

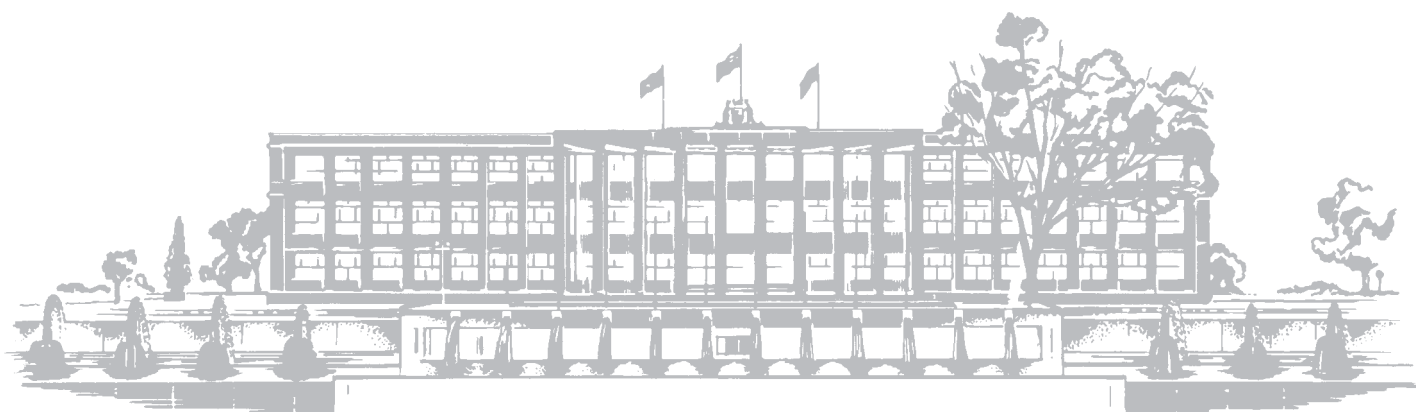


# 2005-06 BUDGET

## BUDGET STATEMENTS

Volume 1

PRESENTED TO THE LEGISLATIVE ASSEMBLY  
ON 26 MAY 2005



**Budget Paper No.2**



# BUDGET 2005-06

## BUDGET STATEMENTS

### TABLE OF CONTENTS

	Volume	Page
<b>Chapter 1: Consolidated Fund Expenditure Estimates .....</b>	1	1
<b>Chapter 2: Net Appropriation Determinations .....</b>	1	27
<b>Chapter 3: Agency Information in Support of the Estimates</b>	1	39
<b>PART 1 – PARLIAMENT</b>		
Parliament .....	1	43
Parliamentary Commissioner for Administrative Investigations .....	1	57
<b>PART 2 – PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS</b>		
Premier and Cabinet.....	1	69
Governor’s Establishment.....	1	107
Office of the Public Sector Standards Commissioner .....	1	115
Salaries and Allowances Tribunal.....	1	126
<b>PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT</b>		
Treasury and Finance .....	1	135
Office of the Auditor General .....	1	164
Economic Regulation Authority .....	1	175
Western Australian Treasury Corporation .....	1	185
State Supply Commission .....	1	186
Gold Corporation .....	1	197
Insurance Commission of Western Australia.....	1	198
Lotteries Commission .....	1	199
<b>PART 4 – MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT</b>		
Agriculture .....	1	203
Agriculture Protection Board .....	1	233
Western Australian Meat Industry Authority.....	1	241
Perth Market Authority .....	1	242
Rural Business Development Corporation.....	1	243
Forest Products Commission.....	1	250
Mid-West Development Commission .....	1	251
Wheatbelt Development Commission.....	1	264

	<b>Volume</b>	<b>Page</b>
<b>PART 5 – MINISTER FOR EDUCATION AND TRAINING</b>		
Education and Training .....	1	275
Country High School Hostels Authority.....	1	298
Curriculum Council .....	1	306
Education Services .....	1	318
<b>PART 6 – MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES</b>		
Consumer and Employment Protection .....	1	333
Registrar, Western Australian Industrial Relations Commission ....	1	349
Indigenous Affairs .....	1	359
Water and Rivers Commission .....	1	371
Water Corporation .....	1	387
Bunbury Water Board.....	1	390
Busselton Water Board.....	1	391
<b>PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS</b>		
Commissioner for Equal Opportunity .....	2	397
Corruption and Crime Commission.....	2	406
Parliamentary Inspector of the Corruption and Crime Commission.....	2	418
Law Reform Commission.....	2	425
Office of the Director of Public Prosecutions.....	2	433
Office of the Information Commissioner.....	2	443
Health .....	2	452
Western Australian Electoral Commission.....	2	503
<b>PART 8 – MINISTER FOR THE ENVIRONMENT; SCIENCE</b>		
Conservation and Land Management .....	2	513
Botanic Gardens and Parks Authority .....	2	532
Environment .....	2	542
Swan River Trust .....	2	559
Zoological Parks Authority .....	2	570
<b>PART 9 – MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY</b>		
Police Service .....	2	583
Fire and Emergency Services Authority of Western Australia.....	2	607

	Volume	Page
<b>PART 10 – MINISTER FOR PLANNING AND INFRASTRUCTURE</b>		
Planning and Infrastructure .....	2	621
Main Roads.....	2	647
Public Transport Authority.....	2	670
Armadale Redevelopment Authority .....	2	686
East Perth Redevelopment Authority .....	2	687
Midland Redevelopment Authority .....	2	688
Subiaco Redevelopment Authority.....	2	689
Albany Port Authority .....	2	690
Broome Port Authority .....	2	691
Bunbury Port Authority .....	2	692
Dampier Port Authority .....	2	693
Esperance Port Authority.....	2	694
Fremantle Port Authority.....	2	695
Geraldton Port Authority .....	2	698
Port Hedland Port Authority.....	2	700
Western Australian Land Authority.....	2	701
Eastern Goldfields Transport Board.....	2	702
Western Australian Planning Commission .....	2	703
<b>PART 11 – MINISTER FOR STATE DEVELOPMENT; ENERGY</b>		
Industry and Resources.....	2	719
Office of Energy .....	2	745
Independent Market Operator.....	2	761
Western Power Corporation .....	2	762
<b>PART 12 – MINISTER FOR COMMUNITY DEVELOPMENT; CULTURE AND THE ARTS; WOMEN’S INTERESTS</b>		
Community Development.....	3	769
Culture and the Arts.....	3	797
<b>PART 13 – MINISTER FOR DISABILITY SERVICES; SPORT AND RECREATION; CITIZENSHIP AND MULTICULTURAL INTERESTS; SENIORS</b>		
Disability Services Commission.....	3	823
Sport and Recreation .....	3	841
Western Australian Sports Centre Trust.....	3	859
<b>PART 14 – MINISTER FOR TOURISM; RACING AND GAMING; YOUTH; PEEL AND THE SOUTH WEST</b>		
Western Australian Tourism Commission.....	3	871
Rottnest Island Authority.....	3	889
Racing, Gaming and Liquor .....	3	890
Racing and Wagering Western Australia .....	3	900
Western Australian Greyhound Racing Authority .....	3	901
Peel Development Commission.....	3	902
South West Development Commission .....	3	914

	<b>Volume</b>	<b>Page</b>
<b>PART 15 – MINISTER FOR HOUSING AND WORKS; HERITAGE; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE</b>		
Housing and Works.....	3	927
Country Housing Authority .....	3	939
Government Employees’ Housing Authority.....	3	940
State Housing Commission .....	3	941
Heritage Council of Western Australia .....	3	943
National Trust of Australia (WA) .....	3	950
<b>PART 16 – MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; LAND INFORMATION; GOLDFIELDS-ESPERANCE; GREAT SOUTHERN</b>		
Local Government and Regional Development .....	3	961
Metropolitan Cemeteries Board .....	3	976
Land Information .....	3	977
Goldfields-Esperance Development Commission.....	3	991
Great Southern Development Commission.....	3	1004
<b>PART 17 – MINISTER FOR JUSTICE; SMALL BUSINESS</b>		
Justice.....	3	1017
Office of the Inspector of Custodial Services .....	3	1046
Small Business Development Corporation .....	3	1052
<b>PART 18 – MINISTER FOR FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE</b>		
Fisheries .....	3	1063
Kimberley Development Commission .....	3	1078
Pilbara Development Commission .....	3	1090
Gascoyne Development Commission .....	3	1102

# **CHAPTER 1**

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## **CONSOLIDATED FUND EXPENDITURE ESTIMATES**

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**CONSOLIDATED FUND EXPENDITURE ESTIMATES <sup>(a)</sup>**


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Page Vol	Division	Item	Details
			<b>PART 1 – PARLIAMENT</b>
	1		Parliament
V1			– Legislative Council
		1	– Net amount appropriated to deliver services.....
			– Salaries and Allowances Act 1975 .....
			– Legislative Assembly
		2	– Net amount appropriated to deliver services.....
			– Salaries and Allowances Act 1975 .....
			– Joint House Committee (Parliamentary Services)
		3	– Net amount appropriated to deliver services.....
			– Capital Contribution .....
			Total .....
	2		Parliamentary Commissioner for Administrative Investigations
V1		4	– Net amount appropriated to deliver services.....
			– Capital Contribution.....
			– Parliamentary Commissioner Act 1971.....
			Total .....
			<b>TOTAL – PART 1.....</b>
			<b>PART 2 – PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS</b>
	3		Premier and Cabinet
V1		5	– Net amount appropriated to deliver services.....
		6	– Administered Grants, Subsidies and Other Transfer Payments.....
		118	– Capital Contribution.....
		119	– Administered Capital Contribution .....
			– Salaries and Allowances Act 1975.....
			Total .....
	4		Governor's Establishment
V1		7	– Net amount appropriated to deliver services.....
			– Capital Contribution.....
			– Governor's Establishment Act 1992.....
			– Salaries and Allowances Act 1975.....
			Total .....
	5		Office of the Public Sector Standards Commissioner
V1		8	– Net amount appropriated to deliver services.....
		120	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total .....
	6		Salaries and Allowances Tribunal
V1		9	– Net amount appropriated to deliver services.....
			Total .....
			<b>TOTAL – PART 2.....</b>



2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
2,229	2,107	2,216	2,219	2,379	2,545	2,589
6,273	6,311	6,480	6,709	6,911	7,118	7,332
2,892	3,525	3,551	3,331	3,610	3,886	3,951
10,586	10,602	11,542	11,498	11,843	12,198	12,564
12,909	12,846	12,917	13,158	13,424	13,663	13,851
1,758	750	750	-	180	-	-
36,647	36,141	37,456	36,915	38,347	39,410	40,287
2,517	2,343	2,768	2,491	2,278	2,460	2,451
-	136	136	-	-	-	-
305	305	305	378	389	401	413
2,822	2,784	3,209	2,869	2,667	2,861	2,864
<b>39,469</b>	<b>38,925</b>	<b>40,665</b>	<b>39,784</b>	<b>41,014</b>	<b>42,271</b>	<b>43,151</b>
118,470	142,262	177,655	184,760	157,990	150,075	131,106
4,241	26,637	8,063	20,578	10,766	14,396	-
-	-	-	2,600	-	-	-
-	42,000	21,883	44,689	22,966	7,383	-
540	500	540	546	553	560	567
123,251	211,399	208,141	253,173	192,275	172,414	131,673
1,878	1,946	1,307	1,104	1,130	1,152	1,169
1,040	-	-	-	-	-	-
1,163	1,163	1,163	1,198	1,234	1,271	1,309
161	167	167	172	177	182	188
4,242	3,276	2,637	2,474	2,541	2,605	2,666
3,095	3,052	3,134	3,551	3,620	3,679	3,725
-	-	50	34	-	-	-
232	232	264	288	297	306	315
3,327	3,284	3,448	3,873	3,917	3,985	4,040
306	310	318	317	325	327	339
306	310	318	317	325	327	339
<b>131,126</b>	<b>218,269</b>	<b>214,544</b>	<b>259,837</b>	<b>199,058</b>	<b>179,331</b>	<b>138,718</b>

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
			<b>PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT</b>
	7		Treasury and Finance
V1		10	– Net amount appropriated to deliver services .....
		11	– Electricity Corporation.....
		12	– Forest Products Commission.....
		13	– Water Corporation of Western Australia.....
		14	– Western Australian Land Authority .....
		15	– Albany Port Authority.....
		16	– Armadale Redevelopment Authority.....
		17	– Broome Port Authority.....
		18	– First Home Owners’ Assistance .....
		19	– GST Administration Costs .....
		20	– HIH Insurance Rescue Package .....
		21	– Life Support Equipment Electricity Subsidy Scheme .....
		22	– Office of Health Review .....
		23	– On-Road Diesel Subsidies.....
		24	– Ord Enhancement and Global Benefits Scheme.....
		25	– Pensioner Concessions – Emergency Services Levy .....
		26	– Pensioner Concessions – Local Government and Water Rates .....
		27	– Provision for Unfunded Liabilities in the Government Insurance Fund.....
		28	– Refund of Past Years Revenue Collections – Public Corporations .....
		29	– Refund of Past Years Revenue Collections – All Other .....
		30	– State Housing Commission – Emergency Services Levy.....
		31	– State Housing Commission – General Housing Funding .....
		32	– State Housing Commission – Indigenous Housing .....
		33	– State Housing Commission – Subsidies for Housing .....
		34	– State Property – Emergency Services Levy .....
		35	– Water Corporation of Western Australia – State Water Strategy Rebate Scheme .....
		36	– Water Corporation of Western Australia – Part Reimbursement of Land Sales.....
		37	– Western Australian Building Management Authority – Interest .....
		38	– Wine Equalisation Tax Rebate.....
		39	– All Other Grants, Subsidies and Transfer Payments .....
			– Aerial Shark Surveillance Program.....
			– Midland Redevelopment Authority.....
			– Rail Access Regulator .....
			– Capital Contribution.....
		121	– Albany Port Authority.....
		122	– Armadale Redevelopment Authority.....
		123	– Broome Port Authority.....
		124	– Department of Health.....
		125	– Electricity Corporation.....
		126	– Forest Products Commission.....
		127	– Fremantle Port Authority .....
		128	– Midland Redevelopment Authority.....
		129	– State Housing Commission .....
		130	– Western Australian Building Management Authority .....
		131	– Western Australian Meat Industry Commission .....

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
54,746	53,777	58,501	64,515	65,974	67,020	68,074
39,204	47,930	49,430	49,649	54,712	61,751	65,146
1,300	1,070	1,070	1,070	1,070	1,070	1,070
268,393	273,613	279,643	340,416	339,502	359,149	369,008
33,552	27,538	30,571	22,922	8,012	8,012	7,512
173	173	173	151	-	-	-
750	1,030	1,180	1,470	1,250	1,200	1,200
-	-	-	575	435	420	405
94,485	113,500	124,300	123,100	125,000	127,000	132,200
53,354	57,500	57,900	59,300	60,600	62,100	63,600
99	500	600	600	500	500	500
-	-	267	534	534	534	-
1,036	1,189	1,197	1,223	1,249	1,271	1,289
6,446	5,000	7,000	5,000	5,000	5,000	5,000
-	-	-	9,865	2,365	2,365	-
3,565	5,400	5,400	6,390	6,469	6,546	6,637
41,098	42,500	42,500	46,473	48,856	51,338	53,643
2,556	4,711	4,711	4,030	2,970	-	-
704	100	100	100	100	-	-
8,184	5,111	16,000	11,000	12,000	13,000	14,000
1,300	2,100	2,100	2,100	2,100	2,100	2,100
2,000	1,000	8,000	5,000	1,000	1,000	1,000
18,483	18,483	18,483	18,483	17,000	17,000	17,000
3,480	3,480	3,480	3,480	3,480	3,480	3,480
6,033	9,000	9,000	9,324	9,345	9,364	9,389
8,845	-	14,800	9,000	9,000	-	-
325	-	-	10	-	-	-
7,989	6,615	6,679	5,633	4,538	4,084	3,669
-	-	1,600	2,400	2,500	2,600	2,700
3,626	3,325	3,985	3,812	3,538	3,646	3,992
101	110	165	-	-	-	-
500	-	-	-	-	-	-
395	-	-	-	-	-	-
400	400	400	-	350	-	-
-	-	-	2,600	-	-	-
2,000	2,000	3,000	3,000	2,000	2,000	2,000
-	-	-	1,250	-	-	-
-	61,152	95,552	133,933	154,737	210,731	293,700
1,415	10,450	6,000	13,220	12,050	6,000	-
1,289	1,291	1,291	1,291	1,291	1,291	1,291
921	1,222	5,320	1,533	213	211	207
675	-	-	3,440	9,405	2,300	-
15,500	19,500	19,105	15,000	15,000	15,000	15,000
7,033	7,275	7,375	7,626	7,886	8,156	8,435
-	-	-	1,596	3,200	-	-

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**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**


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Page Vol	Division	Item	Details
			PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT (continued)
			– Western Australian Land Authority .....
			– Salaries and Allowances Act 1975 .....
			– Gold Corporation Act 1987 .....
			– Judges’ Salaries and Pensions Act 1950 .....
			– Loan (Financial Agreement) Act 1991 – Interest .....
			– Loan (Financial Agreement) Act 1991 – Loan Guarantee Fees .....
			– Parliamentary Superannuation Act 1970 .....
			– State Superannuation Act 2000 .....
			– Tobacco Control Act 1990 .....
			– Unclaimed Money Act 1990 .....
			– Unclaimed Money (Superannuation and RSA Providers) Act 2003 .....
			– Western Australian Treasury Corporation Act 1986 – Interest .....
			– Western Australian Treasury Corporation Act 1986 – Loan Guarantee Fees .....
			– Financial Agreement Act 1995 – Sinking Fund .....
			– Loan (Financial Agreement) Act 1991 – Capital Repayments .....
			– Western Australian Treasury Corporation Act 1986 – Capital Repayments .....
			Total .....
	8		Office of the Auditor General
V1		40	– Net amount appropriated to deliver services .....
		132	– Capital Contribution .....
			– Financial Administration and Audit Act 1985 .....
			Total .....
	9		Economic Regulation Authority
V1		41	– Net amount appropriated to deliver services .....
		133	– Capital Contribution .....
			Total .....
	10		State Supply Commission
V1		42	– Net amount appropriated to deliver services .....
		134	– Capital Contribution .....
			Total .....
			<b>TOTAL – PART 3 .....</b>
			<b>PART 4 – MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT</b>
	11		Agriculture
V1		43	– Net amount appropriated to deliver services .....
			– Administered Grants, Subsidies and Other Transfer Payments .....
		135	– Capital Contribution .....
		136	– Administered Capital Contribution .....
			– Salaries and Allowances Act 1975 .....
			Total .....
	12		Agriculture Protection Board of Western Australia
V1		44	– Net amount appropriated to deliver services .....
			– Agriculture and Related Resources Protection Act 1976 .....
			Total .....

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
5,000	5,000	5,000	-	-	-	-
849	849	849	874	900	927	955
10	64	55	55	55	55	55
4,496	3,988	3,988	4,146	4,311	4,483	4,500
19,695	19,479	14,912	-	-	-	-
636	610	149	-	-	-	-
3,784	17,500	17,500	7,950	8,104	8,263	8,100
394,116	422,065	450,329	469,005	469,591	468,440	459,204
16,930	17,357	17,363	17,753	18,153	18,607	19,081
394	500	500	500	500	500	500
-	50	50	50	50	50	50
31,616	55,803	43,519	30,812	43,230	37,105	34,957
895	1,006	749	746	1,063	1,356	1,440
8,025	-	-	-	-	-	-
12,088	12,208	477,139	-	-	-	-
-	10,513	-	-	-	-	-
1,190,489	1,355,037	1,918,980	1,524,005	1,541,188	1,597,025	1,682,089
8,114	12,518	12,557	12,826	13,017	13,144	13,315
122	113	113	27	15	56	32
222	222	230	237	244	251	259
8,458	12,853	12,900	13,090	13,276	13,451	13,606
2,500	4,153	6,138	5,610	5,089	4,621	4,930
-	-	124	17	26	67	33
2,500	4,153	6,262	5,627	5,115	4,688	4,963
1,415	1,494	1,494	1,562	1,632	1,661	1,699
-	19	19	42	-	-	-
1,415	1,513	1,513	1,604	1,632	1,661	1,699
<b>1,202,862</b>	<b>1,373,556</b>	<b>1,939,655</b>	<b>1,544,326</b>	<b>1,561,211</b>	<b>1,616,825</b>	<b>1,702,357</b>
118,299	116,619	133,887	139,890	162,517	161,150	129,917
1,178	1,178	7,129	-	-	-	-
-	2,296	2,158	3,531	5,200	16,000	10,000
-	-	5,000	5,000	-	-	-
150	150	150	155	159	164	169
119,627	120,243	148,324	148,576	167,876	177,314	140,086
1,668	1,624	1,805	2,129	1,884	1,386	1,379
766	789	789	962	991	1,021	1,052
2,434	2,413	2,594	3,091	2,875	2,407	2,431

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
			<b>PART 4 – MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT (continued)</b>
V1	13	45	Rural Business Development Corporation – Net amount appropriated to deliver services .....
			Total .....
V1	14	46	Mid-West Development Commission – Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....
V1	15	47	Wheatbelt Development Commission – Net amount appropriated to deliver services .....
			Total .....
			<b>TOTAL – PART 4.....</b>
			<b>PART 5 – MINISTER FOR EDUCATION AND TRAINING</b>
V1	16	48 137	Education and Training – Net amount appropriated to deliver services .....
			– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	17	49 138	Country High School Hostels Authority – Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....
V1	18	50 139	Curriculum Council – Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....
V1	19	51 52	Education Services – Net amount appropriated to deliver services .....
			– Administered Grants, Subsidies and Other Transfer Payments.....
			– Salaries and Allowances Act 1975 .....
			Total .....
			<b>TOTAL – PART 5.....</b>
			<b>PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES</b>
V1	20	53 140	Consumer and Employment Protection – Net amount appropriated to deliver services .....
			– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
158	181	8,931	182	1,685	1,689	192
158	181	8,931	182	1,685	1,689	192
1,922	1,549	3,542	4,001	3,492	3,317	2,912
-	-	-	-	229	-	-
1,922	1,549	3,542	4,001	3,721	3,317	2,912
1,440	1,783	1,879	1,431	1,449	1,485	1,510
1,440	1,783	1,879	1,431	1,449	1,485	1,510
<b>125,581</b>	<b>126,169</b>	<b>165,270</b>	<b>157,281</b>	<b>177,606</b>	<b>186,212</b>	<b>147,131</b>
2,407,260	2,520,113	2,602,895	2,729,282	2,807,444	2,894,151	2,956,735
94,823	101,451	122,131	160,738	202,710	148,610	112,310
225	529	529	545	561	578	595
2,502,308	2,622,093	2,725,555	2,890,565	3,010,715	3,043,339	3,069,640
4,980	5,402	5,435	5,963	7,041	7,453	7,590
517	542	542	5,629	675	700	750
5,497	5,944	5,977	11,592	7,716	8,153	8,340
11,039	10,974	10,996	14,318	14,741	15,497	16,976
79	79	79	1,579	9	11	611
11,118	11,053	11,075	15,897	14,750	15,508	17,587
8,511	13,468	10,455	13,172	15,480	17,549	17,508
191,493	201,214	258,941	216,427	235,781	257,535	282,216
140	140	140	168	174	180	185
200,144	214,822	269,536	229,767	251,435	275,264	299,909
<b>2,719,067</b>	<b>2,853,912</b>	<b>3,012,143</b>	<b>3,147,821</b>	<b>3,284,616</b>	<b>3,342,264</b>	<b>3,395,476</b>
45,180	45,269	46,889	49,123	48,869	51,156	53,128
1,372	1,283	1,283	1,550	2,150	1,850	1,150
118	118	118	122	125	129	133
46,670	46,670	48,290	50,795	51,144	53,135	54,411

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
			<b>PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES (continued)</b>
V1	21	54	Registrar, Western Australian Industrial Relations Commission – Net amount appropriated to deliver services ..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total.....
V1	22	55 141	Indigenous Affairs – Net amount appropriated to deliver services ..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total.....
V1	23	56 57 142	Water and Rivers Commission – Net amount appropriated to deliver services ..... – Administered Grants, Subsidies and Other Transfer Payments..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total.....
			<b>TOTAL – PART 6.....</b>
			<b>PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS</b>
V2	24	58 143	Commissioner for Equal Opportunity – Net amount appropriated to deliver services ..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total.....
V2	25	59 144	Corruption and Crime Commission – Net amount appropriated to deliver services ..... – Capital Contribution..... – Corruption and Crime Commission Act 2003..... Total.....
V2	26	60 145	Parliamentary Inspector of the Corruption and Crime Commission – Net amount appropriated to deliver services ..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total.....
V2	27	61	Law Reform Commission of Western Australia – Net amount appropriated to deliver services ..... – Capital Contribution..... Total.....
V2	28	62	Office of the Director of Public Prosecutions – Net amount appropriated to deliver services ..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total.....



2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
7,273	7,830	7,868	8,507	8,151	8,172	8,365
195	-	-	-	-	-	-
1,855	1,855	2,258	2,462	2,212	2,273	2,336
9,323	9,685	10,126	10,969	10,363	10,445	10,701
17,878	18,542	18,562	19,086	18,949	19,313	19,640
42	137	137	397	240	-	-
160	160	160	160	160	160	160
18,080	18,839	18,859	19,643	19,349	19,473	19,800
45,490	50,974	54,814	63,397	59,902	58,905	60,707
3,545	3,042	3,042	2,798	2,525	2,227	2,227
1,400	2,500	2,500	8,060	8,693	7,233	7,973
181	181	181	186	192	198	203
50,616	56,697	60,537	74,441	71,312	68,563	71,110
<b>124,689</b>	<b>131,891</b>	<b>137,812</b>	<b>155,848</b>	<b>152,168</b>	<b>151,616</b>	<b>156,022</b>
1,926	1,995	2,235	2,493	2,535	2,591	2,642
49	31	95	61	23	71	56
173	173	173	178	184	189	195
2,148	2,199	2,503	2,732	2,742	2,851	2,893
6,088	20,229	22,147	25,823	27,191	28,220	27,315
-	169	502	10,257	3,289	617	-
-	127	127	130	134	138	142
6,088	20,525	22,776	36,210	30,614	28,975	27,457
74	287	290	399	420	443	450
150	-	-	10	-	-	-
46	103	103	106	109	112	116
270	390	393	515	529	555	566
839	884	886	869	875	889	905
-	-	-	-	-	6	-
839	884	886	869	875	895	905
13,257	12,653	14,640	13,333	13,601	13,858	14,156
48	-	-	-	200	-	-
568	568	1,436	1,479	1,523	1,569	1,616
13,873	13,221	16,076	14,812	15,324	15,427	15,772

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
			<b>PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS (continued)</b>
V2	29	63	Office of the Information Commissioner – Net amount appropriated to deliver services ..... – Capital Contribution..... – Freedom of Information Act 1992..... Total .....
V2	30	64 65 146	Health – Net amount appropriated to deliver services ..... – Contribution to Hospital Fund..... – Capital Contribution..... – Lotteries Commission Act 1990..... – Salaries and Allowances Act 1975..... Total .....
V2	31	66	Western Australian Electoral Commission – Net amount appropriated to deliver services ..... – Capital Contribution..... – Electoral Act 1907 ..... – Electoral Distribution Act 1947 ..... – Industrial Relations Act 1979..... Total .....
<b>TOTAL – PART 7.....</b>			
<b>PART 8 – MINISTER FOR THE ENVIRONMENT; SCIENCE</b>			
V2	32	67 147	Conservation and Land Management – Net amount appropriated to deliver services ..... – Capital Contribution..... – Salaries and Allowances Act 1975..... Total .....
V2	33	68 148	Botanic Gardens and Parks Authority – Net amount appropriated to deliver services ..... – Capital Contribution..... Total .....
V2	34	69 70 149	Environment – Net amount appropriated to deliver services ..... – Services Provided to the Environmental Protection Authority..... – Capital Contribution..... Total .....
V2	35	71 150	Swan River Trust – Net amount appropriated to deliver services ..... – Capital Contribution..... Total .....

