transfer of the Crown Land Function to the Department for Planning and Infrastructure

Major Achievements For 2003-04

- Maintained Quality Certification to ISO 9001:2000 Standard within the area of Registration and Geographic Services.
- Demonstrated ongoing commitment to the data quality enhancement of fundamental datasets by commencing the restructure of topographic data to create a seamless database, improving existing address datasets and continuing enhancement of the spatial cadastral database.
- Data collection and maintenance activities have been improved and streamlined where appropriate. Significant achievements include the digital capture of Certificates of Title for Christmas and Cocos Islands, and local government ward boundaries for local governments and the Electoral Commission.
- Broadened the source of valuation data to achieve more cost-effective digital transfer processes.
- Validated existing valuation data against that held within the Government Property Register (GPR). This ensures uninterrupted asset valuation reporting during decommission of the current mainframe-based Register.
- Development of a sales and marketing strategy to drive revenue and increase sales of products and services.
- Development of a broad implementation plan and technical framework for a 'whole-of government' shared land information platform.

- Implementation of a new on-line gateway (Landgate) to provide access to land and property information held by the Western Australian Government. This single point of access for land related information includes service channels for planning, survey, conveyancing, government and business.
- Implementation of Electronic Advice of Sale 2 enabling conveyancers to submit one request for the provision of settlement information from the Departments of Treasury and Finance and Land Information, local government, the Water Corporation and some non-Water Corporation service providers.
- Development of partnership arrangements with government agencies including the Departments for Planning and Infrastructure, Consumer and Employment Protection, Industry and Resources and Conservation and Land Management for the provision of land information to facilitate business outcomes.
- Cabinet approved drafting of legislation to establish a Statutory Authority.

Major Initiatives For 2004-05

- Complete the Topographic Restructure Project. Existing topographic information (including road centrelines) will be incorporated into a seamless database accessible by state and local government, the business community and the public.
- Improve the currency of spatial information, to ensure it is synchronised with related tenure information, through the e-Lodgement of Surveys (Release 2) Project.
- Review current and release a new format for strata plans, thereby improving readability and comprehension of documents. In addition, facilitate a digital lodgement process for the benefit of the public and business community.
- Participate in the creation of a National Standard for the exchange of survey data, under the E-Plan initiative of the Inter-governmental Committee on Surveying and Mapping (ICSM).
- Improve the Property Street Address dataset to enable timely collection of house numbers during the subdivisional process, thereby assisting land developers, the building industry and home owners.
- Scope and refine a range of 'whole-of-government' opportunities, in consultation with other agencies to streamline cross-government business processes in relation to land.
- Progress the development of a register of land interests to allow greater transparency of the most common interests affecting people's use and enjoyment of land.
- Streamline land development and conveyancing processes to ensure the provision of cost-effective services to the public and business community.
- Enhance information access to support those agencies involved in emergency management and recovery situations.
- Explore partnership opportunities with a range of agencies and industry partners for the mutual benefit of both parties.
- Provide an enhanced customer interface, supported by new voice management technology and streamlined business processes, to assist in the provision of quality seamless customer service.
- Develop legislation to establish a Statutory Authority to provide core land information, registration and property valuation services, and to deliver a greater return to the State and community on its land information asset.

Output 2: Valuation Services

An impartial valuation and property information service.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|--|
| Total Cost of Output..... | 17,114 | 17,266 | 17,703 | 17,870 | |
| Less Revenues from Ordinary Activities | 6,635 | 8,275 | 8,275 | 10,625 | Impact of the government subsidy removal on the Gross Rental Value General Metropolitan Triennial program. |
| Net Cost of Output | 10,479 | 8,991 | 9,428 | 7,245 | |
| Adjustments ^(a) | (480) | (64) | 424 | (433) | |
| Appropriation for delivery of Output 2 | 9,999 | 8,927 | 9,852 | 6,812 | |