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
994	1,043	1,052	1,028	1,060	952	970
-	-	-	-	-	2	5
162	151	151	155	160	165	170
1,156	1,194	1,203	1,183	1,220	1,119	1,145
496,302	518,991	528,636	584,589	610,790	636,209	636,248
2,056,403	2,207,019	2,262,971	2,379,677	2,499,913	2,669,180	2,879,503
58,992	54,106	62,553	57,752	57,029	24,233	18,558
75,000	76,120	76,589	78,667	79,907	81,166	82,446
630	630	630	649	668	688	709
2,687,327	2,856,866	2,931,379	3,101,334	3,248,307	3,411,476	3,617,464
2,589	15,939	17,607	2,530	7,108	2,732	18,730
371	-	-	-	173	-	136
215	220	288	253	261	269	277
551	-	-	-	-	-	-
56	56	56	56	56	56	56
3,782	16,215	17,951	2,839	7,598	3,057	19,199
<b>2,715,483</b>	<b>2,911,494</b>	<b>2,993,167</b>	<b>3,160,494</b>	<b>3,307,209</b>	<b>3,464,355</b>	<b>3,685,401</b>
118,720	127,025	139,729	138,329	145,720	145,065	148,400
4,802	11,670	13,660	11,700	22,250	17,001	12,911
186	173	226	233	240	247	254
123,708	138,868	153,615	150,262	168,210	162,313	161,565
10,987	13,203	14,354	12,027	11,520	12,959	13,446
3,550	1,042	1,042	550	1,700	1,714	1,014
14,537	14,245	15,396	12,577	13,220	14,673	14,460
12,433	13,842	19,637	19,559	14,854	15,089	15,043
9,348	8,685	10,080	9,163	9,163	9,163	9,163
497	-	-	358	700	200	150
22,278	22,527	29,717	29,080	24,717	24,452	24,356
7,207	6,484	8,358	8,904	9,054	9,364	6,152
8	2,008	8	8	1,008	1,008	8
7,215	8,492	8,366	8,912	10,062	10,372	6,160

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
			PART 8 – MINISTER FOR THE ENVIRONMENT; SCIENCE (continued)
	36		Zoological Parks Authority
V2		72	– Net amount appropriated to deliver services .....
		151	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
			<b>TOTAL – PART 8.....</b>
			<b>PART 9 – MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY</b>
	37		Police Service
V2		73	– Net amount appropriated to deliver services .....
			– Administered Grants, Subsidies and Other Transfer Payments.....
		152	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	38		Fire and Emergency Services Authority of Western Australia
V2		74	– Net amount appropriated to deliver services .....
		75	– Administered Grants, Subsidies and Other Transfer Payments.....
		153	– Capital Contribution.....
			Total .....
			<b>TOTAL – PART 9.....</b>
			<b>PART 10 – MINISTER FOR PLANNING AND INFRASTRUCTURE</b>
	39		Planning and Infrastructure
V2		76	– Net amount appropriated to deliver services .....
		77	– Western Australian Coastal Shipping Commission.....
		154	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	40		Commissioner of Main Roads
V2		78	– Net amount appropriated to deliver services .....
		155	– Capital Contribution.....
			– Road Traffic Act 1974 .....
			– Road Traffic Act 1974 .....
			Total .....
	41		Public Transport Authority of Western Australia
V2		79	– Net amount appropriated to deliver services .....
		156	– Capital Contribution.....
			Total .....
	42		Western Australian Planning Commission
V2		80	– Net amount appropriated to deliver services .....
		157	– Capital Contribution.....
			– Metropolitan Region Improvement Tax Act 1959 .....
			– Town Planning and Development Act 1928 .....
			Total .....
			<b>TOTAL – PART 10.....</b>

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
7,623	8,232	8,846	8,841	9,143	9,363	9,525
680	700	700	715	730	735	735
184	130	174	149	154	158	163
8,487	9,062	9,720	9,705	10,027	10,256	10,423
<b>176,225</b>	<b>193,194</b>	<b>216,814</b>	<b>210,536</b>	<b>226,236</b>	<b>222,066</b>	<b>216,964</b>
571,543	614,400	621,817	671,922	704,092	741,949	785,284
1,255	-	-	-	-	-	-
57,263	43,434	44,031	38,838	37,627	62,007	37,744
1,475	1,475	2,375	2,410	2,598	2,529	2,549
631,536	659,309	668,223	713,170	744,317	806,485	825,577
29,703	22,962	27,086	33,237	33,266	34,508	32,564
1	1	1	1	1	1	1
450	450	1,382	5,060	240	-	-
30,154	23,413	28,469	38,298	33,507	34,509	32,565
<b>661,690</b>	<b>682,722</b>	<b>696,692</b>	<b>751,468</b>	<b>777,824</b>	<b>840,994</b>	<b>858,142</b>
130,562	137,603	149,064	161,603	151,763	150,155	150,245
5,800	6,006	4,054	4,201	4,190	4,128	4,128
1,796	8,444	15,951	11,542	9,587	7,633	5,346
211	211	211	217	218	218	218
138,369	152,264	169,280	177,563	165,758	162,134	159,937
292,493	199,379	208,437	247,313	262,356	306,899	270,497
69,071	165,606	141,591	97,354	87,935	77,501	126,938
181,883	300,000	277,770	261,648	272,807	263,821	306,837
120,136	6,000	41,265	52,168	52,821	75,261	43,451
663,583	670,985	669,063	658,483	675,919	723,482	747,723
399,714	455,170	480,706	545,177	619,783	668,485	691,527
108,533	64,823	71,515	422,040	99,263	74,738	79,393
508,247	519,993	552,221	967,217	719,046	743,223	770,920
4,478	2,291	3,566	4,511	4,296	4,360	4,431
42,500	7,500	7,500	5,100	5,400	5,400	5,400
43,628	45,500	48,000	54,000	58,000	61,000	66,000
812	-	350	-	-	-	-
91,418	55,291	59,416	63,611	67,696	70,760	75,831
<b>1,401,617</b>	<b>1,398,533</b>	<b>1,449,980</b>	<b>1,866,874</b>	<b>1,628,419</b>	<b>1,699,599</b>	<b>1,754,411</b>

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
<b>PART 11 – MINISTER FOR STATE DEVELOPMENT; ENERGY</b>			
	43		Industry and Resources
V2		81	– Net amount appropriated to deliver services .....
		82	– Administered Grants, Subsidies and Other Transfer Payments.....
		158	– Capital Contribution.....
		159	– Administered Capital Contribution .....
			– Petroleum (Submerged Lands) Act 1982 .....
			– Salaries and Allowances Act 1975 .....
			Total .....
	44		Office of Energy
V2		83	– Net amount appropriated to deliver services .....
		84	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
<b>TOTAL – PART 11.....</b>			
<b>PART 12 – MINISTER FOR COMMUNITY DEVELOPMENT; CULTURE AND THE ARTS; WOMEN'S INTERESTS</b>			
	45		Community Development
V3		85	– Net amount appropriated to deliver services .....
		86	– Contribution to the Western Australian Family Foundation Trust Account.....
		160	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	46		Culture and the Arts
V3		87	– Net amount appropriated to deliver services .....
		88	– Art Gallery of Western Australia .....
		89	– Library Board of Western Australia.....
		90	– Perth Theatre Trust.....
		91	– Western Australian Museum.....
		161	– Capital Contribution.....
		162	– Art Gallery of Western Australia .....
		163	– Library Board of Western Australia.....
		164	– Perth Theatre Trust.....
		165	– Western Australian Museum.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975 .....
			Total .....
<b>TOTAL – PART 12.....</b>			

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
94,543	100,048	110,068	114,000	113,984	114,227	114,043
20,925	18,871	28,693	41,677	31,608	21,911	24,618
3,953	1,910	2,810	8,370	6,584	5,320	750
-	-	88,067	2,100	-	-	-
15,558	9,225	15,724	11,253	7,497	6,247	3,993
528	528	528	544	560	577	594
135,507	130,582	245,890	177,944	160,233	148,282	143,998
23,607	15,056	15,158	22,045	14,113	12,571	12,826
-	-	600	1,400	-	-	-
110	-	-	-	-	-	-
168	168	168	219	226	233	240
23,885	15,224	15,926	23,664	14,339	12,804	13,066
<b>159,392</b>	<b>145,806</b>	<b>261,816</b>	<b>201,608</b>	<b>174,572</b>	<b>161,086</b>	<b>157,064</b>
188,581	196,767	199,494	213,177	214,174	218,602	220,123
560	560	560	560	560	560	560
3,841	4,984	4,984	7,072	8,759	4,205	500
189	189	189	233	240	247	254
193,171	202,500	205,227	221,042	223,733	223,614	221,437
77,308	81,111	83,775	91,981	112,522	115,404	118,013
3,633	3,412	3,813	3,505	-	-	-
14,437	14,006	14,048	13,101	-	-	-
1,797	1,633	1,612	1,198	-	-	-
5,873	5,434	5,531	5,083	-	-	-
9,430	6,720	3,215	3,424	8,520	43,598	5,343
837	848	6,386	421	-	-	-
2,573	4,389	4,389	2,757	-	-	-
383	487	487	571	-	-	-
5,833	164	3,884	219	-	-	-
9,532	9,520	9,574	9,833	9,988	10,146	10,306
548	558	558	568	568	568	568
132,184	128,282	137,272	132,661	131,598	169,716	134,230
<b>325,355</b>	<b>330,782</b>	<b>342,499</b>	<b>353,703</b>	<b>355,331</b>	<b>393,330</b>	<b>355,667</b>

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
<b>PART 13 – MINISTER FOR DISABILITY SERVICES; SPORT AND RECREATION; CITIZENSHIP AND MULTICULTURAL INTERESTS; SENIORS</b>			
	47		Disability Services Commission
V3		92	– Net amount appropriated to deliver services .....
		166	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	48		Sport and Recreation
V3		93	– Net amount appropriated to deliver services .....
		94	– Contribution to Community Sporting and Recreation Facilities Fund .....
		167	– Capital Contribution.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	49		Western Australian Sports Centre Trust
V3		95	– Net amount appropriated to deliver services .....
		168	– Capital Contribution.....
			<b>Total .....</b>
			<b>TOTAL – PART 13.....</b>
<b>PART 14 – MINISTER FOR TOURISM; RACING AND GAMING; YOUTH; PEEL AND THE SOUTH WEST</b>			
	50		Western Australian Tourism Commission
V3		96	– Net amount appropriated to deliver services .....
		97	– Administered Grants, Subsidies and Other Transfer Payments.....
		169	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	51		Racing, Gaming and Liquor
V3		98	– Net amount appropriated to deliver services .....
		99	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Liquor Licensing Act 1988 .....
			– Salaries and Allowances Act 1975 .....
			Total .....
	52		Peel Development Commission
V3		100	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....
	53		South West Development Commission
V3		101	– Net amount appropriated to deliver services .....
		170	– Capital Contribution.....
			<b>Total .....</b>
			<b>TOTAL – PART 14.....</b>



2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
207,171	223,942	227,176	243,904	263,677	283,052	288,757
3,261	2,763	2,763	4,179	811	511	2,541
191	191	197	197	197	197	197
210,623	226,896	230,136	248,280	264,685	283,760	291,495
18,276	19,643	40,429	50,634	26,524	18,436	20,188
9,250	11,750	10,250	12,250	10,500	9,000	9,151
120	2,743	1,777	6,733	700	-	-
9,405	9,520	9,574	9,833	9,988	10,146	10,306
149	149	149	183	188	194	200
37,200	43,805	62,179	79,633	47,900	37,776	39,845
13,706	14,031	14,688	14,226	14,752	15,226	15,331
840	890	1,115	900	-	85	100
14,546	14,921	15,803	15,126	14,752	15,311	15,431
<b>262,369</b>	<b>285,622</b>	<b>308,118</b>	<b>343,039</b>	<b>327,337</b>	<b>336,847</b>	<b>346,771</b>
35,193	34,612	43,258	47,782	39,969	39,409	40,379
2,762	4,533	14,206	7,730	6,538	3,318	2,818
1,550	-	-	240	-	-	-
233	233	233	240	247	254	262
39,738	39,378	57,697	55,992	46,754	42,981	43,459
2,942	3,076	3,328	3,126	3,195	3,193	3,267
66,784	68,100	74,890	87,540	90,190	76,890	79,300
4,854	5,500	3,900	3,500	3,700	3,900	4,500
132	132	142	146	150	155	160
74,712	76,808	82,260	94,312	97,235	84,138	87,227
2,758	1,304	2,009	1,540	1,514	1,512	1,370
50	-	-	-	-	-	-
2,808	1,304	2,009	1,540	1,514	1,512	1,370
3,529	6,504	7,166	4,226	3,785	3,830	3,897
1,121	818	791	791	818	818	818
4,650	7,322	7,957	5,017	4,603	4,648	4,715
<b>121,908</b>	<b>124,812</b>	<b>149,923</b>	<b>156,861</b>	<b>150,106</b>	<b>133,279</b>	<b>136,771</b>

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
			<b>PART 15 – MINISTER FOR HOUSING AND WORKS; HERITAGE; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE</b>
	54		Housing and Works
V3		102	– Net amount appropriated to deliver services .....
		103	– Administered Grants, Subsidies and Other Transfer Payments.....
		171	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	55		Heritage Council of Western Australia
V3		104	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....
	56		National Trust of Australia (WA)
V3		105	– Net amount appropriated to deliver services .....
		172	– Capital Contribution.....
			Total .....
			<b>TOTAL – PART 15.....</b>
			<b>PART 16 – MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; LAND INFORMATION; GOLDFIELDS-ESPERANCE; GREAT SOUTHERN</b>
	57		Local Government and Regional Development
V3		106	– Net amount appropriated to deliver services .....
		107	– Administered Grants, Subsidies and Other Transfer Payments.....
		173	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	58		Land Information
V3		108	– Net amount appropriated to deliver services .....
		174	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
	59		Goldfields-Esperance Development Commission
V3		109	– Net amount appropriated to deliver services .....
		175	– Capital Contribution.....
			Total .....
	60		Great Southern Development Commission
V3		110	– Net amount appropriated to deliver services .....
		176	– Capital Contribution.....
			Total .....
			<b>TOTAL – PART 16.....</b>

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
26,661	28,606	30,826	30,599	31,106	30,739	29,658
74,424	2,917	4,407	50,000	-	-	-
-	500	1,700	5,100	5,100	-	-
128	128	-	-	-	-	-
101,213	32,151	36,933	85,699	36,206	30,739	29,658
3,410	4,474	6,330	4,679	4,756	4,897	4,922
22	-	-	-	-	-	11
3,432	4,474	6,330	4,679	4,756	4,897	4,933
1,093	1,253	1,188	2,070	1,173	1,176	1,216
356	339	339	521	618	531	435
1,449	1,592	1,527	2,591	1,791	1,707	1,651
<b>106,094</b>	<b>38,217</b>	<b>44,790</b>	<b>92,969</b>	<b>42,753</b>	<b>37,343</b>	<b>36,242</b>
36,535	35,425	36,434	53,688	38,188	36,930	37,099
300	300	300	250	1,316	2,114	250
100	-	-	124	94	-	-
148	148	148	178	183	189	194
37,083	35,873	36,882	54,240	39,781	39,233	37,543
25,186	24,508	22,540	30,888	30,423	28,894	31,871
9,471	278	184	633	1,062	976	976
297	297	337	347	358	368	379
34,954	25,083	23,061	31,868	31,843	30,238	33,226
1,567	1,738	3,887	1,576	1,468	1,502	1,501
-	33	33	12	-	9	-
1,567	1,771	3,920	1,588	1,468	1,511	1,501
2,187	1,602	2,277	11,689	6,363	1,491	1,517
322	5,249	5,249	9,085	23	8	60
2,509	6,851	7,526	20,774	6,386	1,499	1,577
<b>76,113</b>	<b>69,578</b>	<b>71,389</b>	<b>108,470</b>	<b>79,478</b>	<b>72,481</b>	<b>73,847</b>

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
<b>PART 17 – MINISTER FOR JUSTICE; SMALL BUSINESS</b>			
	61		Justice
V3		111	– Net amount appropriated to deliver services .....
		177	– Capital Contribution.....
			– Children's Court of Western Australia Act 1988.....
			– Criminal Injuries Compensation Act 1985.....
			– District Court of Western Australia Act 1969.....
			– Judges' Salaries and Pensions Act 1950 .....
			– Solicitor General Act 1969.....
			– Suitor's Fund Act 1964.....
			– Town Planning and Development Act 1928 .....
			– Salaries and Allowances Act 1975.....
			Total.....
	62		Office of the Inspector of Custodial Services
V3		112	– Net amount appropriated to deliver services .....
			– Salaries and Allowances Act 1975 .....
			Total.....
	63		Small Business Development Corporation
V3		113	– Net amount appropriated to deliver services .....
		178	– Capital Contribution.....
			Total.....
<b>TOTAL – PART 17.....</b>			
<b>PART 18 – MINISTER FOR FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE</b>			
	64		Fisheries
V3		114	– Net amount appropriated to deliver services .....
		179	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total.....
	65		Kimberley Development Commission
V3		115	– Net amount appropriated to deliver services .....
		180	– Capital Contribution.....
			Total.....
	66		Pilbara Development Commission
V3		116	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total.....
	67		Gascoyne Development Commission
V3		117	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total.....
<b>TOTAL – PART 18.....</b>			

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
483,848	500,898	524,068	545,570	572,860	598,653	623,296
4,689	21,465	18,229	78,828	117,143	69,762	18,453
280	269	280	292	300	309	318
15,300	16,871	16,871	17,105	17,319	17,387	17,387
6,100	6,793	6,795	7,077	7,279	7,488	7,702
5,840	6,035	6,300	6,584	6,771	6,964	7,162
269	280	295	307	316	325	334
30	30	30	30	30	30	30
-	811	811	835	860	886	913
14,700	16,159	17,156	17,937	18,445	18,969	19,508
531,056	569,611	590,835	674,565	741,323	720,773	695,103
1,361	1,569	1,568	1,580	1,613	1,641	1,674
176	176	176	176	176	176	176
1,537	1,745	1,744	1,756	1,789	1,817	1,850
8,510	8,218	8,419	8,443	8,655	8,864	9,077
97	313	313	184	134	313	134
8,607	8,531	8,732	8,627	8,789	9,177	9,211
<b>541,200</b>	<b>579,887</b>	<b>601,311</b>	<b>684,948</b>	<b>751,901</b>	<b>731,767</b>	<b>706,164</b>
22,310	23,464	23,714	25,738	26,964	26,702	26,566
5,000	7,150	8,950	262	-	900	-
150	155	155	160	165	170	175
27,460	30,769	32,819	26,160	27,129	27,772	26,741
1,523	1,465	1,727	2,258	1,490	1,519	1,546
14	-	-	87	-	-	-
1,537	1,465	1,727	2,345	1,490	1,519	1,546
2,186	1,480	6,504	7,329	2,375	1,643	1,646
45	-	-	-	60	-	-
2,231	1,480	6,504	7,329	2,435	1,643	1,646
3,558	2,045	2,096	2,259	1,290	1,300	1,321
40	-	-	-	-	-	-
3,598	2,045	2,096	2,259	1,290	1,300	1,321
<b>34,826</b>	<b>35,759</b>	<b>43,146</b>	<b>38,093</b>	<b>32,344</b>	<b>32,234</b>	<b>31,254</b>

**CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) <sup>(a)</sup>**

Page Vol	Division	Item	Details
<b>GRAND TOTAL</b>			
			Total Appropriation Bill No.1 – Recurrent Services .....
			Total Appropriation Bill No.2 – Capital Purposes .....
			Authorised by Other Statutes
			– Recurrent Services .....
			– Capital Purposes.....
			– Financing.....
			Total Authorised by Other Statutes.....
<b>GRAND TOTAL .....</b>			

(a) The 2003-04 actuals and the 2004-05 budget and estimated actuals have been adjusted, where necessary, to be on a comparable basis with the 2005-06 budget estimates.

2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>10,923,552</b>	<b>11,536,961</b>	<b>12,687,600</b>	<b>13,273,960</b>	<b>13,269,183</b>	<b>13,643,900</b>	<b>13,942,087</b>
9,357,954	9,754,221	10,279,125	10,963,668	11,214,608	11,675,912	12,022,401
538,399	681,622	816,143	1,212,340	926,805	827,501	772,007
894,975	1,072,397	1,073,928	1,045,784	1,074,949	1,065,226	1,104,228
120,136	6,000	41,265	52,168	52,821	75,261	43,451
12,088	22,721	477,139	-	-	-	-
1,027,199	1,101,118	1,592,332	1,097,952	1,127,770	1,140,487	1,147,679
<b>10,923,552</b>	<b>11,536,961</b>	<b>12,687,600</b>	<b>13,273,960</b>	<b>13,269,183</b>	<b>13,643,900</b>	<b>13,942,087</b>





## **CHAPTER 2**

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### **NET APPROPRIATION DETERMINATIONS**

## NET APPROPRIATION DETERMINATIONS

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>PART 1 – PARLIAMENT</b>							
PARLIAMENT							
Legislative Council:							
GST input credits.....	60	61	61	61	61	61	61
Legislative Assembly:							
GST input credits.....	108	115	115	115	115	115	115
Sale of Publications and Other Revenue.....	4	10	10	18	10	10	-
Joint House Committee:							
GST input credits.....	841	475	475	475	475	475	475
Other Receipts .....	10	3	3	3	3	3	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS							
GST Input Credits.....	97	56	56	56	56	56	56
Other Receipts .....	-	46	46	138	138	138	138
Commonwealth Ombudsman .....	-	5	5	5	5	5	5
User charges and Fees .....	1	-	-	-	-	-	-
<b>PART 2 – PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS</b>							
PREMIER AND CABINET							
State Law Publisher .....	3,100	2,800	2,602	2,668	2,734	2,802	2,871
Other Revenue .....	9,381	6,372	5,327	2,445	2,316	2,203	2,209
GST input credits.....	5,889	10,569	9,419	9,828	9,459	7,690	6,576
GST Receipts on sales .....	807	947	780	463	464	470	470
GOVERNOR'S ESTABLISHMENT							
Ballroom Hire.....	4	30	30	30	30	30	30
GST input credits.....	263	63	63	63	63	63	63
OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER							
GST input credits.....	170	75	149	133	117	114	118
Other Revenue .....	162	96	275	275	275	275	275
Grants and subsidies .....	-	-	20	-	-	-	-
SALARIES AND ALLOWANCES TRIBUNAL							
GST input credits.....	9	15	11	9	10	11	12
Other revenue .....	2	3	3	3	3	3	3
<b>PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT</b>							
TREASURY AND FINANCE							
GST input credits.....	3,125	2,579	3,000	2,600	2,600	2,600	2,600
GST receipts on sales .....	2,026	485	665	484	485	485	485
Land Tax Liability Enquiry Fee.....	2,801	2,640	2,650	2,640	2,640	2,640	2,640



**NET APPROPRIATION DETERMINATIONS (continued)**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>PART 5 – MINISTER FOR EDUCATION AND TRAINING</b>							
EDUCATION AND TRAINING							
Fees – Agricultural Colleges.....	2,778	2,731	2,731	2,927	2,959	2,992	3,025
Fees – Senior Colleges.....	3,542	3,292	3,292	3,350	3,424	3,499	3,576
Fees – Swimming Classes .....	1,000	1,167	490	490	490	490	490
Fees – Other.....	160	635	1,981	2,932	3,026	3,124	3,124
Farm School Revenue.....	2,512	3,200	880	880	880	880	880
Physical Education Camp Schools Revenue.....	1,591	1,508	1,691	1,589	1,607	1,624	1,642
Proceeds from Commercial Activities of Institutions .....	15,414	11,624	15,362	15,746	16,140	16,542	16,954
Recoveries and Refunds – Teachers Salaries and Other .....	4,655	4,970	2,961	2,902	2,902	2,902	2,902
Refunds – Workers Compensation .....	4,337	3,945	3,945	3,945	3,945	3,945	3,945
Revenue – Other .....	7,183	2,022	8,028	6,766	6,634	6,634	6,720
Revenue – Other Capital.....	10,126	-	9,715	3,700	3,000	-	-
Aboriginal School Education.....	10,692	10,505	11,135	11,419	11,733	12,056	13,576
Aboriginal Training Programs .....	3,197	3,800	3,304	3,304	3,304	3,304	3,304
Indian Ocean Territories .....	7,430	8,166	7,560	7,938	8,335	9,032	9,032
Schools Assistance .....	180,135	184,695	193,900	201,367	211,424	221,794	233,238
Schools Capital Program .....	24,821	23,000	25,976	25,727	26,000	26,000	26,000
Special Projects .....	7,234	2,732	6,500	6,500	6,500	6,500	6,500
Vocational Education and Training .....	84,069	90,523	88,387	90,404	92,477	94,609	94,609
Vocational Education and Training – Capital Program .....	14,904	15,512	21,125	18,475	17,795	14,350	19,975
Vocational Education and Training – Other .....	6,990	1,873	5,379	4,053	3,429	3,429	3,429
GST input credits.....	51,174	60,850	60,850	61,488	62,231	62,231	62,231
GST receipts on sales .....	3,816	1,964	1,964	1,836	1,846	1,846	1,846
EDUCATION SERVICES							
Registration Fees .....	28	85	85	82	81	80	84
Commonwealth Specific Purpose Program – Aboriginal Education and Training Council .....	369	325	325	325	325	325	325
Commonwealth Specific Purpose Program – The Millennium Indigenous Teacher Scholarship Programme.....	309	200	200	200	200	200	200
Borrowings from WA Treasury Corporation.....	28,980	26,500	30,581	26,500	26,500	26,500	26,500
Interest Repayments .....	4,057	4,401	4,401	4,729	5,069	5,569	6,069
Principal Repayments .....	15,452	14,778	13,406	15,512	16,302	17,740	18,816
Miscellaneous Revenue .....	140	90	90	90	90	90	80
GST input credits.....	18,648	21,073	26,846	23,376	23,558	25,480	27,040
GST Receipts.....	25	24	24	24	24	24	20
<b>PART 6 – MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES</b>							
CONSUMER AND EMPLOYMENT PROTECTION							
Bill of Sale.....	16	15	14	26	26	26	26
Business Names Data .....	-	21	-	-	-	-	-
Business Names Searches.....	1,014	830	800	385	395	405	415
Corporate Fees.....	100	107	94	108	109	110	113
Licenses and other regulatory fees.....	5,083	6,831	6,811	6,723	11,253	12,029	14,429