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|---|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Number of valuations completed..... | 1,145,529 | 1,392,019 | 1,393,040 | 1,483,833 | |
| Quality | | | | | |
| International standards for accuracy and uniformity of rating and taxing values are met - | | | | | |
| a) Means Ratio Test - | | | | | |
| Gross Rental Value | 93.04% | 92.5% | 92.5% | 92.5% | |
| Unimproved Value | 91.76% | 92.5% | 92.5% | 92.5% | |
| (b) Coefficient of dispersion - | | | | | |
| Gross Rental Value | 5.69% | <7% | <7% | <7% | |
| Unimproved Value | 5.17% | <15% | <15% | <15% | |
| Timeliness | | | | | |
| Extent to which valuations are completed within target times or times agreed with customers - | | | | | |
| General Valuations | 95.4% | 98% | 98% | 98% | |
| Market values, Stamp Duty values, Plant and Equipment values and Consultancy advice | 72.6% | 85% | 85% | 85% | |
| Asset values for Government Property Register by 30 June..... | 100% | 95% | 95% | 95% | |
| Cost (Efficiency) | | | | | |
| Average cost per valuation | \$14.94 | \$12.40 | \$12.71 | \$12.04 | |
| Full Time Equivalents (FTEs) | 213 | 217 | 213 | 213 | |

Major Achievements For 2003-04

- Commenced scoping project requirements for the establishment of on-line access to Valuation Rolls.
- Completed verification of data for 15,000 residential records in the metropolitan region and 20,000 residential and non-residential properties in country areas, subject to general valuation.
- Renewal of the Service Level Agreement (SLA) with Water Corporation for the metropolitan area, including revisions to accommodate extension into all country areas, effective 1 July 2004.

- Development and proposal of SLAs to all metropolitan local governments and a Memorandum of Understanding (MOU) to the Office of State Revenue.
- Continued examination of the proposal to develop a lease register, following advice from industry groups in March 2004.
- Analysis and preliminary stakeholder consultation regarding the definition of 'unimproved value' for rural areas has commenced. It is anticipated that a case supporting change to relevant legislation will commence during the third quarter of 2003-04.

Major Initiatives For 2004-05

- Develop a strategic alliance with Curtin University of Technology to assist with the development of property and valuation professionals via provision of specialist education resources and mentoring opportunities.
- Provide community access, via the Internet, to the Valuer General's valuation policies to assist property owners in comprehending their rights and obligations under the *Valuation of Land Act (1978)*.
- Assist in the development and introduction of uniform policies, procedures and guidelines, for the valuation of non-current assets in accordance with the definition of "Fair Value", as defined by Accounting Standard AASB 1041 and effective 1 July 2005.
- Deliver agencies' non-current asset valuation data directly from the valuation system, to assist in annual financial reporting and strategic asset management.

Output 3: Access to Government geographic information

Land or geographic information from WALIS community members (WCM) is managed in a coordinated way so that data held by WCM can be integrated and readily accessed to meet government, business and community needs.

| | 2002-03 Actual \$'000 | 2003-04 Budget \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | Reason for Significant Variation |
|---|-----------------------------|-----------------------------|--|---|----------------------------------|
| Total Cost of Output..... | 1,475 | 1,594 | 1,718 | 1,629 | |
| Less Revenues from Ordinary Activities | 48 | 45 | 45 | 45 | |
| Net Cost of Output | 1,427 | 1,549 | 1,673 | 1,584 | |
| Adjustments ^(a) | (33) | 1 | 88 | (80) | |
| Appropriation for delivery of Output 3 | 1,394 | 1,550 | 1,761 | 1,504 | |

- (a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

Output Performance Measures

| | 2002-03 Actual | 2003-04 Budget | 2003-04 Estimated | 2004-05 Target | Reason for Significant Variation between 2003-04 Estimated and 2004-05 Target |
|--|-------------------|-------------------|----------------------|-------------------|--|
| Quantity | | | | | |
| Key Result Areas..... | na | 6 | 6 | 6 | |
| Business Plan projects completed..... | 14 | na | na | na | Replaced with new measure in 2003-04 |
| Quality | | | | | |
| Extent to which performance criteria for Key Result Areas are achieved..... | na | 90% | 84% | 90% | |
| Extent to which performance criteria for Business Plan projects are achieved..... | 74% | na | na | na | Replaced with new measure in 2003-04 |
| Timeliness | | | | | |
| Percentage of Key Result Area advancements achieved within agreed timeframes..... | na | 75% | 81% | 75% | |
| Business Plan completed within agreed timeframes..... | 75% | na | na | na | Replaced with new measure in 2003-04 |
| Cost (Efficiency) | | | | | |
| Average cost per Key Result Area..... | na | \$265,667 | \$286,333 | \$271,500 | |
| Average cost per Business Plan project..... | \$105,352 | na | na | na | Replaced with new measure in 2003-04 |
| Full Time Equivalents (FTEs) | 10 | 10 | 10 | 10 | |

Major Achievements For 2003-04

- Commenced implementation of a wide-ranging program to better inform the Western Australia community about the benefits of geographic information.
- Initiated a program to systematically incorporate geographic information into emergency management and response activities.
- Held a highly successful WALIS forum – "Connecting the Community and Spatial Information" – with a record number of attendees.
- Completed a comprehensive evaluation of the effectiveness of the WALIS program and initiated recommendations relevant to WALIS Council and WALIS Advisory Committee activities.

Major Initiatives For 2004-05

- Conduct a valuation of the Western Australia Geographic Data Infrastructure.
- Manage the successful delivery of the WALIS Forum 2004.
- Identify requirements for information sharing protocols and skills development to support the use of geographic information resources by the Western Australia emergency management community.
- Redevelop the WALIS Interrogator directory service to ensure and enhance its value as the authoritative directory for geographic information on Western Australia.

CAPITAL WORKS PROGRAM

The Department's capital works program for 2004-05 totals \$7.1 million.

The program continues the Department's E-Business initiative that will apply the latest Internet technologies and streamline access to the State's wide range of land and property related information. It also addresses the Department's ongoing asset replacement program and business infrastructure requirements in support of the initiative and existing business arrangements.

The funds will be applied towards:

- The provision of government-wide access to land and property information;
- The provision of Spatial Information Infrastructure;
- Additional data capture and quality improvement activities; and
- Business improvement initiatives as the Department moves towards becoming a Statutory Authority with commercial powers.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-04 \$'000 | Estimated Expenditure 2003-04 \$'000 | Estimated Expenditure 2004-05 \$'000 |
|---|-----------------------------------|--|---|---|
| COMPLETED WORKS | | | | |
| Asset Replacement | | | | |
| 2002-03 Program | 2,388 | 2,388 | 1,819 | - |
| 2003-04 Program | 2,324 | 2,324 | 2,324 | - |
| Other Works | | | | |
| Data Improvement | 3,363 | 3,363 | 3,363 | - |
| Land Market and Access to Land and Property Improvements..... | 4,219 | 4,219 | 4,219 | - |
| NEW WORKS | | | | |
| Access to Land & Property Improvements | | | | |
| 2004-05 Program | 855 | - | - | 855 |
| Business Infrastructure | | | | |
| 2004-05 Program | 2,801 | - | - | 2,801 |
| Data Quality Improvement | | | | |
| 2004-05 Program | 1,050 | - | - | 1,050 |
| Land Market Services | | | | |
| 2004-05 Program | 2,360 | - | - | 2,360 |
| | 19,360 | 12,294 | 11,725 | 7,066 |

CAPITAL CONTRIBUTION

Operating results from 2004-05 and over the forward estimates period are expected to maintain the Department's accumulated surplus in a relatively stable position. Reductions in leave liability are targeted in 2004-05 and 2005-06.

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual ^(a) \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|--|---|---|--|--|--|
| CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS | | | | | | | |
| Total Cost of Capital Works Program..... | 5,662 | 9,906 | 11,725 | 7,066 | 1,851 | 2,551 | 2,551 |
| | 5,662 | 9,906 | 11,725 | 7,066 | 1,851 | 2,551 | 2,551 |
| LESS | | | | | | | |
| Drawdowns from the Holding Account..... | 728 | 1,915 | 1,915 | 1,573 | 1,481 | 1,481 | 1,481 |
| Internal Funds and Balances..... | 3,499 | - | 1,819 | 5,215 | - | - | - |
| Capital Contribution..... | 1,435 | 7,991 | 7,991 | 278 | 370 | 1,070 | 1,070 |

(a) Capital contribution amounts for 2002-03 Actual and 2003-04 Budget and estimated actual have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
(Controlled)