**NET APPROPRIATION DETERMINATIONS (continued)**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CONSUMER AND EMPLOYMENT PROTECTION (continued)</b>							
Register of Encumbered Vehicles (REVS).....	1,893	1,689	1,500	861	871	881	891
Retail Trading Hours exemptions .....	-	80	-	-	-	-	-
Trade Measurement .....	339	244	280	253	253	254	259
Federal investigation and advisory service .....	180	265	265	265	265	265	265
Proceeds from services provided to the Commonwealth in respect of Indian Ocean Territories .....	204	107	220	112	112	113	116
Recoups from the Rental Accommodation Fund .....	3,304	1,745	1,811	1,755	1,765	1,775	1,785
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board .....	6,655	5,417	5,000	6,192	6,352	6,517	7,502
GST Input Tax Credits.....	1,420	1,432	1,456	1,466	1,476	1,486	1,496
GST receipts on sales .....	225	192	197	202	207	212	217
Business Names Certificates.....	36	43	34	43	43	43	43
Departmental – Miscellaneous.....	1,018	385	700	640	650	660	670
Education kit for Landlords .....	24	15	15	15	15	15	15
<b>REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION</b>							
Service charges, transcript and Award sales and other revenue.	193	79	79	79	79	79	79
Fee for service Australian Industrial Registry .....	196	277	277	277	-	-	-
GST input credits.....	271	311	311	311	311	311	311
GST receipts on sales .....	38	3	3	3	3	3	3
<b>INDIGENOUS AFFAIRS</b>							
Grants & Subsidies .....	208	250	-	-	-	-	-
GST input credits.....	1,044	1,027	1,027	1,027	1,027	1,027	1,059
Other Receipts .....	1,242	300	660	410	300	300	300
<b>PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS</b>							
<b>CORRUPTION AND CRIME COMMISSION</b>							
User Charges and fees .....	-	20	20	20	20	20	20
Goods and Services Tax .....	64	309	210	325	325	305	305
Other receipts.....	4	-	2,100	-	-	-	-
<b>COMMISSIONER FOR EQUAL OPPORTUNITY</b>							
Proceeds from the provision of Community Education Services.....	142	120	120	120	120	120	120
Proceeds from the provision of services to the Indian Ocean Territories .....	17	-	33	35	35	35	35
Proceeds from other departmental revenue.....	21	-	-	-	-	-	-
Other grants received.....	20	-	-	-	-	-	-
GST input credits.....	65	62	62	62	62	62	62
GST receipts on sales .....	22	10	10	10	10	10	10
<b>OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS</b>							
Employee contributions to the Executive Vehicle Scheme.....	29	20	28	28	28	28	28
GST receipts on sales .....	6	2	2	2	6	6	6
GST input credits.....	473	278	278	278	350	350	350

## NET APPROPRIATION DETERMINATIONS (continued)

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS (continued)</b>							
Miscellaneous Legal Revenue .....	118	4	286	186	110	110	110
Contribution from the Confiscation Account.....	500	690	400	500	500	500	500
<b>OFFICE OF THE INFORMATION COMMISSIONER</b>							
GST input credits.....	31	12	12	12	12	12	12
Revenues from the Executive Vehicle Scheme .....	4	4	4	4	4	4	4
Other Revenue .....	11	-	-	-	-	-	-
<b>HEALTH</b>							
Proceeds from services provided by Health Statistics Branch.	3	-	-	5	-	-	-
Proceeds from services provided by Environmental Health Services.....	1,082	970	932	925	960	944	985
Proceeds from services provided by Community Support Services .....	1,588	1,401	1,439	1,476	1,476	1,476	1,476
Proceeds from services provided by Health Promotion Services.....	612	696	774	698	722	746	746
Proceeds from services provided by Miscellaneous Services .	748	516	713	746	760	775	791
Proceeds for services provided by the Drug and Alcohol Office (DAO) .....	297	75	150	150	150	150	150
GST input credits.....	48,039	50,685	52,900	55,399	58,731	62,063	65,395
GST receipts on sales .....	970	973	1,267	1,210	1,256	1,302	1,348
Acquired Immune Deficiency Syndrome (Sexual Health).....	384	100	-	-	-	-	-
ATSIH – Regional Aboriginal Environmental Health Enhancement .....	300	300	300	-	-	-	-
Blood Transfusion Service .....	2,059	-	-	-	-	-	-
Building Solid Families .....	785	785	785	785	785	785	-
Clinical Preceptor Program.....	56	-	86	86	59	59	-
Council of Australian Governments (COAG) Commonwealth funded initiatives and programs relating to Western Australian Drug and Alcohol Strategy Office .....	-	5,000	3,921	4,411	4,705	4,850	-
DAO – Keeping In Touch Program .....	-	-	40	-	-	-	-
Home and Community Care .....	67,951	75,161	74,314	81,065	88,393	89,889	89,889
Homeless Youth .....	194	252	217	221	225	270	270
Kimberley Satellite Dialysis Centre.....	-	-	50	-	-	-	-
Mental Health – Information Development Plan .....	642	300	-	-	-	-	-
Mental Health – Quality Through Outcome .....	-	-	340	760	-	-	-
Post Graduate Medical Council .....	517	-	97	-	-	-	-
Public Health – Breast Cancer Counselling .....	165	65	49	107	107	-	-
Public Health – COAG Needle and Syringe Program .....	1,989	978	978	1,003	1,029	-	-
Public Health – ENHealth Council .....	249	238	258	258	-	-	-
Public Health – Hep C – Education and Prevention .....	251	236	247	247	-	-	-
Public Health – Human Quarantine Program.....	16	17	17	18	19	20	21
Public Health – National Indigenous Immunisation .....	584	443	448	448	448	443	443
Public Health – Pneumococcal Disease Program .....	-	15	15	15	15	15	15
Public Health – Sexual Health Programs .....	-	-	137	100	100	100	100
Other Public Health Programs .....	334	85	189	-	-	-	-
Public Health Outcome Funding Agreement .....	22,372	21,100	29,027	21,715	22,102	22,794	23,832
Public Health Outcome Funding Agreement – Meningococcal Vaccine Program .....	6,348	6,340	6,341	973	973	935	931
Specialist Services – Kimberley/Pilbara .....	137	-	-	-	-	-	-
Veterans Home Care.....	1,810	1,246	1,245	1,283	1,322	1,362	1,403



**NET APPROPRIATION DETERMINATIONS (continued)**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>PART 10 – MINISTER FOR PLANNING AND INFRASTRUCTURE</b>							
PLANNING AND INFRASTRUCTURE							
Services Provided to Western Australia Planning Commission .	4,460	5,166	6,051	6,395	6,395	6,395	6,395
Indian Ocean Territories .....	254	80	80	81	81	81	81
Boat Registration Fees.....	6,161	6,000	6,000	6,300	6,503	6,713	6,929
Jetty Licences .....	378	324	324	331	340	347	355
Marine Examinations.....	114	93	93	162	167	173	178
Motor Vehicles .....	12,601	10,202	13,152	12,233	12,585	12,947	13,317
Motor Drivers .....	5,459	4,838	5,583	5,752	5,922	6,096	6,276
Proof of Age Card.....	107	75	126	126	127	129	130
Plate Fees.....	7,793	7,348	8,491	8,827	9,095	9,370	9,655
Recoups for Services Provided.....	7,449	7,000	7,000	7,700	7,777	7,855	7,933
Temporary Permits .....	559	366	564	391	404	417	430
Other Revenue.....	318	1,031	1,031	1,038	1,053	1,086	1,121
Proceeds from Rental Properties.....	1,366	1,026	859	859	859	859	859
Pastoral Leases .....	1,003	813	1,464	1,464	1,464	1,464	1,464
GST Input Credits.....	9,663	19,311	8,953	8,953	8,953	8,953	8,953
GST Receipts on Sales.....	6,129	2,841	6,135	6,135	6,135	6,135	6,135
<b>PART 11 – MINISTER FOR STATE DEVELOPMENT; ENERGY</b>							
INDUSTRY AND RESOURCES							
Proceeds from petroleum permits and licences.....	5,790	5,812	14,642	6,145	6,360	6,584	6,813
Proceeds from prospecting, exploration and other mining licences .....	4,453	4,203	4,503	4,536	4,590	4,649	4,708
Proceeds from dangerous goods and explosives regulations ..	1,010	1,092	1,092	1,047	1,070	1,094	1,118
Proceeds from departmental fees and charges .....	3,552	2,008	2,008	1,988	2,005	2,021	2,038
Proceeds from the provision of chemical, mineralogical, metallurgical and related scientific investigative and advisory services .....	5,934	6,113	6,113	6,296	6,485	6,680	6,847
Interest .....	-	-	24	48	48	48	48
Goods and services tax .....	5,451	10,157	10,157	10,317	10,317	10,317	10,323
OFFICE OF ENERGY							
Australian Greenhouse Building Rating Scheme.....	3	-	5	8	9	10	10
Contribution to Government Vehicle Scheme .....	19	-	20	20	20	20	20
Energy in WA Conference.....	69	-	-	70	-	-	70
First Rate Software assessor registration .....	31	-	51	60	80	90	90
Grants from Commonwealth (PVRP) .....	75	-	69	-	-	-	-
Grants from Commonwealth (RRPGP) .....	5,765	3,000	8,244	5,000	5,000	5,000	5,000
GST input credits.....	822	510	753	785	553	553	560
Licensing fees.....	43	-	-	-	-	-	-
Recoup of program costs .....	1,611	-	500	500	500	500	500
Recoup of services provided.....	17	-	-	-	-	-	-
Sales of information products and services.....	3	-	5	5	5	5	5



## NET APPROPRIATION DETERMINATIONS (continued)

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>PART 12 – MINISTER FOR COMMUNITY DEVELOPMENT, CULTURE AND THE ARTS; WOMEN'S INTERESTS</b>							
COMMUNITY DEVELOPMENT							
Aboriginal Child Care Training.....	28	41	41	55	41	41	41
Children's Services .....	370	330	330	330	330	330	330
Christmas/Cocos Island .....	138	81	81	141	81	81	81
Departmental Services.....	2,825	580	580	2,001	2,492	1,964	618
GST Input Credits.....	10,795	11,349	11,349	11,028	10,887	10,887	10,887
GST Receipts on Sales.....	170	29	29	31	29	29	29
National Youth Week .....	23	20	20	20	20	20	20
Supported Accommodation Assistance Program.....	16,697	17,111	17,111	17,624	17,978	18,427	18,888
Unattached Refugee Children.....	13	11	11	6	11	11	11
CULTURE AND THE ARTS							
Rental income from the Kings Street Arts Centre.....	46	46	59	50	60	70	80
GST input credits.....	5,815	5,326	5,593	5,626	5,626	5,626	5,626
GST Receipts on sales .....	1,289	1,263	1,205	1,263	1,263	1,263	1,263
<b>PART 13 – MINISTER FOR DISABILITY SERVICES; SPORT AND RECREATION; CITIZENSHIP AND MULTICULTURAL INTERESTS; SENIORS</b>							
SPORT AND RECREATION							
Revenue received for provision of accommodation and recreation programs.....	1,578	1,598	1,626	1,585	1,967	2,032	2,032
Proceeds from the provision of sport participation services to the Commonwealth .....	821	806	847	837	806	806	806
Proceeds from the provision of sport development services to industry bodies .....	564	788	789	707	407	447	417
Other.....	162	70	136	292	70	75	75
GST input credits.....	1,150	1,414	1,174	2,869	3,120	2,109	1,822
GST receipts on sales .....	430	321	426	441	448	458	455
<b>PART 14 – MINISTER FOR TOURISM; RACING AND GAMING; YOUTH; PEEL AND THE SOUTH WEST</b>							
RACING, GAMING AND LIQUOR							
Provision of services to the Racing and Gaming Industries....	2,619	2,993	2,943	3,051	3,137	3,239	3,406
Provision of services to the Commonwealth in respect of Indian Ocean Territories .....	73	69	69	69	71	72	74
Liquor fees revenue .....	1,611	1,550	1,600	1,600	1,600	1,600	1,600
Other revenue .....	-	6	6	6	6	6	6
GST input credits.....	144	180	180	180	180	180	180
GST receipts on sales .....	15	25	25	25	25	25	25

## NET APPROPRIATION DETERMINATIONS (continued)

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>PART 15 – MINISTER FOR HOUSING AND WORKS; HERITAGE; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE</b>							
HOUSING AND WORKS							
Provision of Contract Services .....	24,019	22,043	24,036	20,254	18,556	19,405	17,353
Fremantle Prison.....	1,736	1,845	2,327	3,042	3,187	3,428	3,556
Executive Vehicle Scheme .....	18	21	21	22	22	23	23
GST Input Credits.....	2,569	100	-	-	-	-	-
GST receipts on sales .....	44,849	35,273	50,000	48,000	48,000	48,000	48,000
NATIONAL TRUST OF AUSTRALIA (WA)							
User charges and fees .....	707	105	320	376	376	476	476
Grants and subsidies .....	320	1,623	1,623	1,570	328	327	370
Interest received.....	283	200	200	110	90	80	80
Donations receipts .....	9	-	-	-	-	-	-
Goods and Services Tax .....	220	260	260	260	260	260	260
Other receipts.....	103	627	412	301	340	330	340
<b>PART 16 – MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; LAND INFORMATION; GOLDFIELDS-ESPERANCE; GREAT SOUTHERN</b>							
LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT							
Executive Vehicle Scheme and other miscellaneous revenue ...	1,191	8	8	8	8	8	8
GST input credits.....	1,176	150	150	150	150	150	150
Indian Oceans Territories Program.....	147	143	143	143	143	143	143
Westlink Satellite Communication Service – user charges and fees .....	264	243	243	244	245	246	246
Funds provided by the Commonwealth Government .....	3,099	601	819	601	601	601	601
LAND INFORMATION							
Proceeds under the Government Vehicle Scheme .....	33	45	45	45	45	45	45
Receipts from GST Input Credits .....	1,050	165	512	448	443	398	398
Receipts of GST on Sales of Goods and Services.....	2,834	3,296	3,296	3,296	3,296	3,296	3,296
Proceeds from the Land Claims Mapping Unit.....	363	345	440	500	500	500	500
Proceeds from the provision of Land Titles Management Services .....	54,056	51,843	54,209	50,504	50,129	49,472	51,636
Other Proceeds and Recoups .....	684	1,000	1,000	1,000	3,154	4,391	4,194
Proceeds from the provision of Remote Sensing Satellite Imagery Services.....	502	587	587	587	587	587	587
Proceeds from the Sales of Maps and Plans .....	2,751	2,239	3,339	3,339	3,339	3,500	3,500
Valuation and Property Information Services.....	5,756	8,311	8,311	5,619	7,087	11,710	8,451
<b>PART 17 – MINISTER FOR JUSTICE; SMALL BUSINESS</b>							
JUSTICE							
Proceeds from Supreme Court fees.....	5,390	5,690	5,680	5,680	5,680	5,680	5,680
Proceeds from District Court fees.....	2,414	2,404	2,378	2,378	2,378	2,378	2,378

**NET APPROPRIATION DETERMINATIONS (continued)**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>JUSTICE (continued)</b>							
Proceeds from Magistrates' Court fees .....	4,727	5,198	5,074	5,074	5,074	5,074	5,074
Proceeds from Fines Enforcement Registry fees .....	10,438	10,365	11,100	11,123	11,177	11,230	11,230
Proceeds from Family Court fees .....	1,480	1,412	1,412	1,412	1,412	1,412	1,412
Proceeds from State Administrative Tribunal fees .....	-	814	264	264	264	264	264
Proceeds from Other Boards and Tribunals fees.....	414	153	237	237	237	237	237
Proceeds from Sheriff's Office Fees.....	181	200	200	200	200	200	200
Proceeds from Public Trustee estate fees.....	7,180	6,861	6,541	7,761	7,761	7,761	7,761
Proceeds from Public Trustee common fund management fees .	1,632	1,738	1,738	1,738	1,738	1,738	1,738
Proceeds from Registry of Births, Deaths and Marriages fees ...	4,609	4,782	5,176	5,176	5,176	5,176	5,176
Proceeds from State Solicitor's fees.....	2,933	2,800	2,870	2,870	2,870	2,870	2,870
Proceeds from sale of industry goods .....	2,015	1,820	2,300	2,350	2,350	2,350	2,350
Proceeds from prison canteen sales .....	3,517	3,250	4,105	4,270	4,270	4,270	4,270
Proceeds from recoup of prisoner telephone calls .....	865	800	1,000	1,100	1,100	1,100	1,100
Proceeds from recoup of residential tenancy payments .....	1,145	1,100	1,200	1,200	1,200	1,200	1,200
Proceeds from recoup of workers compensation payments ....	2,957	2,100	2,171	2,457	2,457	2,457	2,457
Proceeds from recoup of criminal injury awards .....	1,168	1,200	1,000	1,037	1,098	650	650
Proceeds from recoup of legal costs .....	792	700	700	700	700	700	700
Proceeds from recoup of salary costs.....	1,461	1,400	1,170	1,250	1,250	1,250	1,250
Proceeds from recoup of other costs .....	1,672	1,180	2,339	1,683	1,683	1,683	1,683
Family Court grant received from the Commonwealth.....	10,788	11,022	11,867	11,400	11,400	11,400	11,400
Indian Ocean Territories grant received from the Commonwealth.....	237	200	200	200	200	200	200
Schools Assistance grant received from the Commonwealth .	291	250	225	225	225	225	225
Other grants received.....	694	650	800	587	587	587	587
GST receipts on sales .....	1,306	1,300	1,300	1,300	1,300	1,300	1,300
GST receipts from Australian Taxation Office.....	21,441	21,000	21,000	21,000	21,000	21,000	21,000
Proceeds from other departmental revenue.....	1,695	61	98	71	71	71	71
<b>OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES</b>							
Goods and services tax .....	60	42	42	42	42	42	42
Other receipts.....	-	2	2	2	2	2	2
<b>PART 18 - MINISTER FOR FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE</b>							
<b>FISHERIES</b>							
GST input credits.....	2,393	2,000	3,152	2,500	2,600	2,700	2,800
GST receipts on sales .....	569	328	638	650	655	660	665
<b>TOTALS</b>	<b>1,288,035</b>	<b>1,244,429</b>	<b>1,389,551</b>	<b>1,373,186</b>	<b>1,390,616</b>	<b>1,408,172</b>	<b>1,364,105</b>



## **CHAPTER 3**

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# **AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES**

**Part 1 – Part 6**



# Part 1 Parliament

## SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
43	Parliament			
	– Delivery of Services .....	35,391	36,706	<b>36,915</b>
	– Capital Contribution .....	750	750	-
	Total .....	36,141	37,456	<b>36,915</b>
57	Parliamentary Commissioner for Administrative Investigations			
	– Delivery of Services .....	2,648	3,073	<b>2,869</b>
	– Capital Contribution .....	136	136	-
	Total .....	2,784	3,209	<b>2,869</b>
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	38,039	39,779	<b>39,784</b>
	– Capital Contribution .....	886	886	-
	Total .....	38,925	40,665	<b>39,784</b>





# PARLIAMENT

## PART 1 - PARLIAMENT

### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF OUTPUTS</b>							
<b>Legislative Council</b>							
<b>Item 1 Net amount appropriated to deliver services .....</b>	2,229	2,107	2,216	<b>2,219</b>	2,379	2,545	2,589
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....</b>	6,273	6,311	6,480	<b>6,709</b>	6,911	7,118	7,332
Total appropriations provided to deliver services.....	8,502	8,418	8,696	<b>8,928</b>	9,290	9,663	9,921
<b>Legislative Assembly</b>							
<b>Item 2 Net amount appropriated to deliver services .....</b>	2,892	3,525	3,551	<b>3,331</b>	3,610	3,886	3,951
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....</b>	10,586	10,602	11,542	<b>11,498</b>	11,843	12,198	12,564
Total appropriations provided to deliver services.....	13,478	14,127	15,093	<b>14,829</b>	15,453	16,084	16,515
<b>Joint House Committee</b>							
<b>Item 3 Net amount appropriated to deliver services .....</b>	12,909	12,846	12,917	<b>13,158</b>	13,424	13,663	13,851
Total appropriations provided to deliver services.....	12,909	12,846	12,917	<b>13,158</b>	13,424	13,663	13,851
Total Delivery of Services.....	34,889	35,391	36,706	<b>36,915</b>	38,167	39,410	40,287
<b>CAPITAL</b>							
<b>Joint House Committee</b>							
<b>Capital Contribution .....</b>	1,758	750	750	-	180	-	-
Total Capital Contribution	1,758	750	750	-	180	-	-
<b>GRAND TOTAL .....</b>	36,647	36,141	37,456	<b>36,915</b>	38,347	39,410	40,287

## LEGISLATIVE COUNCIL

### PART 1 - PARLIAMENT

#### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 1 Net amount appropriated to deliver services .....</b>	2,229	2,107	2,216	<b>2,219</b>	2,379	2,545	2,589
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	6,273	6,311	6,480	<b>6,709</b>	6,911	7,118	7,332
<b>Total appropriations provided to deliver services .....</b>	8,502	8,418	8,696	<b>8,928</b>	9,290	9,663	9,921

#### MISSION

*To provide professional, advisory and administrative support to the President, Ministers, Members and Officers of the Legislative Council and its Committees.*

#### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Administrative and Procedural Support to the Legislative Council, its Members and Committees .....	14,305	13,775	14,053	14,466			
<b>Total Cost of Services .....</b>	14,305	13,775	14,053	14,466	14,818	15,212	15,449
<i>Less Income .....</i>	-	-	-	-	-	-	-
<b>Net Cost of Services .....</b>	14,305	13,775	14,053	14,466	14,818	15,212	15,449
Adjustments <sup>(a)</sup> .....	(5,803)	(5,357)	(5,357)	(5,538)	(5,528)	(5,549)	(5,528)
<b>Appropriation provided to deliver Services.</b>	8,502	8,418	8,696	8,928	9,290	9,663	9,921
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	8,502	8,418	8,696	8,928	9,290	9,663	9,921

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

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Service 1: Administrative and Procedural Support to the Legislative Council, its Members and Committees**

Administrative and Procedural Support to the Legislative Council, its Members and Committees.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	14,305	13,775	14,053	14,466	
Less Income .....	-	-	-	-	
Net Cost of Service .....	14,305	13,775	14,053	14,466	
Adjustments <sup>(a)</sup> .....	(5,803)	(5,357)	(5,357)	(5,538)	
<b>Appropriation for delivery of Service .....</b>	<b>8,502</b>	<b>8,418</b>	<b>8,696</b>	<b>8,928</b>	

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

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	7,456	7,372	7,563	7,879	8,195	8,524	8,722
Superannuation .....	1,074	1,031	1,033	1,056	1,081	1,119	1,145
Supplies and services .....	5,771	5,203	5,288	5,351	5,362	5,389	5,402
Accommodation .....	-	140	140	150	150	150	150
Depreciation and amortisation .....	4	15	15	15	15	15	15
Other expenses .....	-	14	14	15	15	15	15
<b>TOTAL COST OF SERVICES .....</b>	<b>14,305</b>	<b>13,775</b>	<b>14,053</b>	<b>14,466</b>	<b>14,818</b>	<b>15,212</b>	<b>15,449</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	8,502	8,418	8,696	8,928	9,290	9,663	9,921
Resources received free of charge .....	5,099	4,688	4,688	4,788	4,788	4,788	4,788
Liabilities assumed by the Treasurer .....	768	740	740	740	740	740	740
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	<b>14,369</b>	<b>13,846</b>	<b>14,124</b>	<b>14,456</b>	<b>14,818</b>	<b>15,191</b>	<b>15,449</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS .....</b>	<b>64</b>	<b>71</b>	<b>71</b>	<b>(10)</b>	<b>-</b>	<b>(21)</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 27, 25 and 25 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	150	70	208	203	198	178	178
Restricted cash .....	57	-	4	9	14	19	19
Receivables .....	9	16	9	9	9	9	9
Prepayments .....	13	23	13	3	3	3	3
<b>Total current assets .....</b>	<b>229</b>	<b>109</b>	<b>234</b>	<b>224</b>	<b>224</b>	<b>209</b>	<b>209</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	115	130	130	145	160	175	190
Plant and equipment .....	121	94	106	91	76	61	46
Other .....	36	36	36	36	36	36	36
<b>Total non-current assets .....</b>	<b>272</b>	<b>260</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>272</b>	<b>272</b>
<b>TOTAL ASSETS .....</b>	<b>501</b>	<b>369</b>	<b>506</b>	<b>496</b>	<b>496</b>	<b>481</b>	<b>481</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	32	49	81	81	81	81	81
Provision for employee entitlements .....	372	289	352	352	352	352	352
Accrued Salaries .....	25	5	-	-	-	6	6
Other .....	60	-	-	-	-	-	-
<b>Total current liabilities .....</b>	<b>489</b>	<b>343</b>	<b>433</b>	<b>433</b>	<b>433</b>	<b>439</b>	<b>439</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	111	67	101	101	101	101	101
<b>Total non-current liabilities .....</b>	<b>111</b>	<b>67</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>
<b>TOTAL LIABILITIES .....</b>	<b>600</b>	<b>410</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>540</b>	<b>540</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	(117)	(59)	(46)	(56)	(56)	(77)	(77)
Reserves .....	18	18	18	18	18	18	18
<b>Total equity .....</b>	<b>(99)</b>	<b>(41)</b>	<b>(28)</b>	<b>(38)</b>	<b>(38)</b>	<b>(59)</b>	<b>(59)</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>501</b>	<b>369</b>	<b>506</b>	<b>496</b>	<b>496</b>	<b>481</b>	<b>481</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	8,487	8,403	8,681	8,913	9,275	9,648	9,906
<b>Net cash provided by State government .....</b>	<b>8,487</b>	<b>8,403</b>	<b>8,681</b>	<b>8,913</b>	<b>9,275</b>	<b>9,648</b>	<b>9,906</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(7,363)	(7,472)	(7,641)	(7,888)	(8,201)	(8,523)	(8,720)
Superannuation .....	(305)	(271)	(295)	(317)	(342)	(381)	(408)
Supplies and services .....	(672)	(611)	(696)	(653)	(677)	(704)	(723)
Accommodation .....	-	(30)	(30)	(40)	(40)	(40)	(40)
Goods and Services Tax .....	(60)	(61)	(61)	(61)	(61)	(61)	(61)
Other.....	-	(14)	(14)	(15)	(15)	(15)	(15)
<b>Receipts</b>							
Goods and Services Tax .....	60	61	61	61	61	61	61
<b>Net cash from operating activities.....</b>	<b>(8,340)</b>	<b>(8,398)</b>	<b>(8,676)</b>	<b>(8,913)</b>	<b>(9,275)</b>	<b>(9,663)</b>	<b>(9,906)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>147</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>(15)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	60	65	207	212	212	212	197
<b>Cash assets at the end of the reporting period.....</b>	<b>207</b>	<b>70</b>	<b>212</b>	<b>212</b>	<b>212</b>	<b>197</b>	<b>197</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST input credits .....	60	61	61	61
<b>TOTAL .....</b>	<b>60</b>	<b>61</b>	<b>61</b>	<b>61</b>