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|--|--|--|---|--|--|--|
| COST OF SERVICES | | | | | | | |
| Expenses from ordinary activities | | | | | | | |
| Employee expenses ^(b) | 43,155 | 42,056 | 42,645 | 42,333 | 43,131 | 43,268 | 43,509 |
| Superannuation | 5,365 | 5,330 | 5,401 | 5,383 | 5,465 | 5,360 | 5,385 |
| Cost of Goods Sold | 518 | 505 | 505 | 505 | 505 | 505 | 505 |
| Supplies and services | 15,585 | 14,879 | 16,833 | 16,575 | 15,746 | 15,051 | 15,577 |
| Accommodation | 8,742 | 9,233 | 9,233 | 9,333 | 9,383 | 9,733 | 10,048 |
| Capital User Charge | 2,665 | 3,254 | 3,254 | 4,381 | 4,433 | 4,694 | 4,694 |
| Depreciation and amortisation | 4,156 | 6,101 | 6,101 | 6,999 | 6,999 | 6,999 | 6,999 |
| Costs of disposal of non-current assets | 20 | - | - | - | - | - | - |
| Other expenses | 4,168 | 2,583 | 3,046 | 3,838 | 2,272 | 2,825 | 2,201 |
| TOTAL COST OF SERVICES | 84,374 | 83,941 | 87,018 | 89,347 | 87,934 | 88,435 | 88,918 |
| Revenues from ordinary activities | | | | | | | |
| User charges and fees | 58,282 | 55,517 | 59,910 | 61,842 | 57,502 | 58,289 | 59,667 |
| Rent | 51 | - | - | - | - | - | - |
| Proceeds from disposal of non-current assets .. | 6 | - | - | - | - | - | - |
| Other Revenue | 534 | 1,445 | 1,445 | 1,295 | 1,145 | 1,045 | 1,045 |
| Total Revenues from Ordinary Activities | 58,873 | 56,962 | 61,355 | 63,137 | 58,647 | 59,334 | 60,712 |
| NET COST OF SERVICES | 25,501 | 26,979 | 25,663 | 26,210 | 29,287 | 29,101 | 28,206 |
| REVENUES FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations | 23,585 | 26,824 | 26,824 | 24,805 | 28,040 | 28,929 | 28,931 |
| Resources received free of charge | 342 | 185 | 185 | 85 | 79 | 79 | 77 |
| Liabilities assumed by the Treasurer | 1,302 | 1,201 | 1,201 | 1,201 | 1,201 | 1,201 | 1,201 |
| TOTAL REVENUES FROM STATE GOVERNMENT | 25,229 | 28,210 | 28,210 | 26,091 | 29,320 | 30,209 | 30,209 |
| CHANGE IN EQUITY RESULTING FROM OPERATIONS | (272) | 1,231 | 2,547 | (119) | 33 | 1,108 | 2,003 |

(a) 2002-03 Actual and 2003-04 Budget have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure.

(b) The Full Time Equivalents (FTEs) for 2002-03 Actual, 2003-04 Estimated Actual and 2004-05 Estimate are 796, 797 and 797 respectively.