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

## LEGISLATIVE ASSEMBLY

### PART 1 - PARLIAMENT

#### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 2 Net amount appropriated to deliver services .....</b>	2,892	3,525	3,551	<b>3,331</b>	3,610	3,886	3,951
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	10,586	10,602	11,542	<b>11,498</b>	11,843	12,198	12,564
<b>Total appropriations provided to deliver services .....</b>	13,478	14,127	15,093	<b>14,829</b>	15,453	16,084	16,515

#### MISSION

*To provide effective, efficient and professional support to the Assembly, its Committees and individual Members.*

#### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Administrative and Procedural Support to the Legislative Assembly, its Members and Committees .....	23,569	23,074	24,040	23,958			
<b>Total Cost of Services .....</b>	23,569	23,074	24,040	23,958	24,585	25,221	25,647
<i>Less Income .....</i>	5	10	10	10	10	10	-
<b>Net Cost of Services .....</b>	23,564	23,064	24,030	23,948	24,575	25,211	25,647
Adjustments <sup>(a)</sup> .....	(10,086)	(8,937)	(8,937)	(9,119)	(9,122)	(9,127)	(9,132)
<b>Appropriation provided to deliver Services.</b>	13,478	14,127	15,093	14,829	15,453	16,084	16,515
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	13,478	14,127	15,093	14,829	15,453	16,084	16,515

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

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Service 1: Administrative and Procedural Support to the Legislative Assembly, its Members and Committees**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	23,569	23,074	24,040	23,958	
Less Income .....	5	10	10	10	
Net Cost of Service .....	23,564	23,064	24,030	23,948	
Adjustments <sup>(a)</sup> .....	(10,086)	(8,937)	(8,937)	(9,119)	
<b>Appropriation for delivery of Service .....</b>	<b>13,478</b>	<b>14,127</b>	<b>15,093</b>	<b>14,829</b>	

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

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	11,885	11,728	12,691	12,705	13,234	13,777	14,116
Superannuation .....	1,890	1,536	1,539	1,578	1,620	1,686	1,730
Supplies and services .....	9,756	9,746	9,746	9,660	9,716	9,743	9,731
Depreciation and amortisation .....	38	50	50	-	-	-	-
Other expenses .....	-	14	14	15	15	15	70
<b>TOTAL COST OF SERVICES .....</b>	<b>23,569</b>	<b>23,074</b>	<b>24,040</b>	<b>23,958</b>	<b>24,585</b>	<b>25,221</b>	<b>25,647</b>
<b>Income</b>							
Other Revenue .....	5	10	10	10	10	10	-
<b>Total Income .....</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>-</b>
<b>NET COST OF SERVICES .....</b>	<b>23,564</b>	<b>23,064</b>	<b>24,030</b>	<b>23,948</b>	<b>24,575</b>	<b>25,211</b>	<b>25,647</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	13,478	14,127	15,093	14,829	15,453	16,084	16,515
Resources received free of charge .....	8,548	7,888	7,888	7,988	7,988	7,988	7,988
Liabilities assumed by the Treasurer .....	1,275	1,110	1,110	1,110	1,110	1,110	1,110
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	<b>23,301</b>	<b>23,125</b>	<b>24,091</b>	<b>23,927</b>	<b>24,551</b>	<b>25,182</b>	<b>25,613</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS .....</b>	<b>(263)</b>	<b>61</b>	<b>61</b>	<b>(21)</b>	<b>(24)</b>	<b>(29)</b>	<b>(34)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 28, 28 and 28 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	135	276	213	209	205	177	139
Restricted cash .....	64	-	-	4	8	12	16
Receivables .....	25	8	25	23	23	23	23
Inventories.....	37	27	37	27	17	17	17
Prepayments.....	33	29	33	29	25	25	25
<b>Total current assets .....</b>	<b>294</b>	<b>340</b>	<b>308</b>	<b>292</b>	<b>278</b>	<b>254</b>	<b>220</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	170	220	220	220	220	220	220
Plant and equipment.....	109	47	59	59	59	59	59
Other.....	132	132	132	132	132	132	132
<b>Total non-current assets .....</b>	<b>411</b>	<b>399</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>
<b>TOTAL ASSETS.....</b>	<b>705</b>	<b>739</b>	<b>719</b>	<b>703</b>	<b>689</b>	<b>665</b>	<b>631</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	111	91	111	111	121	121	121
Provision for employee entitlements .....	317	312	306	307	303	304	300
Accrued Salaries .....	36	-	-	4	8	12	16
Other.....	-	47	-	-	-	-	-
<b>Total current liabilities.....</b>	<b>464</b>	<b>450</b>	<b>417</b>	<b>422</b>	<b>432</b>	<b>437</b>	<b>437</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	96	82	96	96	96	96	96
<b>Total non-current liabilities .....</b>	<b>96</b>	<b>82</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>
<b>TOTAL LIABILITIES.....</b>	<b>560</b>	<b>532</b>	<b>513</b>	<b>518</b>	<b>528</b>	<b>533</b>	<b>533</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	117	179	178	157	133	104	70
Reserves .....	28	28	28	28	28	28	28
<b>Total equity.....</b>	<b>145</b>	<b>207</b>	<b>206</b>	<b>185</b>	<b>161</b>	<b>132</b>	<b>98</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>705</b>	<b>739</b>	<b>719</b>	<b>703</b>	<b>689</b>	<b>665</b>	<b>631</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.



**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	13,428	14,077	15,043	14,829	15,453	16,084	16,515
<b>Net cash provided by State government .....</b>	<b>13,428</b>	<b>14,077</b>	<b>15,043</b>	<b>14,829</b>	<b>15,453</b>	<b>16,084</b>	<b>16,515</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(11,834)	(11,775)	(12,738)	(12,700)	(13,234)	(13,772)	(14,104)
Superannuation .....	(614)	(426)	(429)	(468)	(510)	(576)	(620)
Supplies and services .....	(1,255)	(1,858)	(1,858)	(1,666)	(1,704)	(1,755)	(1,755)
Goods and Services Tax .....	(129)	(115)	(115)	(113)	(115)	(115)	(115)
Other.....	-	(14)	(14)	(15)	(15)	(15)	(70)
<b>Receipts</b>							
Goods and Services Tax .....	108	115	115	115	115	115	115
Other receipts .....	4	10	10	18	10	10	-
<b>Net cash from operating activities.....</b>	<b>(13,720)</b>	<b>(14,063)</b>	<b>(15,029)</b>	<b>(14,829)</b>	<b>(15,453)</b>	<b>(16,108)</b>	<b>(16,549)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(292)</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>(24)</b>	<b>(34)</b>
Cash assets at the beginning of the reporting period .....	491	262	199	213	213	213	189
<b>Cash assets at the end of the reporting period.....</b>	<b>199</b>	<b>276</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>189</b>	<b>155</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST input credits .....	108	115	115	115
Sale of Publications and Other Revenue .....	4	10	10	18
<b>TOTAL .....</b>	<b>112</b>	<b>125</b>	<b>125</b>	<b>133</b>

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

## JOINT HOUSE COMMITTEE <sup>(a)</sup> (PARLIAMENTARY SERVICES)

### PART 1 - PARLIAMENT

#### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 3 Net amount appropriated to deliver services .....</b>	12,909	12,846	12,917	<b>13,158</b>	13,424	13,663	13,851
Total appropriations provided to deliver services .....	12,909	12,846	12,917	<b>13,158</b>	13,424	13,663	13,851
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	1,758	750	750	-	180	-	-
<b>GRAND TOTAL .....</b>	<b>14,667</b>	<b>13,596</b>	<b>13,667</b>	<b>13,158</b>	<b>13,604</b>	<b>13,663</b>	<b>13,851</b>

- (a) Following a review during 1997-98 of the support areas of Parliament an amalgamation resulted of the joint functions of the Joint House Committee, the Joint Printing Committee and the Joint Library Committee. Operationally, the combined Department will be referred to as Parliamentary Services, however, for the purpose of the budgetary appropriations, until amendments are enacted in the *Financial Administration and Audit Act (1985)* the name of Joint House Committee will need to be utilised in Budget Statements.

#### MISSION

*To ensure the provision of an appropriate environment and ancillary services to Members of Parliament, Chamber Departments, Parliamentary staff and other users.*

#### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Parliamentary Administrative and Support Services .....	13,656	12,880	12,951	13,251			
<b>Total Cost of Services .....</b>	<b>13,656</b>	<b>12,880</b>	<b>12,951</b>	<b>13,251</b>	<b>13,566</b>	<b>13,745</b>	<b>13,940</b>
<i>Less Income .....</i>	9	35	35	35	35	35	-
<b>Net Cost of Services .....</b>	<b>13,647</b>	<b>12,845</b>	<b>12,916</b>	<b>13,216</b>	<b>13,531</b>	<b>13,710</b>	<b>13,940</b>
Adjustments <sup>(a)</sup> .....	(738)	1	1	(58)	(107)	(47)	(89)
<b>Appropriation provided to deliver Services.</b>	<b>12,909</b>	<b>12,846</b>	<b>12,917</b>	<b>13,158</b>	<b>13,424</b>	<b>13,663</b>	<b>13,851</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>1,758</b>	<b>750</b>	<b>750</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS .....</b>	<b>14,667</b>	<b>13,596</b>	<b>13,667</b>	<b>13,158</b>	<b>13,604</b>	<b>13,663</b>	<b>13,851</b>

- (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.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION**

**Service 1: Parliamentary Administrative and Support Services**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	13,656	12,880	12,951	13,251	
Less Income .....	9	35	35	35	
Net Cost of Service .....	13,647	12,845	12,916	13,216	
Adjustments <sup>(a)</sup> .....	(738)	1	1	(58)	
<b>Appropriation for delivery of Service .....</b>	<b>12,909</b>	<b>12,846</b>	<b>12,917</b>	<b>13,158</b>	

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

**CAPITAL WORKS PROGRAM**

The Parliamentary Services Department capital works program for 2005-06 is \$1.1 million. These funds will be used primarily for the continuation of:

- Parliament House Stonework repairs;
- Hansard digital audio transcription; and
- Parliament House Security and associated grounds upgrade.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Building Refurbishment and Upgrade				
Building Maintenance Backlog .....	1,000	346	346	654
Parliament House Stonework Repairs .....	980	820	140	160
Information and Communication Systems				
Asset Replacement – IT and Equipment .....	350	190	190	10
Digital Audio Transcription .....	430	230	150	200
Parliament House Security				
Parliament House Security Upgrade .....	1,680	1,380	764	120
<b>COMPLETED WORKS</b>				
Information and Communication Systems				
Information Management Plan – Implementation .....	941	941	80	-
	5,381	3,907	1,670	1,144

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	<b>3,682</b>	<b>1,670</b>	<b>1,670</b>	<b>1,144</b>	<b>330</b>	<b>150</b>	<b>-</b>
	3,682	1,670	1,670	1,144	330	150	-
<b>LESS</b>							
Drawdowns from the Holding Account .....	910	920	920	580	150	150	-
Internal Funds and Balances .....	1,014	-	-	564	-	-	-
<b>Capital Contribution .....</b>	<b>1,758</b>	<b>750</b>	<b>750</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>-</b>

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	5,142	5,177	5,271	5,296	5,439	5,482	5,596
Superannuation .....	487	500	510	520	520	531	531
Supplies and services .....	2,286	2,230	2,230	2,473	2,478	2,559	2,559
Accommodation .....	2,368	1,500	1,500	1,500	1,500	1,500	1,500
Capital User Charge .....	2,207	2,304	2,271	2,302	2,307	2,312	2,311
Depreciation and amortisation .....	673	610	610	630	675	714	714
Other expenses .....	493	559	559	530	647	647	729
<b>TOTAL COST OF SERVICES</b> .....	<b>13,656</b>	<b>12,880</b>	<b>12,951</b>	<b>13,251</b>	<b>13,566</b>	<b>13,745</b>	<b>13,940</b>
<b>Income</b>							
Proceeds from disposal of non-current assets ..	8	30	30	30	30	30	-
Other Revenue .....	1	5	5	5	5	5	-
<b>Total Income</b> .....	<b>9</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>-</b>
<b>NET COST OF SERVICES</b> .....	<b>13,647</b>	<b>12,845</b>	<b>12,916</b>	<b>13,216</b>	<b>13,531</b>	<b>13,710</b>	<b>13,940</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	12,909	12,846	12,917	13,158	13,424	13,663	13,851
Liabilities assumed by the Treasurer .....	9	50	50	50	50	50	50
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>12,918</b>	<b>12,896</b>	<b>12,967</b>	<b>13,208</b>	<b>13,474</b>	<b>13,713</b>	<b>13,901</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(729)</b>	<b>51</b>	<b>51</b>	<b>(8)</b>	<b>(57)</b>	<b>3</b>	<b>(39)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 97, 98 and 98 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	670	257	572	8	9	12	12
Restricted cash .....	180	-	-	28	56	56	56
Receivables .....	78	252	82	160	168	168	168
Amounts receivable for services.....	920	580	580	150	150	150	-
Prepayments .....	121	100	121	181	201	201	201
<b>Total current assets .....</b>	<b>1,969</b>	<b>1,189</b>	<b>1,355</b>	<b>527</b>	<b>584</b>	<b>587</b>	<b>437</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	184	214	214	694	1,219	1,783	2,647
Land and Buildings .....	25,590	27,671	26,856	27,510	27,380	27,070	26,458
Plant and equipment.....	871	1,475	711	571	356	102	-
Other.....	1,210	578	1,185	1,185	1,185	1,185	1,185
<b>Total non-current assets .....</b>	<b>27,855</b>	<b>29,938</b>	<b>28,966</b>	<b>29,960</b>	<b>30,140</b>	<b>30,140</b>	<b>30,290</b>
<b>TOTAL ASSETS.....</b>	<b>29,824</b>	<b>31,127</b>	<b>30,321</b>	<b>30,487</b>	<b>30,724</b>	<b>30,727</b>	<b>30,727</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	654	877	615	775	875	861	885
Provision for employee entitlements .....	789	518	679	679	679	679	679
Accrued Salaries .....	110	-	-	14	28	42	57
<b>Total current liabilities.....</b>	<b>1,553</b>	<b>1,395</b>	<b>1,294</b>	<b>1,468</b>	<b>1,582</b>	<b>1,582</b>	<b>1,621</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	287	327	242	242	242	242	242
<b>Total non-current liabilities .....</b>	<b>287</b>	<b>327</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>242</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,840</b>	<b>1,722</b>	<b>1,536</b>	<b>1,710</b>	<b>1,824</b>	<b>1,824</b>	<b>1,863</b>
<b>EQUITY</b>							
Contributed Equity .....	6,277	7,027	7,027	7,027	7,207	7,207	7,207
Accumulated surplus/(deficit) .....	4,614	5,467	4,665	4,657	4,600	4,603	4,564
Reserves .....	17,093	16,911	17,093	17,093	17,093	17,093	17,093
<b>Total equity.....</b>	<b>27,984</b>	<b>29,405</b>	<b>28,785</b>	<b>28,777</b>	<b>28,900</b>	<b>28,903</b>	<b>28,864</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>29,824</b>	<b>31,127</b>	<b>30,321</b>	<b>30,487</b>	<b>30,724</b>	<b>30,727</b>	<b>30,727</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	11,805	12,236	12,307	12,528	12,749	12,949	13,137
Capital Contribution.....	1,758	750	750	-	180	-	-
Holding Account Drawdowns .....	910	920	920	580	150	150	-
<b>Net cash provided by State government .....</b>	<b>14,473</b>	<b>13,906</b>	<b>13,977</b>	<b>13,108</b>	<b>13,079</b>	<b>13,099</b>	<b>13,137</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(5,013)	(5,476)	(5,570)	(5,280)	(5,423)	(5,526)	(5,640)
Superannuation .....	(475)	(410)	(420)	(420)	(420)	(431)	(431)
Supplies and services .....	(2,204)	(1,783)	(1,783)	(1,988)	(1,990)	(2,097)	(2,058)
Accommodation.....	(2,388)	(2,056)	(2,056)	(2,152)	(2,092)	(2,092)	(2,092)
Capital User Charge.....	(2,207)	(2,304)	(2,271)	(2,302)	(2,307)	(2,312)	(2,311)
Goods and Services Tax .....	(809)	(475)	(475)	(475)	(475)	(475)	(475)
Other.....	(494)	(500)	(500)	(373)	(503)	(503)	(605)
<b>Receipts</b>							
Goods and Services Tax .....	841	475	475	475	475	475	475
Other receipts .....	10	3	3	3	3	3	-
<b>Net cash from operating activities.....</b>	<b>(12,739)</b>	<b>(12,526)</b>	<b>(12,597)</b>	<b>(12,512)</b>	<b>(12,732)</b>	<b>(12,958)</b>	<b>(13,137)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(3,015)	(1,670)	(1,670)	(1,144)	(330)	(150)	-
Proceeds from sale of non-current assets .....	-	12	12	12	12	12	-
<b>Net cash from investing activities.....</b>	<b>(3,015)</b>	<b>(1,658)</b>	<b>(1,658)</b>	<b>(1,132)</b>	<b>(318)</b>	<b>(138)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	(1,281)	(278)	(278)	(536)	29	3	-
Cash assets at the beginning of the reporting period .....	2,131	535	850	572	36	65	68
<b>Cash assets at the end of the reporting period.....</b>	<b>850</b>	<b>257</b>	<b>572</b>	<b>36</b>	<b>65</b>	<b>68</b>	<b>68</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST input credits .....	841	475	475	475
Other Receipts.....	10	3	3	3
<b>TOTAL .....</b>	<b>851</b>	<b>478</b>	<b>478</b>	<b>478</b>

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

# PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

## PART 1 - PARLIAMENT

### DIVISION 2

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 4 Net amount appropriated to deliver services .....</b>	2,517	2,343	2,768	<b>2,491</b>	2,278	2,460	2,451
<b>Amount Authorised by Other Statutes - Parliamentary Commissioner Act 1971 ...</b>	305	305	305	<b>378</b>	389	401	413
Total appropriations provided to deliver services .....	2,822	2,648	3,073	<b>2,869</b>	2,667	2,861	2,864
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	-	136	136	-	-	-	-
<b>GRAND TOTAL .....</b>	2,822	2,784	3,209	<b>2,869</b>	2,667	2,861	2,864

#### MISSION

*To assist the Parliament of Western Australia to be confident that the public sector of the State is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.*

#### SIGNIFICANT ISSUES AND TRENDS

- With the implementation of the State Administrative Tribunal (SAT) on 1 January 2005, the Parliamentary Commissioner for Administrative Investigations (the Office) will enter into a Memorandum of Understanding with the SAT and set up arrangements for effective cross-referral of complaints.
- It is expected that in 2005-06 the Office will receive around 1,600 allegations relating to public sector organisations.
- The Office will continue to produce guidelines to assist agencies improve their administrative processes, with a particular focus on procedural fairness.
- The Office will continue its partnership with collocated agencies and other accountability offices in outreach activities such as participating in regional shows.
- Following the development and refinement of service delivery targets for complaint assessment and investigation, and the successful implementation of a team based structure which promotes more efficient handling of complaints, the Office will develop and publish a service charter.

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Investigation of complaints about administrative actions of public sector organisations.....	2,759	2,748	3,087	3,003			
<i>Service 2:</i>							
Inspection of eligible authorities to ensure compliance with statutory provisions when they intercept telecommunications .....	44	52	52	52			
<b>Total Cost of Services .....</b>	<b>2,803</b>	<b>2,800</b>	<b>3,139</b>	<b>3,055</b>	<b>2,913</b>	<b>3,140</b>	<b>3,137</b>
<i>Less Income .....</i>	<i>1</i>	<i>51</i>	<i>51</i>	<i>143</i>	<i>143</i>	<i>143</i>	<i>143</i>
<b>Net Cost of Services .....</b>	<b>2,802</b>	<b>2,749</b>	<b>3,088</b>	<b>2,912</b>	<b>2,770</b>	<b>2,997</b>	<b>2,994</b>
Adjustments <sup>(a)</sup> .....	20	(101)	(15)	(43)	(103)	(136)	(130)
<b>Appropriation provided to deliver Services.</b>	<b>2,822</b>	<b>2,648</b>	<b>3,073</b>	<b>2,869</b>	<b>2,667</b>	<b>2,861</b>	<b>2,864</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>-</b>	<b>136</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>2,822</b>	<b>2,784</b>	<b>3,209</b>	<b>2,869</b>	<b>2,667</b>	<b>2,861</b>	<b>2,864</b>

(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.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcomes	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.	1. Investigation of complaints about administrative actions of public sector organisations
	Confidence that telecommunication interceptions are conducted in accordance with statutory provisions.	2. Inspection of eligible authorities to ensure compliance with statutory provisions when they intercept telecommunications



**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.</b>					
Of allegations where the Office made recommendations, percentage of recommendations accepted by agencies <sup>(b)</sup> .....	n/a	n/a	n/a	95%	
Number of improvements to practices and procedures of agencies as a result of the Office's action <sup>(b)</sup> .....	n/a	n/a	n/a	15%	
<b>Outcome: Confidence that telecommunication interceptions are conducted in accordance with statutory provisions.</b>					
The proportion of inspections completed where no serious breaches of the legislation were found <sup>(b)</sup> .....	n/a	n/a	n/a	100%	

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

(b) New indicator for 2005-06. No comparative data available.

**Service 1: Investigation of Complaints About Administrative Actions of Public Sector Organisations**

Investigation of complaints received under the *Parliamentary Commissioner Act 1971*.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,759	2,748	3,087	3,003	
Less Income .....	1	51	51	143	
Net Cost of Service .....	2,758	2,697	3,036	2,860	
Adjustments <sup>(a)</sup> .....	20	(101)	(15)	(43)	
<b>Appropriation for delivery of Service .....</b>	<b>2,778</b>	<b>2,596</b>	<b>3,021</b>	<b>2,817</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Percentage of allegations finalised within three months <sup>(a)</sup> .....	68%	70%	67%	70%	
Percentage of allegations finalised within 12 months <sup>(a)</sup> .....	n/a	n/a	90%	95%	
Percentage of allegations on hand less than three months old <sup>(a)</sup> .....	n/a	n/a	45%	50%	
Percentage of allegations on hand less than 12 months old <sup>(a)</sup> .....	n/a	n/a	80%	85%	
Average cost per allegation finalised .....	\$1,181	\$1,526	\$2,050	\$2,002	
<b>Full Time Equivalents (FTEs)</b>	<b>23</b>	<b>21</b>	<b>23</b>	<b>24</b>	

(a) New indicator for 2005-06. No comparative data available.

**Major Achievements For 2004-05**

- Improved the overall efficiency and effectiveness of the Office's operations through the successful implementation of a new structure, comprising an Assessments team and an Investigations and Major Projects team.
- Developed new work processes to improve customer service levels provided by the Assessments team.
- Continued to reduce the number of old matters on hand as well as the average age of allegations.
- Made presentations to over 35 government agencies, community groups and professional organisations on the role and functions of the Office.

**Major Initiatives For 2005-06**

- Improve case management of investigations through development of a case classification system.
- Continue the outreach program, where possible in partnership with other accountability organisations, targeting regional Western Australia.
- Host the annual Australasian and Pacific Ombudsman Conference in April 2006, with a theme of 'Integrity, Accountability and Transparency'.
- Review and expand the Office's website with information to assist agencies in improving administrative processes and with additional information to members of the public about the Office's services.

**Service 2: Inspection of Eligible Authorities to Ensure Compliance With Statutory Provisions When They Intercept Telecommunications**

Perform the duties of Principal Inspector and Inspectors under the *Telecommunications (Interception) Western Australia Act 1996*.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	44	52	52	52	
Less Income .....	-	-	-	-	
Net Cost of Service .....	44	52	52	52	
Adjustments <sup>(a)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service .....</b>	<b>44</b>	<b>52</b>	<b>52</b>	<b>52</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per inspection <sup>(a)</sup> .....	n/a	n/a	\$3,500	\$2,000	
<b>Full Time Equivalents (FTEs)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	

(a) New indicator for 2005-06. Comparative data not available.

**Major Achievements For 2004-05**

- Successful continuation of inspection program and reporting to Ministers.

**Major Initiatives For 2005-06**

- Maintenance of the inspection program.
- Continue liaison with inspectors in other Australian jurisdictions.