**STATEMENT OF FINANCIAL POSITION
(Controlled)**

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|---|--|--|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash..... | 16,437 | 9,948 | 17,847 | 13,911 | 12,708 | 12,963 | 14,959 |
| Receivables..... | 5,031 | 7,856 | 5,321 | 5,226 | 7,031 | 6,936 | 6,936 |
| Inventories..... | 224 | 209 | 224 | 224 | 224 | 224 | 224 |
| Amounts receivable for outputs..... | 1,915 | 1,573 | 1,573 | 1,481 | 1,481 | 1,481 | 1,481 |
| Prepayments..... | 827 | 460 | 763 | 699 | 635 | 635 | 635 |
| Other..... | 1,972 | 286 | 1,622 | 1,558 | 1,530 | 1,578 | 1,650 |
| Total current assets..... | 26,406 | 20,332 | 27,350 | 23,099 | 23,609 | 23,817 | 25,885 |
| NON-CURRENT ASSETS | | | | | | | |
| Amounts receivable for outputs..... | 6,337 | 10,865 | 10,865 | 16,383 | 21,901 | 27,419 | 32,937 |
| Plant, equipment and vehicles..... | 20,509 | 25,620 | 24,214 | 18,856 | 18,813 | 14,065 | 9,617 |
| Other..... | 386 | 2,900 | 2,900 | 5,215 | 800 | 800 | 800 |
| Total non-current assets..... | 27,232 | 39,385 | 37,979 | 40,454 | 41,514 | 42,284 | 43,354 |
| TOTAL ASSETS..... | 53,638 | 59,717 | 65,329 | 63,553 | 65,123 | 66,101 | 69,239 |
| CURRENT LIABILITIES | | | | | | | |
| Payables..... | 987 | 683 | 972 | 972 | 972 | 972 | 972 |
| Provision for employee entitlements..... | 6,439 | 6,116 | 6,114 | 5,789 | 5,464 | 5,464 | 5,464 |
| Accrued Salaries..... | 1,331 | 1,569 | 1,627 | 31 | 327 | 327 | 327 |
| Other..... | 5,180 | 2,436 | 5,011 | 6,370 | 5,964 | 5,964 | 5,964 |
| Total current liabilities..... | 13,937 | 10,804 | 13,724 | 13,162 | 12,727 | 12,727 | 12,727 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Provision for employee entitlements..... | 4,162 | 3,117 | 4,087 | 4,012 | 3,937 | 3,937 | 3,937 |
| Total non-current liabilities..... | 4,162 | 3,117 | 4,087 | 4,012 | 3,937 | 3,937 | 3,937 |
| TOTAL LIABILITIES..... | 18,099 | 13,921 | 17,811 | 17,174 | 16,664 | 16,664 | 16,664 |
| EQUITY | | | | | | | |
| Contributed Equity..... | 13,464 | 21,563 | 21,455 | 21,733 | 22,103 | 23,173 | 24,243 |
| Accumulated surplus..... | 22,075 | 24,233 | 26,063 | 24,646 | 26,356 | 26,264 | 28,332 |
| Total equity..... | 35,539 | 45,796 | 47,518 | 46,379 | 48,459 | 49,437 | 52,575 |
| TOTAL LIABILITIES AND EQUITY..... | 53,638 | 59,717 | 65,329 | 63,553 | 65,123 | 66,101 | 69,239 |

(a) 2002-03 Actual and 2003-04 Budget have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure.

**STATEMENT OF CASH FLOWS
(Controlled)**

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 | 2005-06 Forward Estimate \$'000 | 2006-07 Forward Estimate \$'000 | 2007-08 Forward Estimate \$'000 |
|--|--|--|--|---|--|--|--|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | | |
| Output Appropriations..... | 21,963 | 20,723 | 20,723 | 17,806 | 21,041 | 21,930 | 21,932 |
| Capital Contribution | 1,435 | 7,991 | 7,991 | 278 | 370 | 1,070 | 1,070 |
| Holding Account Drawdowns..... | 728 | 1,915 | 1,915 | 1,573 | 1,481 | 1,481 | 1,481 |
| Net cash provided by State government..... | 24,126 | 30,629 | 30,629 | 19,657 | 22,892 | 24,481 | 24,483 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee costs..... | (41,944) | (42,160) | (42,749) | (44,329) | (43,235) | (43,268) | (43,509) |
| Superannuation..... | (4,166) | (4,129) | (4,200) | (4,182) | (4,264) | (4,159) | (4,144) |
| Supplies and services..... | (17,554) | (15,684) | (17,638) | (16,984) | (14,180) | (15,485) | (16,022) |
| Accommodation..... | (8,462) | (9,091) | (9,091) | (9,441) | (9,791) | (10,441) | (10,777) |
| Capital User Charge..... | (3,035) | (3,254) | (3,254) | (4,381) | (4,433) | (4,694) | (4,694) |
| Goods and Services Tax | (4,494) | (5,365) | (3,365) | (3,366) | (3,366) | (3,366) | (3,366) |
| Other..... | (2,777) | (1,633) | (1,932) | (1,675) | (3,183) | (1,457) | (632) |
| Receipts | | | | | | | |
| User charges and fees | 60,064 | 51,897 | 56,515 | 61,701 | 54,228 | 55,015 | 57,423 |
| Goods and Services Tax | 4,283 | 5,461 | 3,236 | 3,461 | 3,461 | 3,461 | 3,366 |
| Other..... | 1,032 | 3,165 | 3,165 | 2,669 | 2,519 | 2,419 | 2,419 |
| Net cash from operating activities..... | (17,053) | (20,793) | (19,313) | (16,527) | (22,244) | (21,975) | (19,936) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (5,405) | (9,806) | (9,906) | (7,066) | (1,851) | (2,251) | (2,551) |
| Purchase of investments..... | (252) | (100) | - | - | - | - | - |
| Net cash from investing activities..... | (5,657) | (9,906) | (9,906) | (7,066) | (1,851) | (2,251) | (2,551) |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | 1,416 | (70) | 1,410 | (3,936) | (1,203) | 255 | 1,996 |
| Cash assets at the beginning of the reporting period | 15,021 | 10,018 | 16,437 | 17,847 | 13,911 | 12,708 | 12,963 |
| Cash assets at the end of the reporting period..... | 16,437 | 9,948 | 17,847 | 13,911 | 12,708 | 12,963 | 14,959 |