**CAPITAL WORKS PROGRAM**

The Office's capital works program of \$72,000 in 2005-06 will provide for the rolling replacement of existing assets.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Collocation – Office Refurbishment .....	542	542	220	-
Computer Hardware and Software				
2002-03 Program .....	40	40	40	-
2003-04 Program .....	100	100	100	-
2004-05 Program .....	64	64	64	-
Furniture and Equipment				
2002-03 Program .....	14	14	14	-
2004-05 Program .....	19	19	19	-
<b>NEW WORKS</b>				
Computer Hardware and Software				
2005-06 Program .....	67	-	-	67
Furniture and Equipment				
2005-06 Program .....	5	-	-	5
	851	779	457	72

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	534	433	457	72	107	106	143
	534	433	457	72	107	106	143
<b>LESS</b>							
Drawdowns from the Holding Account .....	100	83	83	72	107	106	143
Internal Funds and Balances .....	434	214	238	-	-	-	-
<b>Capital Contribution .....</b>	-	136	136	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	1,778	1,816	2,060	2,138	2,010	2,237	2,268
Superannuation .....	184	181	193	190	188	212	213
Grants and subsidies <sup>(c)</sup> .....	-	-	22	-	-	-	-
Supplies and services .....	364	242	336	245	255	191	191
Accommodation .....	322	375	250	240	250	290	304
Capital User Charge .....	29	45	45	45	45	45	45
Depreciation and amortisation .....	124	87	179	134	116	110	61
Other expenses .....	2	54	54	63	49	55	55
<b>TOTAL COST OF SERVICES</b> .....	<b>2,803</b>	<b>2,800</b>	<b>3,139</b>	<b>3,055</b>	<b>2,913</b>	<b>3,140</b>	<b>3,137</b>
<b>Income</b>							
User charges and fees .....	1	-	-	-	-	-	-
Grants and subsidies .....	-	5	5	5	5	5	5
Other Revenue .....	-	46	46	138	138	138	138
<b>Total Income</b> .....	<b>1</b>	<b>51</b>	<b>51</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>143</b>
<b>NET COST OF SERVICES</b> .....	<b>2,802</b>	<b>2,749</b>	<b>3,088</b>	<b>2,912</b>	<b>2,770</b>	<b>2,997</b>	<b>2,994</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,822	2,648	3,073	2,869	2,667	2,861	2,864
Resources received free of charge .....	81	100	100	100	100	99	99
Liabilities assumed by the Treasurer .....	4	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,907</b>	<b>2,748</b>	<b>3,173</b>	<b>2,969</b>	<b>2,767</b>	<b>2,960</b>	<b>2,963</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b>							
	105	(1)	85	57	(3)	(37)	(31)

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 24, 24 and 25 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	479	116	392	493	511	496	486
Receivables .....	32	7	32	32	32	32	32
Amounts receivable for services.....	83	72	72	107	106	143	-
<b>Total current assets .....</b>	<b>594</b>	<b>195</b>	<b>496</b>	<b>632</b>	<b>649</b>	<b>671</b>	<b>518</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	56	71	321	479	624	726	925
Plant and equipment.....	591	926	869	758	749	745	827
Intangibles.....	-	-	-	49	49	49	49
Restricted cash .....	72	1	4	10	15	20	20
<b>Total non-current assets.....</b>	<b>719</b>	<b>998</b>	<b>1,194</b>	<b>1,296</b>	<b>1,437</b>	<b>1,540</b>	<b>1,821</b>
<b>TOTAL ASSETS.....</b>	<b>1,313</b>	<b>1,193</b>	<b>1,690</b>	<b>1,928</b>	<b>2,086</b>	<b>2,211</b>	<b>2,339</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	110	76	108	106	104	102	106
Provision for employee entitlements .....	298	375	467	539	613	686	761
Accrued Salaries .....	58	2	8	9	15	21	21
Other.....	-	9	9	43	49	55	55
<b>Total current liabilities.....</b>	<b>466</b>	<b>462</b>	<b>592</b>	<b>697</b>	<b>781</b>	<b>864</b>	<b>943</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	180	75	210	286	363	442	522
<b>Total non-current liabilities .....</b>	<b>180</b>	<b>75</b>	<b>210</b>	<b>286</b>	<b>363</b>	<b>442</b>	<b>522</b>
<b>TOTAL LIABILITIES.....</b>	<b>646</b>	<b>537</b>	<b>802</b>	<b>983</b>	<b>1,144</b>	<b>1,306</b>	<b>1,465</b>
<b>EQUITY</b>							
Contributed Equity.....	596	732	732	732	732	732	732
Accumulated surplus/(deficit) .....	66	(81)	151	208	205	168	137
Reserves .....	5	5	5	5	5	5	5
<b>Total equity.....</b>	<b>667</b>	<b>656</b>	<b>888</b>	<b>945</b>	<b>942</b>	<b>905</b>	<b>874</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,313</b>	<b>1,193</b>	<b>1,690</b>	<b>1,928</b>	<b>2,086</b>	<b>2,211</b>	<b>2,339</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,742	2,561	2,736	2,604	2,416	2,616	2,665
Capital Contribution.....	-	136	136	-	-	-	-
Holding Account Drawdowns .....	100	83	83	72	107	106	143
<b>Net cash provided by State government .....</b>	<b>2,842</b>	<b>2,780</b>	<b>2,955</b>	<b>2,676</b>	<b>2,523</b>	<b>2,722</b>	<b>2,808</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,792)	(1,895)	(1,911)	(1,989)	(1,853)	(2,079)	(2,113)
Superannuation .....	(178)	(181)	(193)	(190)	(188)	(212)	(213)
Grants and subsidies .....	-	-	(22)	-	-	-	-
Supplies and services .....	(283)	(175)	(269)	(162)	(186)	(128)	(128)
Accommodation.....	(320)	(375)	(250)	(240)	(250)	(290)	(304)
Capital User Charge.....	(72)	(45)	(45)	(45)	(45)	(45)	(45)
Goods and Services Tax .....	(114)	(56)	(56)	(56)	(56)	(56)	(56)
Other.....	-	(14)	(14)	(14)	(14)	(15)	(15)
<b>Receipts</b>							
User charges and fees.....	1	-	-	-	-	-	-
Grants and subsidies .....	-	5	5	5	5	5	5
Goods and Services Tax .....	97	56	56	56	56	56	56
Other receipts .....	-	46	46	138	138	138	138
<b>Net cash from operating activities.....</b>	<b>(2,661)</b>	<b>(2,634)</b>	<b>(2,653)</b>	<b>(2,497)</b>	<b>(2,393)</b>	<b>(2,626)</b>	<b>(2,675)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(511)	(433)	(457)	(72)	(107)	(106)	(143)
<b>Net cash from investing activities.....</b>	<b>(511)</b>	<b>(433)</b>	<b>(457)</b>	<b>(72)</b>	<b>(107)</b>	<b>(106)</b>	<b>(143)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
Cash assets at the beginning of the reporting period .....	881	404	551	396	503	526	516
<b>Cash assets at the end of the reporting period.....</b>	<b>551</b>	<b>117</b>	<b>396</b>	<b>503</b>	<b>526</b>	<b>516</b>	<b>506</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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 Office:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST Input Credits.....	97	56	56	56
Other Receipts.....	-	46	46	138
Commonwealth Ombudsman .....	-	5	5	5
User charges and Fees.....	1	-	-	-
<b>TOTAL .....</b>	<b>98</b>	<b>107</b>	<b>107</b>	<b>199</b>

The moneys received and retained are to be applied to the Office's services as specified in the Budget Statements.





## Part 2

### Premier; Minister for Public Sector Management; Water Resources; Federal Affairs

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
69	Premier and Cabinet			
	– Delivery of Services .....	142,762	178,195	<b>185,306</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	26,637	8,063	<b>20,578</b>
	– Capital Contribution .....	-	-	<b>2,600</b>
	– Administered Capital Contribution.....	42,000	21,883	<b>44,689</b>
	Total .....	211,399	208,141	<b>253,173</b>
107	Governor's Establishment			
	– Delivery of Services .....	3,276	2,637	<b>2,474</b>
	Total .....	3,276	2,637	<b>2,474</b>
115	Office of the Public Sector Standards Commissioner			
	– Delivery of Services .....	3,284	3,398	<b>3,839</b>
	– Capital Contribution .....	-	50	<b>34</b>
	Total .....	3,284	3,448	<b>3,873</b>
126	Salaries and Allowances Tribunal			
	– Delivery of Services .....	310	318	<b>317</b>
	Total .....	310	318	<b>317</b>
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	149,632	184,548	<b>191,936</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	26,637	8,063	<b>20,578</b>
	– Capital Contribution .....	-	50	<b>2,634</b>
	– Administered Capital Contribution	42,000	21,883	<b>44,689</b>
	Total .....	218,269	214,544	<b>259,837</b>



## PREMIER AND CABINET

### PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS

#### DIVISION 3

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 5 Net amount appropriated to deliver services .....</b>	118,470	142,262	177,655	<b>184,760</b>	157,990	150,075	131,106
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	540	500	540	<b>546</b>	553	560	567
Total appropriations provided to deliver services.....	119,010	142,762	178,195	<b>185,306</b>	158,543	150,635	131,673
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 6 Amount provided for Administered Grants, Subsidies and Other Transfer Payments .....</b>	4,241	26,637	8,063	<b>20,578</b>	10,766	14,396	-
<b>CAPITAL</b>							
<b>Item 118 Capital Contribution .....</b>	-	-	-	<b>2,600</b>	-	-	-
<b>Item 119 Administered Capital Contribution .....</b>	-	42,000	21,883	<b>44,689</b>	22,966	7,383	-
<b>GRAND TOTAL .....</b>	123,251	211,399	208,141	<b>253,173</b>	192,275	172,414	131,673

#### MISSION

*Support the Premier and Cabinet in achieving the Government's vision for all Western Australians, through leadership and coordination and the promotion of excellence in the public sector.*

#### SIGNIFICANT ISSUES AND TRENDS

- International events continue to reinforce the importance of security and emergency management. The Department has a key role in the establishment of a State Crisis Centre and in providing advice and support to the Premier on security and emergency management in Western Australia.
- The average rate of rainfall in Western Australia has continued to fall over the past decade. In order to meet our existing and future water needs, the Government is currently exploring a number of alternative water supply options and initiatives including demand management, water trading with irrigators, water recycling, catchment management, weather-independent sources and the development of new groundwater and surface water sources.
- Public sector reform through collaboration between agencies using technology as a tool is a priority for governments world-wide. e-Government is a catalyst for change to improve service delivery. The Department is developing and implementing initiatives to enhance the public sector's capacity to deliver integrated services.
- Competing pressures are challenging the federal balance of power between the Commonwealth and the States and Territories. The Department plays a key role in providing advice and support to the Premier on strategic federal affairs issues.
- Issues of workforce management in the face of a tight labour market and an ageing population remain significant. Research shows that the Health, Vocational Education and Training and Education sectors will experience recruitment shortfalls in the medium term. The Department is conducting research and seminars to increase the public sector's understanding of these issues and promoting public sector careers to university students.

- At present, some 21 different financial management systems and another 12 human resource management systems are used in the largest 49 agencies of the Western Australian public sector. The Department is responsible for the implementation of shared corporate services for general public sector agencies. This reform initiative is expected to realise significant savings through aggregating, simplifying and automating back office human resource and finance activities, as well as providing career development opportunities for employees.
- At the international and national level, greenhouse gas driven climate change is being seen as the biggest global environmental challenge. The impacts of climate change are already apparent in Western Australia, with serious reductions in water availability in the south west attributable to climate change. Western Australia will need to become more efficient in energy use, reduce emissions and incorporate planning for adaptation to climate change across all sectors and regions.
- Increasing levels of international cooperation across all fields of science provides opportunities to attract overseas investment where Western Australia has inherent comparative and competitive advantages. The Department is working to build on these advantages by attracting significant international scientific projects and researchers to Western Australia.
- Both the number and rate of offences reported and detected have decreased over the last four years. The Western Australian Police Service statistics show that in 2003-04 there was an 8.1% reduction in the number of offences compared with the previous year. The most recent quarterly statistics from the Police Service indicate that this downward trend is continuing. The Department plays a key role coordinating crime reduction activity and has increased funding for strategic crime control projects to further reduce these crime rates.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken prior to the State Election</b>				
Native Title Land and Equity Fund .....	10,000	10,000	10,000	10,000
Physical Activity Taskforce.....	490	235	-	-
Road Safety Road Trauma Trust Fund – additional funding .....	4,000	4,000	4,000	4,000
Science and Innovation – Rollout Centre of Excellence funding .....	-	-	4,500	4,500
Shared Corporate Services.....	10,690			
<b>Decisions taken since the State Election</b>				
Australian and New Zealand Army Corp (ANZAC) Small Grants Scheme .....	445	-	-	-
Crime Prevention – Community Engagement Team .....	250	440	440	440
Crime Prevention – Designing Out Crime initiative.....	180	180	180	180
Crime Prevention – Policy Development.....	90	90	90	90
Crime Prevention – Responsible Parenting Orders and Contracts .....	2,532	-	-	-
Crime Prevention – Strategic Initiatives.....	1,570	1,570	1,570	1,570
Electorate Officer Reclassification.....	426	628	785	803
Government Media Office Staffing.....	225	225	225	225
Inquiry into Western Australia's Corrections System .....	1,000	-	-	-
Media Conference Facility .....	150	-	-	-
Mid West Space Programs – Infrastructure and Support.....	720	3,640	140	140
Ministerial Media Advisors.....	65	65	65	65
Ministerial Offices – additional three offices.....	3,930	3,930	3,930	3,930
Native Title Future Acts Officers .....	215	214	215	215
Native Title Representative Bodies (Future Acts Officers) .....	137	455	455	455
Native Title – Tenure Searching.....	500	500	500	500
Regional Liaison Officers.....	200	200	200	200
Research and Community Consultation .....	200	200	200	200
Road Safety Drink Driving Program.....	139	140	-	-
State Crisis Centre operations.....	1,150	1,174	1,209	1,245
State Water Strategy – establishment of the Office of Water Strategy.....	700	700	700	700
State Water Strategy Initiatives .....	395	400	400	400
State Water Strategy – support for an Industry Development Officer.....	20	20	20	20
State Water Strategy – Waterwise on the Farm educational courses.....	50	50	50	50
State Water Strategy – Western Australia Water Campaign grants.....	125	125	125	125

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support for the Premier as Head of Government.....	11,794	12,194	12,602	12,429			
<i>Service 2:</i>							
Management of matters of State.....	61,715	61,081	73,708	67,853			
<i>Service 3:</i>							
Management of policy <sup>(a)</sup> .....	6,030	7,343	10,060	12,143			
<i>Service 4:</i>							
Support for the Premier as Minister for Public Sector management.....	7,271	7,769	9,707	7,023			
<i>Service 5:</i>							
Parliamentary, statutory and legislative publishing service.....	2,862	3,379	2,712	2,909			
<i>Service 6:</i>							
Management of the Constitutional Centre programs.....	3,189	1,777	3,963	1,293			
<i>Service 7:</i>							
Promotion and support of citizenship and multiculturalism in Western Australia <sup>(a)</sup> .....	3,102	3,035	3,504	3,412			
<i>Service 8:</i>							
Native Title policy development, implementation and negotiation.....	3,674	12,280	8,343	29,074			
<i>Service 9:</i>							
Science and innovation promotion and support..	15,719	26,860	17,303	43,917			
<i>Service 10:</i>							
Support for the implementation of the State's road safety initiatives.....	16,081	15,872	22,965	20,252			
<i>Service 11:</i>							
e-Government policy and coordination.....	8,963	7,308	6,121	3,947			
<i>Service 12:</i>							
Implementation of the State Crime Prevention Strategy.....	5,850	8,018	9,976	12,752			
<b>Total Cost of Services</b> .....	146,250	166,916	180,964	217,004	189,867	182,102	163,229
<i>Less Income</i> .....	27,793	23,322	22,348	19,982	19,367	19,597	19,534
<b>Net Cost of Services</b> .....	118,457	143,594	158,616	197,022	170,500	162,505	143,695
Adjustments <sup>(b)</sup> .....	553	(832)	19,579	(11,716)	(11,957)	(11,870)	(12,022)
<b>Appropriation provided to deliver Services.</b>	119,010	142,762	178,195	185,306	158,543	150,635	131,673
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	4,241	26,637	8,063	20,578	10,766	14,396	-
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	-	-	-	2,600	-	-	-
<b>Administered Capital Contribution</b> <sup>(c)</sup> .....	-	42,000	21,883	44,689	22,966	7,383	-
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	123,251	211,399	208,141	253,173	192,275	172,414	131,673

(a) 2004-05 Budget figures have been adjusted for comparability purposes.

(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, service and financial information is the subject of a Resource Agreement signed by the Premier, Minister for Disability Services, Sport and Recreation, Citizenship and Multicultural Interests, Seniors; Minister for the Environment, Science; Minister for Police and Emergency Services, Justice, Community Safety; the Director General and the Treasurer.

The relationship of Ministers to services is shown below.

Responsible Minister	Service
Premier; Minister for Public Sector Management; Water Resources; Federal Affairs.	1. Support for the Premier as Head of Government 2. Management of matters of State 3. Management of policy 4. Support for the Premier as Minister for Public Sector Management 5. Parliamentary, statutory and legislative publishing service 11. e-Government policy and coordination
Minister for Disability Services; Sport and Recreation; Citizenship and Multicultural Interests; Seniors.	6. Management of the Constitutional Centre programs 7. Promotion and support of citizenship and multiculturalism in Western Australia
Deputy Premier; Treasurer; Minister for Government Enterprises.	8. Native Title policy development, implementation and negotiation
Minister for Environment; Science.	9. Science and innovation promotion and support
Minister for Police and Emergency Services; Community Safety.	10. Support for the implementation of the State's road safety initiatives 12. Implementation of the State Crime Prevention Strategy

## OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

### Relationship to Government Goals

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

Government Goals	Desired Outcomes	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	The Premier's requirements and those of Cabinet are met.	1. Support for the Premier as Head of Government 2. Management of matters of State 3. Management of policy
	The Premier's obligations as Minister for Public Sector Management are met.	4. Support for the Premier as Minister for Public Sector Management
	A secure, confidential and time critical printing and publishing service for Parliament and Government.	5. Parliamentary, statutory and legislative publishing service
	Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian federal system of government.	6. Management of the Constitutional Centre programs
	The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.	11. e-Government policy and coordination

Government Goals	Desired Outcomes	Services
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.	Resolution of Native Title matters in accordance with Government policy.	8. Native Title policy development, implementation and negotiation
	Science and innovation has increased in significance as a driver of economic growth for Western Australia.	9. Science and innovation promotion and support
To enhance the quality of life and wellbeing of all people throughout Western Australia.	A Western Australian public sector which recognises that Western Australian citizens play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principles of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.	10. Promotion and support of citizenship and multiculturalism in Western Australia
	Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.	11. Support for the implementation of the State's road safety initiatives
	A safer and more secure community.	12. Implementation of the State crime prevention strategy

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: The Premier's requirements and those of Cabinet are met.</b>					
The extent to which the needs of the Premier and Cabinet are met by services provided by the Department of the Premier and Cabinet .....	3.4	3.4	3.0	3.0	See note (b).
<b>Outcome: The Premier's obligations as Minister for Public Sector Management are met.</b>					
The extent to which the needs of the Premier are met by services provided by the Department of the Premier and Cabinet .....	4.0	3.0	3.0	3.0	See note (c).
<b>Outcome: A secure, confidential and time critical printing and publishing service for Parliament and Government.</b>					
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by each House of Parliament .....	100%	100%	100%	100%	
Proportion of documents produced and released in accordance with security and confidentiality requirements .....	100%	100%	100%	100%	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian federal system of government.</b>					
Percentage growth in Constitutional Centre customer numbers compared to previous year.	11.2%	0%	-3.2%	7.1%	Growth in customer numbers is projected for 2005-06 as an outcome of new program development.
Percentage increase in use of electronic information provided on the Constitutional Centre web page.....	3.1%	8.2%	41.6%	12.5%	Significant growth in usage in 2004-05 due to incorporation of 175th Anniversary Celebration information that will not be retained in 2005-06.
Level of regional demand/support for travelling or outreach programs .....	36.3%	20%	-52%	62.5%	Significant reduction in number of outreach programs provided in 2004-05 was due to difficulties experienced in recruiting regional presenters that are being addressed for 2005-06.
<b>Outcome: The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.</b>					
Proportion of Departments that adopt and implement policies, standards and guidelines developed by the Office of e-Government .....	100%	71%	81%	95%	This indicator refers to the 21 departments of government. 17 departments have advised of adoption/implementation of more than 50% of policies and guidelines released during 2004-05.
Strategic Management Council e-Government Sub-Committee's satisfaction with quality of advice and support provided.....	3.4	3.0	3.4	3.0	See note (d)
Premier's Office satisfaction with advice and support provided .....	4.0	3.0	3.0	3.0	See note (c)
<b>Outcome: Resolution of Native Title matters in accordance with Government Policy.</b>					
Reduction in number of outstanding claims awaiting resolution.....	1%	10%	8.5%	8%	
Ratio of consent agreements to litigated decisions.....	7:3	16:6	15:5	23:6	This indicator shows the number of consent Native Title agreements compared with litigated decisions since 1999-2000. It is projected that a significant number of consent agreements currently under negotiation will be completed in 2005-06.



	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Science and Innovation has increased in significance as a driver of economic growth for Western Australia.</b>					
Index of funding leverage obtained for Western Australia from Centres of Excellence grants....	9:1	9:1	9:1	5:1	Leading indicator that reports ratio of dollars provided by Commonwealth and other sources for every dollar provided by the State. The proportion of State investment in new centres is expected to increase significantly from 2005-06.
Change in level of total investment in scientific research and development in Western Australia..	11.86%	n/a	n/a	n/a	Lagging indicator using ABS data published every two years. Data reported as 2003-04 actual is data for calendar years 2002 and 2003. It is not possible to confidently estimate a value for 2004 and 2005. This data will be published in August 2006.
<b>Outcome: A Western Australian public sector which recognises that Western Australian citizens play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.</b>					
Extent to which coordination provided by the Citizens and Civics Unit enhances Western Australian citizens' ability to influence government policies that shape their society <sup>(e)</sup>	n/a	n/a	92%	85%	
The extent to which culturally and linguistically diverse communities in Western Australia experience substantive equality through the multicultural principles of civic values, fairness, equality and participation in their dealings with the public sector .....	65.4%	n/a	65%	65%	See note (f).
Extent to which policies and practices of public sector agencies reflect the principles of multiculturalism .....	77.4%	n/a	77%	77%	See note (f).
<b>Outcome: Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.</b>					
Deaths from road crashes per 100,000 estimated residential population .....	9.2	8.9	8.9	8.8	See note (g).
Police reported hospital admissions due to road crashes per 100,000 population .....	147	145	145	142	See note (h).
Hospital admissions due to road crashes per 100,000 population .....	188	185	185	182	See note (i).

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: A safer and more secure community.</b>					
Reported rate of home burglary per 1,000 residential dwellings .....	52.5	47.5	50.3	47.5	Projected reduction is the outcome of government-wide crime prevention initiatives. See note (j).
Proportion of the community who feel 'safe' or 'very safe' at home alone after dark .....	75%	81%	74%	80%	See note (k).
Proportion of the community who feel 'safe' or 'very safe' at home alone during the day .....	88%	92%	89%	91%	See note (k).

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations' obtained from standard survey instrument issued to the Premier's Office and to all Ministerial offices.
- (c) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations' obtained from standard survey instrument issued to the Premier's Office.
- (d) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations' obtained from standard survey instrument issued to the members of the Strategic Management Committee e-Government Sub-Committee.
- (e) New indicator developed for 2004-05 (function transferred from Policy Management following re-allocation of Ministerial portfolio). No data is available for prior periods. Rating obtained from survey instruments completed by participants on completion of major consultation/facilitation projects.
- (f) Data for this indicator is provided by an externally administered phone survey of nominated representatives of all multicultural and public sector organisations with whom the Office interacts.
- (g) The 2003-04 figure has been determined by dividing the Western Australian population of 1,989,000 (source: Australian Bureau of Statistics data) by 180 fatalities that occurred on Western Australian roads during calendar year 2004.
- (h) Data for this indicator is supplied by Main Roads and the Injury Research Centre of the University of Western Australia, and is only available for calendar year 2003. 2004-05 and 2005-06 data is estimated on past results.
- (i) Data for this indicator is supplied by the Department of Health and the Injury Research Centre of the University of Western Australia, and is only available for calendar year 2003. 2004-05 and 2005-06 data is estimated on past results.
- (j) This effectiveness indicator uses data published by the Crime Research Centre at the University of Western Australia. Community safety and crime prevention partnerships, and other Office of Crime Prevention strategies are designed to reduce the incidence of home burglary and home invasion, however changes in this indicator are the outcome of policies, programs and actions of several departments and agencies working together on a cross-government basis.
- (k) The data for this indicator is published annually in the 'Report on Government Services' as 'Perception of safety at home', and is sourced from the Australasian Centre for Policing Research's National Survey of Community Satisfaction with Policing.

### Service 1: Support for the Premier as Head of Government

The Department provides administrative support and advice responsive to the Premier's requirements as Head of Government. This output also includes the promotion of Western Australia's interests overseas and communicating Government policies and activities.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	11,794	12,194	12,602	12,429	
Less Income .....	190	10	19	4	
Net Cost of Service .....	11,604	12,184	12,583	12,425	
Adjustments <sup>(a)</sup> .....	396	(62)	(282)	(307)	
<b>Appropriation for delivery of Service .....</b>	<b>12,000</b>	<b>12,122</b>	<b>12,301</b>	<b>12,118</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of services provided to support the Premier .....	\$3,537,684	\$4,227,435	\$4,126,283	\$3,943,829	See note (a).
Average cost of representing Western Australian interests overseas (per region) .....	\$1,650,064	\$1,515,112	\$1,564,760	\$1,563,043	
Average cost of media and communication services provided to each Minister (including the Premier) .....	\$236,067	\$226,478	\$252,133	\$223,277	See note (b).
Grants excluded .....		\$250,000			
<b>Full Time Equivalents (FTEs)</b>	75	72	77	77	

(a) The higher cost in 2004-05 is the result of \$160,000 carryover from 2003-04 expended in 2004-05.

(b) The decrease in the average cost of media and communication services in 2005-06 is the outcome of the increase in size of the Cabinet from 14 to 17 Ministers, partially offset by additional funding provided to the Government Media Office in 2005-06.

**Major Achievements For 2004-05**

- The North Asia Office coordinated an inbound trade mission for Japanese agribusiness, medical and biotechnology.
- The North Asia Office supported two separate Japanese consortiums planning to establish di-methyl ether production facilities in the Burrup Industrial Precinct. The consortiums are continuing with planning, although projects are on hold due to the increased value of the Australian dollar and labour cost issues.
- Assistance was provided by the North Asia Office to Hope Downs Management Services to establish registrations of interest from four Japanese Steel Mills, and to Western Australian wineries marketing their product in Japan.
- In conjunction with the Department of Agriculture, the Middle East Trade Office facilitated the visit of senior buyers from major supermarket chains in Gulf States countries including Saudi Arabia, Bahrain and United Arab Emirates to Perth.
- The Middle East Trade Office initiated and coordinated the official visit of the Minister for Municipal Affairs and Agriculture from Qatar to promote trade relations between Western Australia and Qatar.
- An agreement was negotiated with Austrade to utilise its services to identify opportunities and promote Western Australian agricultural consultancy and project capabilities to Libya.
- The European Office assisted in the coordination of the Premier's visit program to Europe as part of the ANZAC Student Tour.
- Western Australia was represented at major oil and gas industry exhibitions, and the European Office supported the Government of Tuscany's participation at the 2004 Perth Royal Show, and Western Australia's participation in Tuscany's 'International Handicrafts Fair'.
- The European Office coordinated an Australian Migration Information Day, attracting in excess of 1,000 potential business migrants, and supported a Western Australian presence at 'Emigrate 2005'.
- The recruitment of a Convention and Event Manager by the European Office to promote Western Australia as a venue for major conferences, meetings and events has resulted in the attraction of several major events.
- The Department developed a three year implementation plan involving key government agencies, non-government agencies and local government to promote healthy active lifestyles for Western Australian children.
- The Department implemented initiatives to foster the ANZAC spirit, including the student delegation to ANZAC sites, Small Grants Scheme and Adopt-A-Memorial Program.
- The Department established a funding partnership with the City of Perth and East Perth Redevelopment Authority to create the position of Northbridge Precinct Manager.

- The Department established the Northbridge History Project, constituted the Premier's Northbridge History Reference Panel, and developed and launched the Northbridge History website.
- The Department established the Premier's Indigenous Cultural Environment Working Party.

### ***Major Initiatives For 2005-06***

- The North Asia Office will support inbound trade missions to the Aichi Expo 2005 and the Premier's visit in July 2005.
- The 'Kansai/Hyogo Strategy' will be further implemented and promotional events coordinated including outbound trade missions.
- Western Australian aged care, education and wine production and tourism service providers will be supported in developing commercial opportunities in the Japanese market.
- The Middle East Trade Office, in conjunction with the Departments of Agriculture and Industry and Resources, will promote and facilitate Western Australian food processors and manufacturers representation at the Gulf Foods Exhibition, and construction industry representation at the Big Five Construction and Building Industry Exhibition.
- In conjunction with the Department of Industry and Resources, the Middle East Trade Office will promote the involvement of Western Australian technology companies at GITEX Middle East.
- The Middle East Trade Office will organise 'WA On Display', an initiative to promote Western Australian agribusiness capabilities, investment and inward skilled migration opportunities at exhibitions, conferences and events throughout the Middle East region.
- The European office will support the inbound ministerial-led delegation of major Western Australian firms attending European conferences and exhibitions.
- The Department will implement a 'State Walking Strategy' aimed at increasing physical activity levels and improving places where people walk.
- ANZAC initiatives including the Grateful State Program will continue to be implemented.
- The Department will participate in the Perth Cultural Centre Urban Renewal Project.
- The Northbridge History project will undertake consultation with residents/traders/landowners, establish a research library and hold public workshops to communicate results.