(a) 2002-03 Actual and 2003-04 Budget have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure.

NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of the following cash receipts by the Department:

| | 2002-03 Actual ^(a) \$'000 | 2003-04 Budget ^(a) \$'000 | 2003-04 Estimated Actual \$'000 | 2004-05 Budget Estimate \$'000 |
|--|--|--|--|---|
| Government Vehicle Scheme | 41 | 41 | 41 | 45 |
| GST Input Credits | 1,757 | 165 | 165 | 165 |
| GST on Sales of Goods and Services | 2,526 | 5,296 | 3,071 | 3,296 |
| Land Claims Mapping Unit | 771 | 735 | 735 | 345 |
| Land Titles Management Services..... | 46,949 | 45,819 | 49,757 | 51,843 |
| Other Proceeds and Recoups | 1,371 | 516 | 741 | 1,000 |
| Remote Sensing Satellite Imagery Services..... | 442 | 525 | 525 | 587 |
| Sales of Maps and Plans | 1,360 | 1,506 | 1,506 | 1,339 |
| Valuation and Property Information Services..... | 10,649 | 6,375 | 6,375 | 9,211 |
| TOTAL..... | 65,866 | 60,978 | 62,916 | 67,831 |

(a) Revenue amounts collected under the net appropriation determination for 2002-03 Actual and 2003-04 Budget have been adjusted for comparative purposes for the transfer of the Crown Land Function to the Department for Planning and Infrastructure.

The monies received and retained are to be applied to the Department's outputs as specified in the Budget Statements.

AGENCY INDEX

| | Vol | Page | | Vol | Page |
|---|-----|------|---|-----|------|
| Agriculture | 1 | 221 | National Trust of Australia (WA) | 2 | 358 |
| Agriculture Protection Board | 1 | 252 | Office of Energy | 1 | 199 |
| Albany Port Authority | 3 | 807 | Office of the Auditor General | 1 | 179 |
| Anti-Corruption Commission | 1 | 110 | Office of the Director of Public Prosecutions ... | 2 | 523 |
| Armadale Redevelopment Authority | 3 | 803 | Office of the Information Commissioner | 2 | 534 |
| Botanic Gardens and Parks Authority | 2 | 619 | Office of the Inspector of Custodial Services ... | 2 | 730 |
| Broome Port Authority | 3 | 808 | Office of the Public Sector Standards | | |
| Bunbury Port Authority | 3 | 809 | Commissioner | 1 | 122 |
| Bunbury Water Board | 2 | 657 | Parliament | 1 | 37 |
| Busselton Water Board..... | 2 | 658 | Parliamentary Commissioner for Administrative | | |
| Commissioner for Equal Opportunity | 2 | 507 | Investigations | 1 | 54 |
| Community Development | 3 | 927 | Parliamentary Inspector of the Corruption and | | |
| Conservation and Land Management | 2 | 601 | Crime Commission | 2 | 500 |
| Consumer and Employment Protection | 2 | 413 | Peel Development Commission | 3 | 1061 |
| Corruption and Crime Commission | 2 | 490 | Perth Market Authority | 1 | 261 |
| Country High School Hostels Authority | 3 | 892 | Pilbara Development Commission | 2 | 377 |
| Country Housing Authority | 3 | 1099 | Planning and Infrastructure..... | 3 | 743 |
| Culture and the Arts | 3 | 971 | Police Service | 2 | 691 |
| Curriculum Council | 3 | 899 | Port Hedland Port Authority..... | 3 | 817 |
| Dampier Port Authority..... | 3 | 811 | Premier and Cabinet | 1 | 67 |
| Disability Services Commission | 3 | 954 | Public Transport Authority | 3 | 788 |
| East Perth Redevelopment Authority | 3 | 804 | Racing and Wagering Western Australia | 3 | 1122 |
| Eastern Goldfields Transport Board..... | 3 | 821 | Racing, Gaming and Liquor | 3 | 1111 |
| Economic Regulation Authority..... | 1 | 190 | Recreation Camps and Reserve Board | 3 | 1028 |
| Education and Training | 3 | 869 | Registrar, Western Australian Industrial | | |
| Education Services | 3 | 912 | Relations Commission | 2 | 431 |
| Environmental Protection | 2 | 629 | Rottne Island Authority | 1 | 1019 |
| Esperance Port Authority | 3 | 812 | Royal Commission Into Whether There Has | | |
| Fire and Emergency Services Authority of | | | Been Any Corrupt or Criminal Conduct by | | |
| Western Australia | 2 | 715 | Western Australian Police Officers | 1 | 106 |
| Fisheries | 1 | 270 | Rural Business Development Corporation | 1 | 262 |
| Forest Products Commission | 1 | 288 | Salaries and Allowances Tribunal | 1 | 135 |
| Fremantle Port Authority..... | 3 | 813 | Small Business Development Corporation | 3 | 1020 |
| Gascoyne Development Commission | 2 | 389 | South West Development Commission | 3 | 1072 |
| Geraldton Port Authority..... | 3 | 815 | Sport and Recreation | 3 | 1038 |
| Gold Corporation | 3 | 1124 | State Housing Commission | 3 | 1096 |
| Goldfields-Esperance Development | | | State Supply Commission | 3 | 1101 |
| Commission | 2 | 397 | Subiaco Redevelopment Authority | 3 | 806 |
| Government Employees Housing Authority | 3 | 1100 | Swan River Trust | 2 | 646 |
| Governor's Establishment | 1 | 114 | Treasury and Finance | 1 | 145 |
| Great Southern Development Commission | 1 | 315 | Water and Rivers Commission | 2 | 659 |
| Health | 2 | 543 | Water Corporation | 3 | 1128 |
| Heritage Council of Western Australia | 2 | 349 | Western Australian Electoral Commission | 2 | 590 |
| Housing and Works | 3 | 1085 | Western Australian Greyhound Racing | | |
| Indigenous Affairs | 2 | 441 | Authority..... | 3 | 1123 |
| Industry and Resources | 3 | 839 | Western Australian Land Authority | 3 | 819 |
| Insurance Commission of Western Australia.... | 3 | 1125 | Western Australian Meat Industry Authority | 1 | 260 |
| Justice | 2 | 455 | Western Australian Planning Commission | 3 | 822 |
| Kimberley Development Commission | 2 | 367 | Western Australian Sports Centre Trust | 3 | 1051 |
| Land Information | 3 | 1131 | Western Australian Tourism Commission | 3 | 999 |
| Law Reform Commission | 2 | 516 | Western Australian Treasury Corporation | 1 | 198 |
| Local Government and Regional Development. | 2 | 331 | Western Power Corporation | 1 | 217 |
| Lotteries Commission..... | 3 | 1126 | Wheatbelt Development Commission | 1 | 304 |
| Main Roads | 3 | 765 | Zoological Parks Authority | 2 | 678 |
| Western Australian Meat Industry Authority | 1 | 260 | | | |
| Metropolitan Cemeteries Board | 2 | 347 | | | |
| Mid West Development Commission | 1 | 289 | | | |
| Midland Redevelopment Authority | 3 | 805 | | | |

AGENCY INDEX– *continued*

AGENCIES WITH ADMINISTERED APPROPRIATIONS

| | Vol | Page |
|---|------------|-------------|
| Agriculture | 1 | 221 |
| Education Services | 3 | 912 |
| Fire and Emergency Services Authority of Western Australia | 2 | 715 |
| Housing and Works | 3 | 1085 |
| Industry and Resources | 3 | 839 |
| Local Government and Regional Development | 2 | 331 |
| Planning and Infrastructure | 3 | 743 |
| Premier and Cabinet | 1 | 67 |
| Racing, Gaming and Liquor | 3 | 1111 |
| Treasury and Finance | 1 | 145 |
| Western Australian Tourism Commission | 3 | 999 |