### **Service 2: Management of Matters of State**

The Department provides a range of services on behalf of the Premier including:

- support for the functions of executive government;
- administration of entitlements for Members of Parliament;
- support for ministerial offices and the leaders of the opposition parties;
- developing whole-of-government positions on treaties, defence, federal reform and other matters raised through the Council of Australian Governments;
- managing and coordinating Western Australian Government input to federal negotiations;
- coordinating delivery of government services provided to the Indian Ocean Territories on behalf of the Commonwealth Government; and
- provision of advice, briefing and support to the Premier, Ministers and other government agencies, and coordination of a whole-of-government, all hazards approach to the prevention, response to and recovery from significant security and/or natural disaster incidents.

This service also includes the corporate services function provided to the Office of the Public Sector Standards Commissioner, the Parliamentary Commissioner for Administrative Investigations and the Department of Treasury and Finance.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	61,715	61,081	73,708	67,853	2004-05 expenditures include Government donations to Tsunami relief.
Less Income .....	701	478	861	585	
Net Cost of Service .....	61,014	60,603	72,847	67,268	
Adjustments <sup>(a)</sup> .....	(896)	(542)	(7,586)	(1,080)	
<b>Appropriation for delivery of Service .....</b>	<b>60,118</b>	<b>60,061</b>	<b>65,261</b>	<b>66,188</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average operating cost per Ministerial Office (including the Leaders of the Opposition) .....	\$1,523,019	\$1,405,924	\$1,565,177	\$1,428,401	See note (a).
Average cost of administration provided for each Ministerial Office (including the Leaders of the Opposition) .....	\$377,894	\$411,404	\$351,894	\$319,238	See note (a).
Average entitlement cost per Member of Parliament .....	\$201,006	\$210,294	\$209,588	\$213,950	
Average cost of administration per Member of Parliament .....	\$7,706	\$8,332	\$10,292	\$9,606	
Average cost of providing an Executive Government Service.....	\$12,186	\$15,084	\$15,390	\$15,859	See note (b).
Average cost per briefing provided to the Premier as Minister for Federal Affairs.....	\$2,235	\$2,334	\$4,876	\$3,969	See note (c).
Average cost per Indian Ocean Territory Service Delivery Arrangement coordinated ..	\$8,061	\$9,119	\$8,579	\$8,883	
Average cost per security project .....	n/a	n/a	\$110,641	\$138,350	See note (d).
Support provided to Inquiries and Community Service Obligations.....	\$7,707,166	\$5,561,989	\$7,943,859	\$4,322,916	See note (e).
Community Service grants and donations excluded .....	\$1,836,012	\$3,490,108	\$6,671,290	\$4,211,000	See note (f).
Corporate Services provided to external agencies.....	\$590,671	\$552,624	\$591,857	\$570,919	
Severance excluded.....	\$60,737				
Post-election severances excluded from efficiency indicators.....			\$1,700,000	\$775,000	See note (g).
<b>Full Time Equivalents (FTEs)</b>	<b>467</b>	<b>478</b>	<b>497</b>	<b>514</b>	

- (a) Costs associated with providing accommodation to address the increase from 14 to 17 Ministers in Cabinet following the 2005 General Election is the principal reason for the higher average operating cost per Ministerial Office, and the average administration cost per Ministerial Office in 2004-05, the latter partially offset by additional funding approved for Ministerial Air Charter in 2005-06. For 2004-05 estimated outturn, the average number of ministerial offices for the purposes of this indicator is 16 and the 2005-06 target is 18 (16 ministerial offices and two leaders of opposition offices).
- (b) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget statements.
- (c) The number of briefings estimated for 2004-05 is 17% less than is projected for 2005-06 due to the reduction in Council of Australian Governments activity in the lead up period to the Federal election. The reduced number of briefings provided leads to the higher average cost for 2004-05.
- (d) The Security Planning and Coordination function was established in 2004-05, and interim indicators developed. Comparative data is not available for prior periods. Additional funding approved for 2005-06 and outyears is the reason for the higher average cost per security project in 2005-06 as the number of projects is consistent for both periods.
- (e) Additional one-year funding provided in 2004-05 for redeployees transferred to the Department of the Premier and Cabinet following the abolition of the Anti-Corruption Commission in May 2004 is the reason for the higher expense in 2004-05.
- (f) Donations in excess of \$4 million made by Government for Tsunami Relief in 2004-05 were extraordinary.
- (g) Additional funding received for post-election termination payments for Ministerial and Electorate Office staff including a provision for deferred termination payments in 2005-06.

**Major Achievements For 2004-05**

- The Department coordinated formalities associated with the State General Election, including the oversight of the Caretaker Conventions. The Department also established offices for the new Cabinet Ministers as well as several relocated and new parliamentary electorate offices.
- In conjunction with the City of Perth, the Department coordinated arrangements for the State/Civic Welcomes for Western Australian participants in the Athens 2004 Olympic and Paralympic Games on 9 September and 15 October 2004 respectively.
- The Department coordinated arrangements for the State Funeral for the former Governor of Western Australia, the Honourable Sir Francis Burt AC KCMG QC, on 15 September 2004.
- The Department coordinated arrangements associated with the official visits of the President of Tuscany, His Royal Highness The Prince of Wales, the Sultan of Brunei, the President of Singapore and the Chairman of the National People's Congress, People's Republic of China to Western Australia.
- The Department coordinated the arrangements for the Premier's visit to Italy and Greece in April 2005.
- The Department coordinated arrangements for an interfaith service for victims of the Tsunami disaster, held on the National Day of Mourning and Reflection of 16 January 2005.
- The Department provided support to the Premier for Heads of Government negotiations on issues including the National Water Initiative, Indigenous affairs, counter-terrorism, the review of ministerial councils, bushfires, provision of health services and grandparents as foster carers.
- The Department coordinated Western Australia's submissions to treaty negotiations and represented the State on the Commonwealth-State Standing Committee on Treaties to ensure Western Australia's interests were recognised in international treaties being negotiated by the Commonwealth.
- The Department facilitated a new Service Delivery Arrangement for services to be provided to the Indian Ocean Territories by the Disability Services Commission, and renegotiated the provision of Lotterywest services. Expiring Service Delivery Arrangements were reviewed and renegotiated for four years.
- Negotiations were progressed for a Memorandum of Understanding with the Commonwealth to give priority, within existing and new program funding and delivery, to Indigenous family violence and child protection strategies, and services in specific communities.
- The Department led high level negotiations between the Commonwealth and relevant State agencies in relation to an Indigenous bilateral agreement relating to organisational arrangements, effective Indigenous representation and enhanced Indigenous service delivery; the national heritage list process and specific nominations; and high priority defence issues of strategic importance to Western Australia.
- The Department continued to coordinate the implementation of the State Government's response to the Gordon Inquiry.

**Major Initiatives For 2005-06**

- In October, the Department will participate in a multi-jurisdictional counter-terrorism exercise, 'Mercury 05', to evaluate crisis procedures and processes involving the Commonwealth and State Governments, Police Services, Government agencies and critical infrastructure operators.
- The Department will coordinate the farewell program and other arrangements for the completion of the Governor's term of office.
- The Department will coordinate arrangements for Welcome Home of Western Australian participants in the 2006 Melbourne Commonwealth Games.
- The Department will manage Western Australia's input to the Council on Australian Governments' Review of Hazardous Materials and negotiations with the Commonwealth on nationally consistent controls on those identified and security sensitive substances.

### Service 3: Management of Policy

The Department provides advice to and coordination for the Premier and Cabinet on key policy matters to ensure an effective government-wide perspective in economic, regional, environmental, social and sustainability policy areas.

The Policy Division also provides substantial support to Cabinet Standing Committees. The Cabinet Standing Committees have endorsed terms of reference, which include overviews of Cabinet decision-making and advising Cabinet on the impact of Government policies and decisions on Western Australian communities.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	6,030	7,343	10,060	12,143	New funding provided in 2005-06 to establish the Office of Water Strategy.
Less Income .....	620	7	199	103	
Net Cost of Service .....	5,410	7,336	9,861	12,040	
Adjustments <sup>(a)</sup> .....	1,186	2	(694)	(55)	
<b>Appropriation for delivery of Service .....</b>	<b>6,596</b>	<b>7,338</b>	<b>9,167</b>	<b>11,985</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per hour of policy advice, development and coordination <sup>(a)</sup> .....	\$107	\$108	\$159	\$242	See notes (b) and (c).
Grants excluded .....	\$205,545	\$1,272,000	\$1,381,300	\$1,235,000	
175th Anniversary celebration expenses excluded .....	\$100,525	\$150,000	\$229,462	-	See note (d).
<b>Full Time Equivalents (FTEs)</b>	<b>43</b>	<b>44</b>	<b>51</b>	<b>58</b>	See note (e).

- (a) The Citizens and Civics function that was previously included in this service was transferred to Service 7 in 2004-05 following the allocation of the Citizenship and Multicultural Interests portfolio to the Hon. R. Kucera, MLA, Minister for Disability Services; Sport and Recreation; Citizenship and Multicultural Interests; Seniors. Prior period data has been adjusted to exclude Citizens and Civics activities.
- (b) New funding provided to establish the Office of Water Strategy and expand the Regional Liaison function has significantly increased the total cost of this service in 2005-06, and the average cost per hour of policy advice, development and coordination. The indicator is based on hours derived from a moving average of time recording undertaken twice per year. It was not possible at the time of preparation of these indicators to estimate the increase in the number of hours for 2005-06. The Office of Water Strategy will be created as a separate service from 1 July 2005.
- (c) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget statements.
- (d) Special funding was provided in 2003-04 and 2004-05 for the 175th Anniversary of European Settlement of Western Australia in 2004. The Policy Management function provided resources to assist with planning, promoting and coordinating celebration events.
- (e) Increase in FTEs in 2005-06 is a result of funding provided to establish the Office of Water Strategy.

### Major Achievements For 2004-05

- The Kwinana Water Reclamation Plant, which saves scheme water by providing treated wastewater to industry, has been completed.
- A State-wide Irrigation Review has been completed and submitted to Cabinet for consideration.
- The Department has appointed an expert panel to consider the feasibility of transporting water from the Kimberley region to the south west of the State.

- The Department co-funded the International Council for Local Environmental Initiatives' Western Australia Water Campaign, resulting in 16 local governments undertaking water audits and implementing local water incentives.
- \$2.6 million has been awarded to successful water research and development projects through Round One of the Premier's Water Foundation Grants, leveraging a total \$9.2 million of research for the benefit of the State.
- The Department, in partnership with the Department of Local Government and Regional Development, assisted in the implementation of the Regional Development Policy for Western Australia.
- The Department played a key role in establishing the Ningaloo Sustainable Development Office and supporting the implementation of the 'Carnarvon-Ningaloo Coast Regional Strategy'.
- The Department assisted in the production of the 'Carnarvon 2020 Strategy', a strategy for sustainable development.
- The Department, in conjunction with the Department of Local Government and Regional Development, reviewed the Regional Investment Fund, and developed guidelines for an extension of the Fund. The Department also played a key role in developing the Pilbara Fund, a package that aims to accelerate investment in community and government infrastructure throughout the Pilbara.
- The Department completed the Industry Plan to support the reform and development of the Non-Government Human Services Sector.
- The Department produced 'Children First', the State's whole-of-government children's policy framework.
- The Department developed the State's 'Early Years Strategy' that seeks to improve the wellbeing of children aged 0–8 years by supporting their families, carers and communities.
- The Department contributed to improved management arrangements for the Swan River, including the proposal for a Swan River Act and Swan River Park.
- The Department contributed to the Government's environmental legislation program, including the *Contaminated Sites Act 2003* and the *Nuclear Waste Storage (Prohibition) Amendment Act 2003*, and legislation being developed in relation to biodiversity conservation and waste management.
- The Department assisted in the development of strategic policy on hazardous waste management and the establishment of new hazardous waste precincts.
- The Department established the Greenhouse Unit to coordinate climate change and greenhouse policy and activities, including implementation of the 'Western Australian Greenhouse Strategy' and chairing an interdepartmental committee.
- The Department provided support to a greenhouse stakeholder group, chaired by the Minister for the Environment, established to provide a forum for consultation and information exchange with stakeholders on climate change and greenhouse issues.
- The Department represented Western Australia on an interjurisdictional working group investigating a model for a national greenhouse gas emissions trading scheme. Premiers and first Ministers accepted the first report of the working group and released a joint communiqué at the end of March 2005.
- The Department represented Australia's states and territories at the 10th Conference of the Parties to the United Nations Framework Convention on Climate Change held in Buenos Aires in December 2004.
- The Department supported the Sustainability Roundtable in the development of headline sustainability indicators and a reporting framework; and a framework communications strategy for sustainability.
- The Department coordinated the implementation of the 'State Sustainability Strategy' across Government.
- The Department developed and finalised a Sustainability Code of Practice for government agencies and a corresponding resource guide.



**Major Initiatives For 2005-06**

- The Department will establish an 'Office of Water Strategy'.
- The Department will ensure that a desalination plant powered by renewable energy will commence operations in 2006.
- The Department will coordinate the development of a long-term State Water Policy and Plan and assess water resource management performance against the State Water Plan and regional and local water management plans.
- The Department will review the Waterwise Rebate Scheme and ensure that it complies with the new mandatory Water Efficiency and Labelling and Standards Scheme to be introduced in July 2005.
- The Department will support the bid to have the Ningaloo region recognised as a World Heritage Area.
- The Department, in partnership with the Department for Local Government and Regional Development, will support the administration and monitoring of the Regional Investment Fund II.
- The Department will play a lead role in the implementation of the 'Carnarvon 2020 Strategy'.
- The Department will facilitate the establishment of regional development research capabilities in our universities.
- The Department will establish an industry council to monitor and review the progress of the Non-Government Human Services Industry Plan and identify future areas of collaborative action.
- The Department will develop the State's joined-up government strategic agenda in Indigenous Affairs as part of the new arrangements in Commonwealth-State relations.
- The Department will coordinate implementation of the Government's commitments on strategic marine policy including reviewing the science and processes underpinning marine park and sanctuary planning. The Department will facilitate stakeholder engagement and develop a regional marine planning initiative with South Australia and the Commonwealth.
- The Department will report on the progress made in implementing the 'Western Australian Greenhouse Strategy'.
- The Department will develop policy relating to the management and ownership of government bio-sequestration credits and undertake national negotiations regarding the National Greenhouse Gas Inventory and a national emissions trading scheme.
- In conjunction with the Sustainability Roundtable, the Department will conduct a review of the 'State Sustainability Strategy' released in 2003.

#### Service 4: Support for the Premier as Minister for Public Sector Management

The Department provides advice, assistance and support to the Minister for Public Sector Management and the public sector on a range of public sector management matters, including:

- functions under the *Public Sector Management Act 1994*, including as the employer of Chief Executive Officers and manager of the Senior Executive Service;
- best practice in human resource management including recruitment, employment, professional development, skills training and deployment;
- whole-of-government reporting on public sector workforce demographics, trends and management issues; and
- support for organisational restructuring and promotion of whole-of-government management improvement strategies and special projects.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	7,271	7,769	9,707	7,023	
Less Income .....	1,248	1,141	842	867	
Net Cost of Service .....	6,023	6,628	8,865	6,156	See note (b).
Adjustments <sup>(a)</sup> .....	1,173	61	(1,451)	(27)	
<b>Appropriation for delivery of Service .....</b>	<b>7,196</b>	<b>6,689</b>	<b>7,414</b>	<b>6,129</b>	

- (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) Substantially reduced appropriation in 2005-06 for Government's copyright obligations (future requirements will be addressed through additional funding).

#### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of support services provided per Senior Executive Service (SES) member .....	\$1,840	\$1,573	\$2,610	\$2,241	See note (a).
Average cost per recruitment and redeployment service provided .....	\$2,007	\$2,353	\$1,826	\$1,708	
Average cost per hour of workforce development provided .....	\$82	\$151	\$117	\$107	
Average cost per visit to online facilities provided .....	n/a	n/a	\$2.43	\$1.40	See note (b).
Average cost per hour of policy advice and policy implementation provided .....	\$92	\$104	\$112	\$91	See note (c).
Average cost per Public Sector Management Program participant .....	\$3,992	\$3,860	\$6,155	\$4,049	See note (d).
Copyright administered on behalf of Government .....	\$149,784	-	\$1,154,000	\$35,000	See note (e).
Grants excluded .....	\$167,258	\$464,880	\$195,000	\$178,000	
<b>Full Time Equivalents (FTEs)</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	

- (a) The higher average cost in 2004-05 is the result of new costing arrangements and accrual adjustments that occurred at the beginning of 2004-05, and the lower average cost in 2005-06 by a small increase in the projected number of SES members managed in 2005-06.
- (b) New key efficiency indicator developed and reported in 2004-05 following the implementation of the Recruitment Advertising Management System online recruitment system that replaced the government job advertising previously included in the Intersector. No comparative data is available for prior periods. The reduction in average cost per visit in 2005-06 is a result of the inclusion of one-off project and establishment costs in 2004-05.
- (c) The carryover of \$136,000 from 2003-04 that was expended in 2004-05 is principally responsible for the higher average cost per hour in 2004-05, and the lower average cost per hour in 2005-06 is due to a 5% increase in projected hours.
- (d) Intakes to the 18 month Public Sector Management program commence throughout the year. It is projected that three groups will be in the program at 30 June 2006 compared with two groups in place at 30 June 2005. The 50% increase in the number of participants in 2005-06 results in the substantially lower average cost per participant for 2005-06.
- (e) Protracted negotiations with copyright authorities over the Government's copyright obligations have made it difficult to project future requirements with the exception of the annual payment due to the Australasian Performing Rights Association. Additional funding will be sought as required to meet all other copyright obligations.

**Major Achievements For 2004-05**

- The State's strategic planning framework, 'Better Planning: Better Services', was finalised and a progress report was submitted to Cabinet on achievements against the five goals.
- Progress on actions for 2003-05 articulated in the 'Integrated Workforce Management Framework' was reported to the Premier.
- The customisation required to the Candidate Management component of the whole-of-government Recruitment Advertising Management System was completed to meet the recruitment needs of the Western Australian public sector.
- The business case for the Corporate Services Reform was reviewed and presented to the Expenditure Review Committee in April 2005, affirming the savings of \$50 million per annum.
- A bid by Oracle Corporation Australia Pty Ltd and ASG (Asia Pacific) Pty Ltd was awarded preferred tenderer status for the supply, implementation and support of a suite of corporate service business systems to the Shared Services Centres.
- The whole-of-government Business Process Design and Gap Analysis were completed, which detail the services to be provided by the Shared Services Centres.
- The Department established the governance structure for the Corporate Services Reform, including a cross-sector Steering Committee and individual cluster Client Management Councils.
- The Shared Corporate Services Program Office was relocated to Cannington.
- A Memorandum of Understanding was signed with the Community and Public Sector Union and Civil Service Association regarding the employment and transition of public sector staff to shared services clusters.
- The Agency Workforce Transition Program was developed and implemented to advise staff on the transition to a shared service environment.
- Pilot agencies have been identified and undertaken preparatory work in readiness for the implementation of shared corporate services.

**Major Initiatives For 2005-06**

- A revised State Strategic Plan will be developed emphasising the triple bottom line and greater agency involvement in the monitoring and reporting of progress against the goals.
- Research into the retirement intentions of public sector employees aged 45 years and older will be undertaken.
- Leadership competency frameworks for chief executives and senior executives will be reviewed and redesigned to reflect current and future leadership requirements.
- New strategic human resource management programs covering succession management, human resource data analysis, attraction and retention strategies and workforce planning will be developed and delivered.
- The Office of Shared Services will be established to coordinate and monitor the implementation of the recommendations of the Functional Review Taskforce and any future reviews.
- As part of the Corporate Services Reform, the design, build and test of the new whole-of-government Business Solution for finance, human resources and payroll services will be completed.
- The fit-out of the new Shared Services Centre in Cannington will be completed.
- Requests for Proposals for the supply of services and support for agency roll in of shared corporate services, and information and telecommunications technology services for the Office of Shared Services will be evaluated and finalised.
- Shared Corporate Service Centres will commence service delivery to pilot agencies followed by the roll in of the first agencies within the sector.

### Service 5: Parliamentary, Statutory and Legislative Publishing Service

Through the State Law Publisher, the Department provides a secure, confidential and time critical printing and publishing service to meet the needs of Parliament and Government.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,862	3,379	2,712	2,909	
Less Income .....	3,155	2,780	2,508	2,718	
Net Cost of Service .....	(293)	599	204	191	
Adjustments <sup>(a)</sup> .....	410	(60)	191	238	
<b>Appropriation for delivery of Service .....</b>	<b>117</b>	<b>539</b>	<b>395</b>	<b>429</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per printing image produced.....	\$0.08	\$0.12	\$0.08	\$0.09	
Average cost of publications sold.....	\$4.94	\$6.99	\$6.86	\$7.00	
Average sale value .....	\$8.93	n/a	\$12.50	\$12.50	
<b>Full Time Equivalents (FTEs)</b>	<b>26</b>	<b>27</b>	<b>24</b>	<b>25</b>	

### Major Achievements For 2004-05

- Online access to all Western Australian legislation previously available on a subscription basis was made available free of charge from 1 July 2004.
- The reprints program fostered jointly with the Parliamentary Counsel's Office resulted in 116 legislative titles being consolidated and reprinted to February 2005.
- Ongoing support was provided to the Parliament with printing and production of Bills, chamber documents such as Notice Papers, Daily and Weekly Hansard, Votes and Proceedings, and processing electronic versions of these documents for publishing on the Parliament website.

### Major Initiatives For 2005-06

- A legislation and ancillary products pricing survey will be conducted of all Australian States and Territories to inform pricing policy.

**Service 6: Management of the Constitutional Centre Programs**

(Minister for Disability Services; Sport and Recreation; Citizenship and Multicultural Interests; Seniors)

The Government is committed to helping educate the community on the Western Australian and Commonwealth Constitutions, and the federal system of government through the provision of exhibitions and programs at the Constitutional Centre.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	3,189	1,777	3,963	1,293	2004-05 includes one-off expenditure on 175th Anniversary celebrations.
Less Income .....	84	17	45	46	
Net Cost of Service .....	3,105	1,760	3,918	1,247	
Adjustments <sup>(a)</sup> .....	516	2	(401)	(6)	
<b>Appropriation for delivery of Service .....</b>	<b>3,621</b>	<b>1,762</b>	<b>3,517</b>	<b>1,241</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per customer of the Constitutional Centre .. 175th Anniversary Celebration expenditure excluded .....	\$15	\$14	\$17	\$13	See note (a).
Grants excluded .....	\$1,869,494	\$490,000	\$2,469,689	\$370,000	See note (b).
	\$279,667	\$354,334	\$381,945		
<b>Full Time Equivalents (FTEs)</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>7</b>	

(a) The higher average cost per customer in 2004-05 is the result of administrative costs associated with support for the 175th Anniversary that could not be fully excluded when calculating this indicator.

(b) Special funding was provided in 2003-04 and 2004-05 for the 175th Anniversary of European Settlement of Western Australia in 2004. The Constitutional Centre provided secretariat and support services to the Coordinating Committee that planned and coordinated the celebration events. Expenditure on the 175th Anniversary in 2004-05 included grants, services and contracts and miscellaneous expenses.

**Major Achievements For 2004-05**

- A research partnership was established with the Curtin Centre for Government and Constitutional Law to conduct public lectures and workshops, and research relating to the State and Commonwealth Constitutions.
- The Joint Civics Outreach Program was expanded into new areas of regional Western Australia.
- In conjunction with the Department of Indigenous Affairs, the participation of Indigenous students in civics programs was encouraged.
- The 175th Anniversary program of events, including the State conference 'Western Australia 2029: A Shared Journey' and the 'WA on Show' exhibition, was coordinated.
- Public forums, conferences and lectures relating to the history and governance of Western Australia were held. The Department coordinated the 2004 Premier's Awards.

**Major Initiatives For 2005-06**

- The Department will publish and disseminate the research results from the partnership between the Constitutional Centre and the Curtin Centre for Government and Constitutional Law.
- The Department will develop a history of Western Australia resource containing images and research, which will be available online and at the Constitutional Centre.
- The Department will support the implementation of Civics Education programs in regional and remote areas of the State.

**Service 7: Promotion and Support of Citizenship and Multiculturalism in Western Australia**

(Minister for Disability Services; Sport and Recreation; Citizenship and Multicultural Interests; Seniors)

The Citizens and Civics unit coordinates the implementation of the 'Western Australian Citizenship Strategy', 'A Voice for All: Strengthening Democracy', by:

- developing policy in the areas of citizenship and governance, civics and strengthening democracy;
- identifying information, skills and mechanisms required for effective participation in public life and decision-making; and
- facilitating and fostering dialogue between the people of Western Australia, their governments and other institutions.

The Office of Multicultural Interests assists in delivering Government's commitments set out in the Western Australian Charter of Multiculturalism by:

- promoting the ideals of multiculturalism to public sector agencies by developing and influencing policies that reflect these principles; and
- providing information to the culturally and linguistically diverse communities on the availability of public sector services.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	3,102	3,035	3,504	3,412	
Less Income .....	40	4	12	2	
Net Cost of Service .....	3,062	3,031	3,492	3,410	
Adjustments <sup>(a)</sup> .....	(82)	32	(130)	7	
<b>Appropriation for delivery of Service .....</b>	<b>2,980</b>	<b>3,063</b>	<b>3,362</b>	<b>3,417</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per client assisted to support public sector agency implementation of State Citizenship Strategy policies, strategies and principles .....	\$51,816	\$16,096	\$22,619	\$23,178	See note (a).
Average cost per initiative undertaken to achieve substantive equality for culturally and linguistically diverse communities .....	\$53,769	\$46,997	\$48,189	\$47,253	See note (b).
Average cost per initiative undertaken to support public sector agency implementation of policies and practices reflecting the principles of multiculturalism.....	\$34,171	\$18,880	\$23,644	\$22,117	See note (b).
Average cost per unit of major policy and/or research .....	\$30,751	\$43,038	\$55,623	\$53,008	See note (b).
Grants excluded .....	\$502,345	\$522,000	\$519,000	\$522,000	
<b>Full Time Equivalents (FTEs)</b>	24	26	26	26	

- (a) Function transferred from Policy Management in 2004-05 on allocation of Citizenship and Multicultural Interests portfolio to the Hon R Kucera, MLA, Minister for Disability Services; Sport and Recreation; Citizenship and Multicultural Interests; Seniors. Comparative data for 2003-04 and 2004-05 Budget has been prepared using estimates provided by the unit, however may not be fully comparable with 2004-05 estimated and 2005-06 target figures.
- (b) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget statements.

**Major Achievements For 2004-05**

- The Department implemented the 'Western Australian Citizenship Strategy', 'A Voice for All: Strengthening Democracy', including developing an approach to change management for community engagement within the public sector.
- The Department signed an agreement with the Institute of Public Administration of Australia and Challenger TAFE's Western Australian College of Leadership and Community Development in September 2004 to develop consultation expertise within the public sector.
- The Department, in conjunction with the Institute of Public Administration of Australia presented the first 'Discovery Phase' seminar to the public sector concerning planning for public consultations on strategic, major or sensitive issues.
- The first Citizens' Breakfast, hosted by the Governor was held on Foundation Day as part of a partnership between the Department and Celebrate Western Australia to promote citizenship.
- Cabinet endorsed the Charter of Multiculturalism, based on the principles of democratic pluralism.
- In conjunction with the Australian Bureau of Statistics, community profiles were developed for 14 emerging and established ethnic community groups to inform those planning and delivering services to Western Australia's culturally diverse community.
- The Department conducted community education initiatives during 2004-05, including Harmony Week, and continued to develop a community education resource package to be used in schools and the wider community.
- An across government working group on ethnic children and youth at risk, chaired by the Department, commissioned research to identify issues of risk for ethnic youth and ways of addressing those risks, and established an Ethnic Youth Advisory Group to assist with the project.
- The 'Policy Framework for Substantive Equality' was developed as part of the 'Public Sector Anti-Racism and Equality Program' to address systemic discrimination in the public sector, and piloted in four Government departments.

### **Major Initiatives For 2005-06**

- The Department will develop and promote e-Consultation Guidelines, to optimise community access and input to government through the use of technology.
- A new guide to consulting citizens will be compiled to consolidate and update previous guides released by the Department.
- A TAFE Public Participation Certificate IV course will be launched as part of a public sector capability-building program under a tripartite agreement signed in 2004-05.
- The Department, in partnership with the Queensland Government, will establish an interstate roundtable on community engagement to facilitate the exchange of information across governments.
- An audit of the effectiveness and appropriateness of boards and committees within the Department of the Environment will be undertaken to enable the development of guidelines to strengthen community representation and accountability.
- A framework for reporting on the implementation of the Charter of Multiculturalism will be developed and an advisory committee to Government on multicultural interests established.
- A 'community education strategy' will be finalised to raise awareness about multiculturalism in the context of equal opportunity, anti-discrimination and human rights.
- The State's Language Services Policy will be reviewed.
- The 'Countering Racism in Education: Anti-Racism Planning and Evaluation Tool' for Western Australian Primary and Secondary Schools will be finalised to enable release for school use.
- The Department will support emerging African communities by mapping the services required by this new group of refugees that have significant and particular needs.

### **Service 8: Native Title Policy Development, Implementation and Negotiation**

(Deputy Premier; Treasurer; Minister for Energy)

The Office implements Government's Native Title objectives through:

- resolution of Native Title determination applications and compensation applications wherever possible by agreement;
- resolution of Native Title matters in accordance with the requirements of the *Native Title Act 1993 (Cth)* and relevant case law;
- ensuring valid future acts that minimise the extinguishment or impairment of Native Title and minimise the State's exposure to compensation liability;
- developing, implementing and monitoring policies, procedures and practices across government that ensure Native Title matters are administered efficiently and consistently;
- concluding agreements that deal in a comprehensive way with the determination of Native Title, compensation and arrangements for future acts; and
- negotiating and participating in the implementation of project agreements.



	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	3,674	12,280	8,343	29,074	See note (b).
Less Income .....	138	4	6	2	
Net Cost of Service .....	3,536	12,276	8,337	29,072	
Adjustments <sup>(a)</sup> .....	(1,264)	(447)	35,904	(10,723)	
<b>Appropriation for delivery of Service .....</b>	<b>2,272</b>	<b>11,829</b>	<b>44,241</b>	<b>18,349</b>	

- (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) The significant increase in the cost of service in 2005-06 is the outcome of appropriation for the Land and Equity Fund (\$10 million) and repositioning funding from prior periods to 2005-06.

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per Native Title determination <sup>(a)</sup>	\$697,574	n/a	\$97,536	\$151,109	See note (b).
Average cost per Native Title application managed <sup>(a)</sup> .....	\$146,954	n/a	\$114,395	\$193,260	See note (c).
Average time taken to achieve resolution of prioritised Native Title applications .....	n/a	n/a	7.6 yrs	7.5 yrs	See note (d).
Grants excluded .....	\$625,181	\$7,030,000	\$4,278,800	\$21,916,000	
<b>Full Time Equivalents (FTEs)</b>	<b>19</b>	<b>27</b>	<b>25</b>	<b>34</b>	See note (e).

- (a) The key efficiency and effectiveness indicators were reviewed in 2004-05 to ensure that this function's outputs were appropriately reported. The new indicator average cost per Native Title application managed was included to recognise the effort over several years in securing determination of Native Title. Data for prior periods has been adjusted to provide comparisons.
- (b) Ten and nine Native Title determinations respectively are projected for 2004-05 and 2005-06. The 10% reduction in the number of native title determinations in 2005-06, funding repositioned from 2003-04 and additional resources provided to the Office of Native Title, leads to the significantly higher average cost per Native Title determination for 2005-06.
- (c) Significant additional funding for tenure search provided to the Office of Native Title in 2005-06, projected increases in staffing and funding repositioned from 2003-04 leads to the significantly higher average cost per native title application managed in 2005-06.
- (d) The higher level of grant expenditure projected for 2005-06 is the result of the new appropriation of \$10 million per annum for four years to the Land and Equity Fund, and recurrent grant funding from previous years repositioned to 2005-06.
- (e) New funding provided in 2005-06 for additional staff.

### Major Achievements For 2004-05

- The Department finalised the consent determination of Native Title in Karrajarri Area B and reached in-principle agreement for a consent determination in Noonkanbah and The Ngaanyatjarra Lands Native Title Claim (comprising Baker Lake, Gibson Desert, Irrunytja-Papulankutja, Tjirrkarli Kanpa, Tingarri Tjina and Warburton-Mantamaru People's claims).
- The Department finalised a litigated determination of Native Title in the Wanjina Wunggurr Willinggin, Ngaluma Injibandi, Wongatha and Bardi Jawi claims.
- A Memorandum of Understanding was negotiated with the Miriuwung Gajerrong people for the development of the Ord Stage 2 Project.
- The Department released revised 'Guidelines for the Provision of Information in Support of Applications for a Determination of Native Title'. Coinciding with the release of the Guidelines the Department conducted a major workshop on the State's new requirements.
- The Department provided financial assistance to support the establishment of a graduate program in Applied Anthropology (Native Title and Cultural Heritage) at the University of Western Australia.
- A \$40 million development fund, the Land and Equity Fund, was established to assist in the resolution of Native Title matters.

**Major Initiatives For 2005-06**

- The Department will continue to pursue opportunities for determinations of Native Title in accordance with Government policy favouring negotiation rather than litigation, where possible.
- The Department will finalise the development of a policy for the resolution of Native Title applications where a mediated outcome is not possible due to the limitations of the *Native Title Act 1993 (Cth)* and applicable case law.
- The Department will lead the negotiation to reach final agreement for the Ord Stage 2 project.
- The Department will foster the development of skills for Native Title parties involved in production and assessment of 'connection reports'.

**Service 9: Science and Innovation Promotion and Support**

(Minister for the Environment; Science)

The Office of Science and Innovation coordinates implementation of Government's InnovateWA policy and strategy by:

- undertaking science policy development and providing support to the Premier's Science Council;
- identifying and promoting science and innovation opportunities;
- supporting the development of Western Australian research capability and infrastructure;
- administering research scholarships and fellowships; and
- promoting science and innovation in schools and through the Scitech Discovery Centre.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	15,719	26,860	17,303	43,917	
Less Income .....	3	4	6	1	
Net Cost of Service .....	15,716	26,856	17,297	43,916	See note (b).
Adjustments <sup>(a)</sup> .....	(2,856)	(60)	(511)	(15)	
<b>Appropriation for delivery of Service .....</b>	<b>12,860</b>	<b>26,796</b>	<b>16,786</b>	<b>43,901</b>	

(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) The significant increase in projected grants expenditure in 2005-06 is the result of repositioning recurrent grants appropriation from prior years to match grant agreement payment schedules and higher appropriation in forward estimates for 2005-06.

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per FTE for support provided to the Premier's Science Council, science policy development and advice <sup>(a)</sup> .....	\$127,442	\$146,036	\$136,091	\$139,112	
Average cost per research capability and infrastructure grant administered <sup>(a)</sup> .....	\$7,525	\$11,557	\$10,107	\$11,163	See note (b).
Average cost per science and innovation program and project managed <sup>(a)</sup> .....	\$53,014	\$80,991	\$88,545	\$129,869	See note (c).
Grants excluded .....	\$14,159,115	\$24,779,189	\$15,173,979	\$41,026,000	See note (d).
<b>Full Time Equivalents (FTEs)</b>	14	21	19	21	

- (a) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget Statements.
- (b) An 11% reduction in the number of grants administered projected for 2005-06 leads to a higher average cost per research capability and infrastructure grant administered.
- (c) The higher average cost per science and innovation program and project managed in 2005-06 is principally due to the additional funding provided for Mid West Space program initiatives.
- (d) The higher value of grants excluded is due to substantial start-up grant agreement payments that will be made in 2005-06 to the two Western Australian Major Research Facilities Program funding recipients. Funding for these payments is provided from increased recurrent grant appropriation for 2005-06 in the forward estimates, and funding from prior periods repositioned to match grant agreement payment schedules.

**Major Achievements For 2004-05**

- The Western Australian Major Research Facility Program funding agreement was signed with the Western Australian Energy Research Alliance, a new joint venture involving the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Curtin University of Technology, and the University of Western Australia.
- The Department continued to implement the Higher Education Contribution Scheme Off-set Program to support mathematics and science graduates entering teaching.
- The Department facilitated an international conference on computational nanoscience in Broome. This led to a conference in Perth in March 2005 and the development of a research agreement to focus on membrane technology applicable to potable water and natural gas separation.
- A review was conducted of the operations and research activities of the United Nations Educational, Scientific and Cultural Organisation's Intergovernmental Oceanographic Commission Perth Regional Office.
- A site in the Mid-West was selected as the Australian bid for the international Square Kilometre Array radio astronomy project, valued at approximately €1 billion.
- Administrative processes for the Centres of Excellence Program were streamlined with fixed submission dates and guaranteed decision timelines introduced.
- The Western Australian Telecommunications Research Institute and the Western Australian Nanochemistry Institute were established as large-scale research institutes, and two new centres, the Centre for Exploration Targeting and the International Centre for Mobile Health Solutions (e-Med) were supported through the Centres of Excellence Program.
- The Centres of Excellence Program provided \$2.3 million to successful Western Australian bids for the Commonwealth's Cooperative Research Centre funding, attracting more than \$20 million in Commonwealth and other funding over seven years to establish the headquarters of the new Parker Cooperative Research Centre for Integrated Hydrometallurgy Solutions.
- The Department assisted in the attraction of two Research Fellows to Western Australia as part of the Australian Research Council Federation Fellowships Program.

**Major Initiatives For 2005-06**

- An agreement between the proponents of the Western Australia Marine Science Institute and the Government will be negotiated and a major research facility established in Western Australia.
- The Department will continue to work with the Western Australian Science Council to develop and implement new programs under the Government's Innovate WA 2 funding.
- In collaboration with the CSIRO Australia Telescope National Facility, the Department will submit the Australian site selection bid for the international Square Kilometre Array radio astronomy project.
- Studies will be undertaken to locate a suitable site for NASA's next-generation Deep Space Array Network.
- The Department will provide more than \$10 million for the creation of at least seven new Centres of Excellence in diverse areas of scientific research.
- The review of the operations and functions of the Scitech Discovery Centre will be concluded.
- The Science and Innovation Studentship Awards Program will be expanded to provide up to 20 studentships.
- Up to three Fellows will be appointed through the second round of the Premier's Research Fellowship Program. Funding of \$1 million over four years has been allocated for each fellowship.

**Service 10: Support for the Implementation of the State's Road Safety Initiatives**  
(Minister for Police and Emergency Services; Community Safety)

Support is provided to the Road Safety Council to undertake implementation, monitoring and evaluation of the State's road safety initiatives.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	16,081	15,872	22,965	20,252	
Less Income .....	15,154	14,203	14,589	14,784	
Net Cost of Service .....	927	1,669	8,376	5,468	
Adjustments <sup>(a)</sup> .....	768	(80)	(2,481)	325	
<b>Appropriation for delivery of Service .....</b>	<b>1,695</b>	<b>1,589</b>	<b>5,895</b>	<b>5,793</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of awareness-raising campaigns <sup>(a)</sup> .....	\$1,394,555	\$1,161,379	\$1,585,786	\$723,955	See note (b).
Average cost of road safety initiatives <sup>(a)</sup> .....	\$264,998	\$299,812	\$506,239	\$454,037	
Average cost per FTE for support services to the Road Safety Council .....	\$188,142	\$103,912	\$79,642	\$66,183	
Grants excluded .....	\$7,288,162	\$8,200,000	\$11,320,339	\$10,900,000	
<b>Full Time Equivalents (FTEs)</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>21</b>	

- (a) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget Statements.  
(b) The lower average cost per awareness-raising campaign in 2005-06 is the result of a significant increase in the projected number of campaigns to be conducted.

**Major Achievements For 2004-05**

- The 'Arriving Safely: Western Australian Road Safety Strategy for 2003–2007' was implemented and a progress report completed showing improvement in the key action areas compared to the baseline period of 1998-2000.
- Legislation was drafted to give effect to the Drug Impaired Driving Program.
- The Department implemented major state-wide road safety community education programs focusing on drink driving, use of restraints, fatigue and speeding. These campaigns continued to develop an increasingly regional focus.
- The Department, on behalf of the Road Safety Council, hosted the 2004 National Road Safety, Policing, Education and Research Conference.
- Implementation of the 'Keys for Life' pre-driver education program commenced in 80 Western Australian secondary schools. The program aims to develop safer attitudes to road use and promote supervised practice for learner drivers.

**Major Initiatives For 2005-06**

- The Department will continue major State-wide road safety community education programs focusing on drink driving, speed, use of restraints and fatigue. New communication initiatives will be developed to promote safer vehicles and supervised driving for novice drivers.
- The Department will progress the Drink Driving Program legislative package.
- A Child Car Restraint Fitting Program will be introduced to provide state-wide access to advice on fitting and using child car restraints.
- A review to identify new safety measures to reduce the over-representation of young drivers in crashes will be completed by the Department.
- The Department will present recommendations from the review of the *Road Traffic Act 1974* penalties to Government.
- Government vehicle fleet buying policy will be reviewed and revised to promote the purchase of vehicles with high safety ratings and safety features.

**Service 11: e-Government Policy and Coordination**

The Office of e-Government will:

- promote and lead the implementation of the e-Government Strategy for the Western Australian Public Sector;
- develop a policy framework, standards and guidelines that are consistent with the e-Government Strategy for the Western Australian Public Sector, and with national and international best practice;
- coordinate and facilitate cross-sector implementation of the e-Government Strategy for the Western Australian Public Sector and policy framework;
- initiate, lead and coordinate strategic e-Government projects that deliver improved internal efficiencies, integrated service delivery and greater opportunities for community participation; and
- encourage a better understanding of e-Government and promote its benefits to the public sector, business and the community.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	8,963	7,308	6,121	3,947	
Less Income .....	5,678	3,869	2,305	1	See note (b).
Net Cost of Service .....	3,285	3,439	3,816	3,946	
Adjustments <sup>(a)</sup> .....	222	332	(239)	(28)	
<b>Appropriation for delivery of Service .....</b>	<b>3,507</b>	<b>3,771</b>	<b>3,577</b>	<b>3,918</b>	

(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) Commonwealth National Communication Fund grants supporting the Network WA project concluded in 2004-05.

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per department that adopts and implements policies, standards and guidelines .....	\$40,428	\$95,386	\$104,547	\$89,187	See note (a).
Average cost per significant e-Government initiative in which the Office is involved. <sup>(b)</sup> ..	\$268,256	\$333,461	\$142,275	\$154,505	
Grants excluded .....	\$5,700,000	\$3,543,079	\$2,352,010	-	See note (c).
<b>Full Time Equivalents (FTEs)</b>	<b>20</b>	<b>19</b>	<b>25</b>	<b>26</b>	

(a) This indicator refers to the 21 departments of government. 17 departments adopted/implemented more than 50% of the four policies, standards and guidelines released in 2004-05, and it is proposed to release seven policies, standards and guidelines in 2005-06. It is estimated that 20 of the 21 departments will adopt/implement more than 50% of those released during 2005-06, an 18% increase resulting in the lower average cost per department for that period.

(b) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget Statements. The increase in the average cost per significant e-Government initiative for 2005-06 is due to a one-off \$250,000 increase in base appropriation for 2005-06 as the majority of that appropriation is allocated to this indicator.

(c) 2004-05 was the final year of the National Communication Fund grant funding provided by the Commonwealth that was utilised for the Network WA project.

**Major Achievements For 2004-05**

- The Department worked with agencies in implementing the 'e-Government Strategy for the Western Australian Public Sector'.
- The Department completed the Network WA initiative, expanding broadband telecommunications in regional Western Australia to enable the delivery of health and education services to 299 sites in 58 towns and a number of outer metropolitan centres.
- The Department prepared the 'Western Australian Public Sector Telecommunications Strategy', which recommends how the public sector should deal with key technological and telecommunications trends over the next five to ten years.
- A whole-of-government telecommunications audit was conducted to establish baseline information in preparation for a more coordinated approach to the procurement and management of public sector telecommunications.
- Policies including the Incident Response Plan (a guide to aid in preparing for, detecting and responding to computer security incidents) and the Forensic Plan (a guide to aid in the preservation of digital evidence following a computer security incident) were released for agency use.
- The Department assisted the Functional Review Implementation Team in the development of policies and frameworks to support planned public sector reforms.
- The Department implemented a program to raise awareness of e-Government issues. This included presentations to public sector and industry groups, and visits to regional agencies.

**Major Initiatives For 2005-06**

- The Department will coordinate the implementation of the 'Western Australian Public Sector Telecommunications Strategy'.
- A whole-of-government Enterprise Architecture Program will be developed, which will include the shared service centres, to ensure that information and communication technology initiatives support the business of government.
- The Department will release the Identity and Access Management Business Framework and Action Plan, a plan for managing identities and access rights across government.

**Service 12: Implementation of the State Crime Prevention Strategy**

(Minister for Police and Emergency Services; Community Safety)

The Office of Crime Prevention implements the 'State Crime Prevention Strategy' by:

- providing high level advice to government;
- conducting policy research and development to identify effective methods to reduce crime;
- establishing community safety and crime prevention partnerships and plans;
- communicating with key stakeholders and the community; and
- managing and evaluating projects supported by grant funding.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	5,850	8,018	9,976	12,752	See note (b).
Less Income .....	782	805	956	869	
Net Cost of Service .....	5,068	7,213	9,020	11,883	
Adjustments <sup>(a)</sup> .....	980	(10)	(2,741)	(45)	
<b>Appropriation for delivery of Service .....</b>	<b>6,048</b>	<b>7,203</b>	<b>6,279</b>	<b>11,838</b>	

- (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) The higher cost of service in 2005-06 is the result of a substantial increase in recurrent appropriation and repositioning from prior periods. 2004-05 expenditure included carryover from 2003-04.

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per community safety and crime prevention partnership managed <sup>(a)</sup> .....	\$33,595	\$21,637	\$45,007	\$27,515	See note (b).
Average cost per hour for research, policy development and support to the Community Safety and Crime Prevention Council <sup>(a)</sup> .....	\$167	\$30	\$82	\$90	See note (c).
Average cost per \$1 million in grant funding administered .....	\$306,822	\$69,259	\$109,348	\$58,629	See note (d).
Average cost per referral to Parent Support .....	n/a	n/a	\$24,514	\$9,938	See note (e).
Grants excluded .....	\$3,096,381	\$5,725,553	\$4,701,512	\$5,357,000	See note (f).
<b>Full Time Equivalent (FTEs)</b>	<b>10</b>	<b>11</b>	<b>25</b>	<b>42</b>	See note (g).

- (a) 2004-05 Budget data has been recast to provide key efficiency indicators in place of the cost indicators reported in 2004-05 Budget Statements.
- (b) Projected 82% growth in the number of community safety and crime prevention partnerships managed in 2005-06 results in the lower average cost per partnership managed.
- (c) New funding received for 2005-06 for policy research resources increases the average cost per hour, but the movement is offset by a 12% increase in the hours for 2005-06. The combination of these two factors is responsible for the higher average cost per hour for research, policy development and support for 2005-06.
- (d) The substantially lower cost per \$1 million in grant funding administered in 2005-06 is the result of a small reduction in FTEs required for grant administration following implementation of the Department's online grant administration system, and a 14% increase in the dollar value of grants administered.
- (e) The ParentSupport pilot program that commenced in 2004-05 is being expanded into the south east corridor in 2005-06 with funding provided in this Budget, and is projected to result in a sixfold increase in referrals. The significant increase in the number of referrals offsets the effect of the increase in funding provided leading to a substantially lower average cost per referral in 2005-06.
- (f) The higher grant expenditure projected for 2005-06 is the result of the increase to appropriation provided in this Budget, and grant funding repositioned from 2004-05 to 2005-06.
- (g) The significant increase in FTEs from 2004-05 to 2005-06 results from funding provided in this Budget for expanded crime prevention projects including ParentSupport and Community Safety and Crime Prevention Partnerships.



**Major Achievements For 2004-05**

- The State 'Community Safety and Crime Prevention Strategy' was launched in August 2004, and its implementation commenced across the State.
- A Designing Out Crime Unit was established to oversee development of the State's designing out crime strategy, and \$1.5 million in grants to local communities were approved.
- 'Operation Burglary Countdown' was extended to Carnarvon in July 2004, reducing burglaries by 54% in the nine months to March 2005.
- More than 60 local government community safety and crime prevention partnerships were formed and training provided to support local governments in completing their crime prevention plans.
- The Department implemented strategies to address temporal and seasonal crime hotspots, and coordinated across government responses to school-leavers' week and the 2005 'Skyworks' event.
- The inaugural 'Community Safety Month' was held in October 2004 raising public awareness of community safety and the prevention of injuries, violence and crime.
- The Department established the ParentSupport service in the south east metropolitan area and assisted in drafting the Parental Support and Responsibility Bill for introduction to Parliament.
- More than 100 communities received funding from the Community Safety and Crime Prevention Fund including the allocation of \$1 million to crime prevention research.

**Major Initiatives For 2005-06**

- The Department will introduce legislation to establish a system of responsible parenting agreements and orders for parents of children who are engaging in anti-social or offending behaviour or are not attending school, and establish a new service, starting in the south east corridor of Perth, to support parents to improve their parenting skills and confidence to give their children the best start in life.
- The Department will continue its Burglar Beware campaign, which has been highly successful in tackling and reducing the number of burglaries in Western Australia, and expand the community-based prevention project throughout Perth's south east corridor over the next three years.
- The Department will work with Police to target stolen goods markets through its 'Don't Buy Crime' campaign.
- The Department will continue the work of the newly established Designing Out Crime unit, and institute urban design guidelines and policies that will reduce and prevent crime in the community.
- The Department will continue to assist local governments to prepare their crime prevention plans and evaluate the Community Safety and Crime Prevention partnerships in collaboration with the Australian Institute of Criminology.
- The Department will implement the 'State Community Violence Prevention Strategy', develop new policies to tackle anti-social behaviour, and establish an Entertainment Precinct Unit to coordinate and focus resources on addressing anti-social behaviour and street violence in nightspots.
- In 2005-06, the Department will allocate \$3.2 million to the Community Safety and Crime Prevention Fund to support local government and community organisation grant projects.

**CAPITAL WORKS PROGRAM**

The Department's Capital Works Program includes:

- establishment of the Shared Service Centres;
- funding for Innovate WA;
- fit-out costs for additional ministerial offices;
- fit-out costs for Parliamentary electorate offices; and
- asset replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Corporate Services and Procurement Implementation .....	96,922	21,884	21,884	44,689
e-Government Asset Purchases .....	77	49	14	14
Electorate Offices Equipment Upgrade				
2004-05 Program .....	1,286	421	421	865
Miscellaneous .....	694	270	270	424
Office of Science Innovate WA .....	20,000	7,961	5,720	6,027
<b>COMPLETED WORKS</b>				
Computer Hardware and Software				
2003-04 Program .....	600	600	62	-
2004-05 Program .....	600	600	600	-
Electorate Offices Equipment Upgrade				
2003-04 Program .....	850	850	579	-
Partitioning and Accommodation Replacement/Upgrade				
2004-05 Program .....	250	250	209	-
<b>NEW WORKS</b>				
Asset Replacement/Upgrade				
Computer Hardware and Software				
2005-06 Program .....	600	-	-	600
Electorate Offices Equipment Upgrade				
2005-06 Program .....	220	-	-	220
Ministerial Offices .....	2,600	-	-	2,600
Parliamentary Electorate Office Fit-outs – Electoral Redistribution .....	1,600	-	-	1,600
Partitioning and Accommodation Replacement/Upgrade				
2005-06 Program .....	250	-	-	250
	126,549	32,885	29,759	57,289

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	8,685	52,478	29,759	57,289	30,062	11,533	1,689
	8,685	52,478	29,759	57,289	30,062	11,533	1,689
<b>LESS</b>							
Asset Sales .....	34	-	-	-	-	-	-
Drawdowns from the Holding Account .....	1,479	2,100	2,100	1,834	834	4,150	1,689
Funding Included in Service Appropriations <sup>(a)</sup> .....	2,241	7,720	5,720	6,027	6,012	-	-
Internal Funds and Balances .....	4,931	658	56	2,139	250	-	-
<b>Capital Contribution .....</b>	-	42,000	21,883	47,289	22,966	7,383	-

(a) Capital works expensed through the Income Statement.

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	49,098	50,951	59,660	61,782	59,113	59,950	60,381
Superannuation .....	4,554	4,219	4,601	4,265	4,266	4,267	4,269
Grants and subsidies <sup>(c)</sup> .....	35,038	56,121	48,785	85,715	66,510	61,631	41,274
Supplies and services .....	42,030	40,090	52,526	49,991	44,844	41,080	41,925
Accommodation .....	10,934	11,148	10,942	11,517	11,431	11,419	11,418
Capital User Charge .....	1,884	1,356	1,858	1,101	1,105	1,104	1,101
Depreciation and amortisation .....	2,456	2,933	2,494	2,530	2,495	2,546	2,756
Costs of disposal of non-current assets .....	209	-	-	-	-	-	-
Other expenses .....	47	98	98	103	103	105	105
<b>TOTAL COST OF SERVICES</b> .....	<b>146,250</b>	<b>166,916</b>	<b>180,964</b>	<b>217,004</b>	<b>189,867</b>	<b>182,102</b>	<b>163,229</b>
<b>Income</b>							
User charges and fees .....	4,175	3,410	3,429	3,598	3,561	3,572	3,611
Regulatory Fees and Fines .....	11,057	11,000	11,022	11,000	11,000	11,000	11,000
Grants and subsidies .....	5,854	4,626	3,001	592	437	437	437
Interest revenue .....	206	205	205	203	200	200	200
Proceeds from disposal of non-current assets ..	27	-	-	-	-	-	-
Other Revenue .....	6,474	4,081	4,691	4,589	4,169	4,388	4,286
<b>Total Income</b> .....	<b>27,793</b>	<b>23,322</b>	<b>22,348</b>	<b>19,982</b>	<b>19,367</b>	<b>19,597</b>	<b>19,534</b>
<b>NET COST OF SERVICES</b> .....	<b>118,457</b>	<b>143,594</b>	<b>158,616</b>	<b>197,022</b>	<b>170,500</b>	<b>162,505</b>	<b>143,695</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	119,010	142,762	178,195	185,306	158,543	150,635	131,673
Resources received free of charge .....	721	1,132	950	1,270	1,290	1,310	1,310
Liabilities assumed by the Treasurer .....	565	650	560	600	600	600	600
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>120,296</b>	<b>144,544</b>	<b>179,705</b>	<b>187,176</b>	<b>160,433</b>	<b>152,545</b>	<b>133,583</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,839</b>	<b>950</b>	<b>21,089</b>	<b>(9,846)</b>	<b>(10,067)</b>	<b>(9,960)</b>	<b>(10,112)</b>
Change in Equity arising from transfer of assets/liabilities .....	(189)	-	(174)	-	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>1,650</b>	<b>950</b>	<b>20,915</b>	<b>(9,846)</b>	<b>(10,067)</b>	<b>(9,960)</b>	<b>(10,112)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 778, 851 and 907 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	20,147	3,790	3,695	1,445	1,284	1,486	1,617
Restricted cash .....	4,301	4,244	41,039	30,966	21,009	11,051	1,093
Receivables .....	3,831	1,598	2,112	2,590	2,359	2,294	2,161
Inventories .....	140	205	205	205	205	205	205
Amounts receivable for services .....	2,100	1,834	1,834	834	4,150	1,689	-
Prepayments .....	2,603	2,655	2,868	2,736	2,802	2,769	2,785
<b>Total current assets .....</b>	<b>33,122</b>	<b>14,326</b>	<b>51,753</b>	<b>38,776</b>	<b>31,809</b>	<b>19,494</b>	<b>7,861</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	10,906	12,951	12,069	15,351	14,924	16,961	20,931
Plant and equipment .....	3,666	5,296	5,101	5,456	4,675	6,558	5,452
Intangibles .....	-	-	-	72	-	-	-
Restricted cash .....	-	-	-	204	408	612	816
Other .....	1,909	1,279	1,171	4,789	4,229	3,951	3,990
<b>Total non-current assets .....</b>	<b>16,481</b>	<b>19,526</b>	<b>18,341</b>	<b>25,872</b>	<b>24,236</b>	<b>28,082</b>	<b>31,189</b>
<b>TOTAL ASSETS .....</b>	<b>49,603</b>	<b>33,852</b>	<b>70,094</b>	<b>64,648</b>	<b>56,045</b>	<b>47,576</b>	<b>39,050</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	2,000	2,661	2,411	2,223	2,300	2,262	2,282
Provision for employee entitlements .....	8,263	9,432	9,492	10,421	11,368	12,289	13,236
Accrued Salaries .....	1,617	-	-	202	202	403	605
Other .....	18	18	18	18	18	18	18
<b>Total current liabilities .....</b>	<b>11,898</b>	<b>12,111</b>	<b>11,921</b>	<b>12,864</b>	<b>13,888</b>	<b>14,972</b>	<b>16,141</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	4,932	4,441	4,485	5,342	5,782	6,189	6,606
<b>Total non-current liabilities .....</b>	<b>4,932</b>	<b>4,441</b>	<b>4,485</b>	<b>5,342</b>	<b>5,782</b>	<b>6,189</b>	<b>6,606</b>
<b>TOTAL LIABILITIES .....</b>	<b>16,830</b>	<b>16,552</b>	<b>16,406</b>	<b>18,206</b>	<b>19,670</b>	<b>21,161</b>	<b>22,747</b>
<b>EQUITY</b>							
Contributed Equity .....	22,327	22,327	22,327	24,927	24,927	24,927	24,927
Accumulated surplus/(deficit) .....	9,578	(5,895)	30,493	20,647	10,580	620	(9,492)
Reserves .....	868	868	868	868	868	868	868
<b>Total equity .....</b>	<b>32,773</b>	<b>17,300</b>	<b>53,688</b>	<b>46,442</b>	<b>36,375</b>	<b>26,415</b>	<b>16,303</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>49,603</b>	<b>33,852</b>	<b>70,094</b>	<b>64,648</b>	<b>56,045</b>	<b>47,576</b>	<b>39,050</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	114,332	138,077	175,198	181,190	154,821	146,910	127,704
Capital Contribution.....	-	-	-	2,600	-	-	-
Holding Account Drawdowns .....	1,479	2,100	2,100	1,834	834	4,150	1,689
<b>Net cash provided by State government .....</b>	<b>115,811</b>	<b>140,177</b>	<b>177,298</b>	<b>185,624</b>	<b>155,655</b>	<b>151,060</b>	<b>129,393</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(45,991)	(51,071)	(60,497)	(59,804)	(57,733)	(58,429)	(58,819)
Superannuation .....	(3,967)	(3,569)	(4,091)	(3,664)	(3,666)	(3,667)	(3,669)
Grants and subsidies .....	(34,980)	(56,121)	(49,035)	(85,715)	(66,510)	(61,631)	(41,274)
Supplies and services .....	(41,642)	(39,287)	(51,120)	(48,739)	(43,533)	(39,769)	(40,608)
Accommodation.....	(10,956)	(11,148)	(11,016)	(11,517)	(11,431)	(11,419)	(11,418)
Capital User Charge.....	(3,837)	(1,356)	(1,858)	(1,101)	(1,105)	(1,104)	(1,101)
Goods and Services Tax .....	(9,133)	(13,068)	(11,374)	(12,271)	(11,655)	(9,779)	(8,735)
Other.....	(46)	(98)	(98)	(103)	(103)	(105)	(105)
<b>Receipts</b>							
User charges and fees.....	3,100	3,460	3,597	3,515	3,601	3,551	3,621
Regulatory fees and fines.....	11,057	11,000	11,022	11,000	11,000	11,000	11,000
Grants and subsidies .....	5,854	4,626	3,001	592	437	437	437
Interest received.....	206	205	205	203	200	200	200
Goods and Services Tax .....	8,170	12,976	12,460	12,128	11,701	9,936	8,822
Other receipts .....	6,348	4,081	5,157	4,306	4,312	4,317	4,322
<b>Net cash from operating activities.....</b>	<b>(115,817)</b>	<b>(139,370)</b>	<b>(153,647)</b>	<b>(191,170)</b>	<b>(164,485)</b>	<b>(156,462)</b>	<b>(137,327)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(2,299)	(2,758)	(3,191)	(6,573)	(1,084)	(4,150)	(1,689)
Proceeds from sale of non-current assets .....	34	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(2,265)</b>	<b>(2,758)</b>	<b>(3,191)</b>	<b>(6,573)</b>	<b>(1,084)</b>	<b>(4,150)</b>	<b>(1,689)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	<b>(2,271)</b>	<b>(1,951)</b>	<b>20,460</b>	<b>(12,119)</b>	<b>(9,914)</b>	<b>(9,552)</b>	<b>(9,623)</b>
Cash assets at the beginning of the reporting period .....	26,898	9,985	24,448	44,734	32,615	22,701	13,149
Net cash transferred to/from other agencies.....	(179)	-	(174)	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>24,448</b>	<b>8,034</b>	<b>44,734</b>	<b>32,615</b>	<b>22,701</b>	<b>13,149</b>	<b>3,526</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>EXPENSES</b>							
Grants and subsidies .....	2,241	7,720	5,720	6,027	6,012	-	-
Supplies and services .....	-	18,917	4,343	14,551	4,754	14,396	-
<b>TOTAL ADMINISTERED EXPENSES <sup>(b)</sup>..</b>	<b>2,241</b>	<b>26,637</b>	<b>10,063</b>	<b>20,578</b>	<b>10,766</b>	<b>14,396</b>	<b>-</b>
<b>INCOME</b>							
Service Appropriations .....	4,241	26,637	8,063	20,578	10,766	14,396	-
<b>TOTAL ADMINISTERED INCOME.....</b>	<b>4,241</b>	<b>26,637</b>	<b>8,063</b>	<b>20,578</b>	<b>10,766</b>	<b>14,396</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Further information is provided in the table 'Details of the Administered Transactions Expenses'.

**SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	2,000	-	-	-	-	-	-
<b>Total Administered Current Assets .....</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Plant and equipment.....	-	50,000	13,318	58,007	80,973	88,356	88,356
<b>Total Administered Non-Current Assets .....</b>	<b>-</b>	<b>50,000</b>	<b>13,318</b>	<b>58,007</b>	<b>80,973</b>	<b>88,356</b>	<b>88,356</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>2,000</b>	<b>50,000</b>	<b>13,318</b>	<b>58,007</b>	<b>80,973</b>	<b>88,356</b>	<b>88,356</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(2,241)	(7,720)	(5,720)	(6,027)	(6,012)	-	-
Supplies and services .....	-	(18,917)	(4,343)	(14,551)	(4,754)	(14,396)	-
Transfer of Assets/Liabilities .....	-	-	(8,565)	-	-	-	-
<b>Investing Activities</b>							
Purchase of non-current assets .....	-	(42,000)	(13,318)	(44,689)	(22,966)	(7,383)	-
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(2,241)</b>	<b>(68,637)</b>	<b>(31,946)</b>	<b>(65,267)</b>	<b>(33,732)</b>	<b>(21,779)</b>	<b>-</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Service Appropriations .....	4,241	26,637	8,063	20,578	10,766	14,396	-
Capital Contribution .....	-	42,000	21,883	44,689	22,966	7,383	-
<b>TOTAL ADMINISTERED CASH INFLOWS .....</b>	<b>4,241</b>	<b>68,637</b>	<b>29,946</b>	<b>65,267</b>	<b>33,732</b>	<b>21,779</b>	<b>-</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS .....</b>	<b>2,000</b>	<b>-</b>	<b>(2,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Policy Office .....	160	-	118	40	-	-	-
Public Sector Management .....	167	465	195	178	178	178	178
Constitutional Centre .....	1,458	844	2,192	370	370	370	370
Office of e-Government .....	5,700	3,543	2,352	-	-	-	-
Native Title Agreements .....	625	7,030	4,279	21,916	12,350	12,350	12,350
Science and Innovation .....	14,159	24,779	15,174	41,026	36,772	33,545	13,188
Multicultural Interests .....	502	522	519	522	522	522	522
Office of Road Safety .....	7,288	8,200	11,320	10,900	10,800	10,800	10,800
Office of Crime Prevention .....	3,096	5,726	4,702	5,357	3,140	3,140	3,140
State Water Strategy .....	46	1,272	1,263	1,195	1,195	195	195
Community Grants .....	1,837	3,740	6,671	4,211	1,183	531	531
<b>TOTAL</b>	<b>35,038</b>	<b>56,121</b>	<b>48,785</b>	<b>85,715</b>	<b>66,510</b>	<b>61,631</b>	<b>41,274</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>OTHER STATE SERVICES</b>							
Science and Innovation – Innovate WA .....	2,241	7,720	5,720	6,027	6,012	-	-
Functional Review Implementation .....	-	18,917	4,343	14,551	4,754	14,396	-
<b>TOTAL</b>	<b>2,241</b>	<b>26,637</b>	<b>10,063</b>	<b>20,578</b>	<b>10,766</b>	<b>14,396</b>	<b>-</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>OTHER STATE SERVICES</b>							
Science and Innovation – Innovate WA .....	2,241	7,720	5,720	6,027	6,012	-	-
Functional Review Implementation .....	2,000	18,917	2,343	14,551	4,754	14,396	-
<b>TOTAL</b>	<b>4,241</b>	<b>26,637</b>	<b>8,063</b>	<b>20,578</b>	<b>10,766</b>	<b>14,396</b>	<b>-</b>

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
State Law Publisher .....	3,100	2,800	2,602	2,668
Other Revenue .....	9,381	6,372	5,327	2,445
GST input credits .....	5,889	10,569	9,419	9,828
GST Receipts on sales .....	807	947	780	463
<b>TOTAL</b> .....	<b>19,177</b>	<b>20,688</b>	<b>18,128</b>	<b>15,404</b>

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



## GOVERNOR'S ESTABLISHMENT

### PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS

#### DIVISION 4

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 7 Net amount appropriated to deliver services .....</b>	1,878	1,946	1,307	<b>1,104</b>	1,130	1,152	1,169
<b>Amount Authorised by Other Statutes</b>							
- Governor's Establishment Act 1992 .....	1,163	1,163	1,163	<b>1,198</b>	1,234	1,271	1,309
- Salaries and Allowances Act 1975 .....	161	167	167	<b>172</b>	177	182	188
Total appropriations provided to deliver services .....	3,202	3,276	2,637	<b>2,474</b>	2,541	2,605	2,666
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	1,040	-	-	-	-	-	-
<b>GRAND TOTAL .....</b>	4,242	3,276	2,637	<b>2,474</b>	2,541	2,605	2,666

#### MISSION

*To provide effective support to the Governor and effective management of the Governor's Establishment. The objectives are to ensure the Governor's requirements as representative of the Crown are met and to support the conservation and development of the Domain as a significant heritage asset.*

#### SIGNIFICANT ISSUES AND TRENDS

- It is expected that during the 2005-06 year the present Governor will retire from office and his successor will be appointed.
- Preservation and appropriate use and presentation of the Government House, Ballroom and Grounds will continue in accordance with the Conservation and Management Plan.

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Effective support to the Governor .....	720	800	724	742			
<i>Service 2:</i>							
Management of the Governor's Establishment.	2,605	2,482	1,919	1,737			
<b>Total Cost of Services .....</b>	<b>3,325</b>	<b>3,282</b>	<b>2,643</b>	<b>2,479</b>	<b>2,602</b>	<b>2,666</b>	<b>2,726</b>
<i>Less Income .....</i>	<i>7</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>
<b>Net Cost of Services .....</b>	<b>3,318</b>	<b>3,252</b>	<b>2,613</b>	<b>2,449</b>	<b>2,572</b>	<b>2,636</b>	<b>2,696</b>
Adjustments <sup>(a)</sup> .....	(116)	24	24	25	(31)	(31)	(30)
<b>Appropriation provided to deliver Services.</b>	<b>3,202</b>	<b>3,276</b>	<b>2,637</b>	<b>2,474</b>	<b>2,541</b>	<b>2,605</b>	<b>2,666</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>4,242</b>	<b>3,276</b>	<b>2,637</b>	<b>2,474</b>	<b>2,541</b>	<b>2,605</b>	<b>2,666</b>

(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.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Service 1: Effective Support to the Governor**

Support the Governor in performing the constitutional, statutory, official, ceremonial, community and civic duties associated with the Governor's role.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	720	800	724	742	
<i>Less Income .....</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Net Cost of Service .....	720	800	724	742	
Adjustments <sup>(a)</sup> .....	(32)	6	6	6	
<b>Appropriation for delivery of Service .....</b>	<b>688</b>	<b>806</b>	<b>730</b>	<b>748</b>	

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

**Major Achievements For 2004-05**

- The Governor, accompanied by Mrs Sanderson, completed an official visit to Zhejiang Province in China by invitation of the Provincial Vice Governor in recognition of the sister State relationship.
- The Governor, accompanied by Mrs Sanderson, completed regional tours within Western Australia to the Kimberley, South West, Great Southern and Mid-West regions.
- Provision of official hospitality to Diplomatic, Consular and other dignitaries which included His Majesty The Sultan of Brunei, His Royal Highness The Prince of Wales and His Excellency The President of Singapore.

**Major Initiatives For 2005-06**

- Commissioning of a successor to the office of Governor.
- Appointment of an Administrator during an interregnum period.
- Arrangements relating to the official program for the incoming Governor.
- Continue to provide a program for official hospitality.

**Service 2: Management of the Governor's Establishment**

Effectively manage the financial and administrative requirements of the Establishment including capital works program, heritage building management, planning and coordinating official visits, and provision of hospitality on behalf of the State.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,605	2,482	1,919	1,737	Capital User Charge exemption granted in 2004-05.
Less Income .....	7	30	30	30	
Net Cost of Service .....	2,598	2,452	1,889	1,707	
Adjustments <sup>(a)</sup> .....	(84)	18	18	19	
<b>Appropriation for delivery of Service .....</b>	<b>2,514</b>	<b>2,470</b>	<b>1,907</b>	<b>1,726</b>	

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

**Major Achievements For 2004-05**

- Completed grounds refurbishment works including the installation of reticulation equipment in accordance with the ongoing maintenance plan.
- Provided hospitality in accordance with the Governor's official program, including accommodation for the Royal Visit by His Royal Highness The Prince of Wales.
- Finalised the handover of the Ballroom refurbishment works and implemented a Ballroom management strategy.

**Major Initiatives For 2005-06**

- Complete program of scheduled maintenance for House, Ballroom and Gardens including a professional assessment for the upgrading of communication and security hardware and software.
- Continue to implement recommendations of the Grounds Master Plan.
- Finalise the Records Management Plan for ongoing and archival records.

**CAPITAL WORKS PROGRAM**

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>NEW WORKS</b>				
Government House Restoration and Refurbishment				
Communication System Upgrade .....	100	-	-	100
	100	-	-	100

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	2,653	-	-	100	400	-	-
	2,653	-	-	100	400	-	-
<b>LESS</b>							
Drawdowns from the Holding Account .....	195	-	-	100	400	-	-
Internal Funds and Balances .....	1,418	-	-	-	-	-	-
<b>Capital Contribution .....</b>	1,040	-	-	-	-	-	-

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	1,208	1,369	1,391	1,455	1,493	1,532	1,572
Superannuation .....	108	111	113	113	113	113	117
Supplies and services .....	897	716	716	707	792	817	832
Capital User Charge .....	848	883	220	-	-	-	-
Depreciation and amortisation .....	258	195	195	195	195	195	195
Other expenses .....	6	8	8	9	9	9	10
<b>TOTAL COST OF SERVICES</b> .....	<b>3,325</b>	<b>3,282</b>	<b>2,643</b>	<b>2,479</b>	<b>2,602</b>	<b>2,666</b>	<b>2,726</b>
<b>Income</b>							
User charges and fees .....	2	30	30	30	30	30	30
Other Revenue .....	5	-	-	-	-	-	-
<b>Total Income</b> .....	<b>7</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>NET COST OF SERVICES</b> .....	<b>3,318</b>	<b>3,252</b>	<b>2,613</b>	<b>2,449</b>	<b>2,572</b>	<b>2,636</b>	<b>2,696</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	3,202	3,276	2,637	2,474	2,541	2,605	2,666
Resources received free of charge .....	58	32	32	31	31	31	30
Liabilities assumed by the Treasurer .....	4	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>3,264</b>	<b>3,308</b>	<b>2,669</b>	<b>2,505</b>	<b>2,572</b>	<b>2,636</b>	<b>2,696</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(54)</b>	<b>56</b>	<b>56</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 26, 26 and 25 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	862	467	871	830	825	854	854
Restricted cash .....	47	-	2	7	12	17	17
Receivables .....	48	11	51	52	52	52	52
Amounts receivable for services.....	-	100	100	400	-	-	-
Prepayments.....	-	1	-	-	-	-	-
<b>Total current assets .....</b>	<b>957</b>	<b>579</b>	<b>1,024</b>	<b>1,289</b>	<b>889</b>	<b>923</b>	<b>923</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	336	431	431	226	421	616	811
Land and Buildings.....	12,645	9,044	12,477	12,309	12,114	11,919	11,724
Plant and equipment.....	231	247	260	289	289	289	289
Other.....	722	1,120	1,136	1,251	1,251	1,251	1,251
<b>Total non-current assets.....</b>	<b>13,934</b>	<b>10,842</b>	<b>14,304</b>	<b>14,075</b>	<b>14,075</b>	<b>14,075</b>	<b>14,075</b>
<b>TOTAL ASSETS.....</b>	<b>14,891</b>	<b>11,421</b>	<b>15,328</b>	<b>15,364</b>	<b>14,964</b>	<b>14,998</b>	<b>14,998</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	143	55	169	164	159	213	213
Provision for employee entitlements .....	193	210	193	192	192	192	192
Accrued Salaries .....	45	-	-	5	10	15	15
<b>Total current liabilities.....</b>	<b>381</b>	<b>265</b>	<b>362</b>	<b>361</b>	<b>361</b>	<b>420</b>	<b>420</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	93	94	93	74	74	49	49
<b>Total non-current liabilities .....</b>	<b>93</b>	<b>94</b>	<b>93</b>	<b>74</b>	<b>74</b>	<b>49</b>	<b>49</b>
<b>TOTAL LIABILITIES.....</b>	<b>474</b>	<b>359</b>	<b>455</b>	<b>435</b>	<b>435</b>	<b>469</b>	<b>469</b>
<b>EQUITY</b>							
Contributed Equity.....	2,635	2,635	2,635	2,635	2,635	2,635	2,635
Accumulated surplus/(deficit) .....	331	497	387	443	443	443	443
Reserves .....	11,451	7,930	11,851	11,851	11,451	11,451	11,451
<b>Total equity.....</b>	<b>14,417</b>	<b>11,062</b>	<b>14,873</b>	<b>14,929</b>	<b>14,529</b>	<b>14,529</b>	<b>14,529</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>14,891</b>	<b>11,421</b>	<b>15,328</b>	<b>15,364</b>	<b>14,964</b>	<b>14,998</b>	<b>14,998</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	3,007	3,081	2,442	2,279	2,346	2,410	2,471
Capital Contribution.....	1,040	-	-	-	-	-	-
Holding Account Drawdowns .....	195	-	-	100	400	-	-
<b>Net cash provided by State government .....</b>	<b>4,242</b>	<b>3,081</b>	<b>2,442</b>	<b>2,379</b>	<b>2,746</b>	<b>2,410</b>	<b>2,471</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,215)	(1,414)	(1,436)	(1,418)	(1,471)	(1,508)	(1,550)
Superannuation .....	-	(111)	(113)	(113)	(113)	(113)	(117)
Supplies and services .....	(873)	(651)	(651)	(715)	(729)	(756)	(799)
Capital User Charge.....	(848)	(883)	(220)	-	-	-	-
Goods and Services Tax .....	(302)	(73)	(73)	(83)	(83)	(83)	(88)
Other.....	(6)	(8)	(78)	(79)	(43)	(9)	(10)
<b>Receipts</b>							
User charges and fees.....	4	30	30	30	30	30	30
Goods and Services Tax .....	263	63	63	63	63	63	63
<b>Net cash from operating activities.....</b>	<b>(2,977)</b>	<b>(3,047)</b>	<b>(2,478)</b>	<b>(2,315)</b>	<b>(2,346)</b>	<b>(2,376)</b>	<b>(2,471)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(2,404)	(70)	-	(100)	(400)	-	-
<b>Net cash from investing activities.....</b>	<b>(2,404)</b>	<b>(70)</b>	<b>-</b>	<b>(100)</b>	<b>(400)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(1,139)</b>	<b>(36)</b>	<b>(36)</b>	<b>(36)</b>	<b>-</b>	<b>34</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	2,049	503	910	874	838	838	872
<b>Cash assets at the end of the reporting period.....</b>	<b>910</b>	<b>467</b>	<b>874</b>	<b>838</b>	<b>838</b>	<b>872</b>	<b>872</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Ballroom Hire .....	4	30	30	30
GST input credits .....	263	63	63	63
<b>TOTAL .....</b>	<b>267</b>	<b>93</b>	<b>93</b>	<b>93</b>

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



## OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER

### PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS

#### DIVISION 5

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 8 Net amount appropriated to deliver services .....</b>	3,095	3,052	3,134	<b>3,551</b>	3,620	3,679	3,725
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	232	232	264	<b>288</b>	297	306	315
Total appropriations provided to deliver services .....	3,327	3,284	3,398	<b>3,839</b>	3,917	3,985	4,040
<b>CAPITAL</b>							
<b>Item 120 Capital Contribution .....</b>	-	-	50	<b>34</b>	-	-	-
<b>GRAND TOTAL .....</b>	3,327	3,284	3,448	<b>3,873</b>	3,917	3,985	4,040

#### MISSION

*To achieve better practice within public authorities in people management, workforce diversity and ethical behaviour through education, capacity building and independent oversight.*

#### SIGNIFICANT ISSUES AND TRENDS

- In order to maintain the credibility of an impartial public sector, there is a need to clarify in ethical codes, the roles and responsibilities of public sector employees and Ministerial officers.
- There is a perception that accountability, transparency and reporting requirements are an administrative burden. Information about the benefits of open and accountable decision-making needs to be communicated and supported by streamlined processes.
- The ageing workforce, changes in the labour market and increased recognition of the diversity imperative in service design and delivery are providing additional impetus to agencies working to reform human resource management practice.
- The trend to an increasingly competitive labour market at senior levels has the potential to impact on the ability of the sector to attract a wide pool of highly competitive applicants for Chief Executive Officer (CEO) positions.
- 'Whistleblowing' has an increasing profile but there is a tendency to view public interest disclosure as a disclosure to the media rather than use of a confidential process under legislation, which offers protection for the person making a disclosure and procedural fairness for the subject of the disclosure.

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines .....	2,193	2,175	2,268	2,599			
<i>Service 2:</i>							
Advice and evaluation of equity and diversity in public employment .....	858	1,162	1,076	1,093			
<i>Service 3:</i>							
Independent Chief Executive Officer selection and reappointment advice .....	616	288	528	534			
<b>Total Cost of Services</b> .....	<b>3,667</b>	<b>3,625</b>	<b>3,872</b>	<b>4,226</b>	<b>4,294</b>	<b>4,371</b>	<b>4,369</b>
<i>Less Income</i> .....	<i>243</i>	<i>96</i>	<i>295</i>	<i>275</i>	<i>275</i>	<i>275</i>	<i>275</i>
<b>Net Cost of Services</b> .....	<b>3,424</b>	<b>3,529</b>	<b>3,577</b>	<b>3,951</b>	<b>4,019</b>	<b>4,096</b>	<b>4,094</b>
Adjustments <sup>(a)</sup> .....	(97)	(245)	(179)	(112)	(102)	(111)	(54)
<b>Appropriation provided to deliver Services.</b>	<b>3,327</b>	<b>3,284</b>	<b>3,398</b>	<b>3,839</b>	<b>3,917</b>	<b>3,985</b>	<b>4,040</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(b)</sup> .....	-	-	50	34	-	-	-
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	<b>3,327</b>	<b>3,284</b>	<b>3,448</b>	<b>3,873</b>	<b>3,917</b>	<b>3,985</b>	<b>4,040</b>

(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.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	In public authorities there is accountability for, and achievement of: <ul style="list-style-type: none"> <li>- merit, equity and probity in human resource management (public sector only);</li> <li>- workforce diversity at all levels of employment; and</li> <li>- conduct and integrity in the performance of official duties.</li> </ul>	<ol style="list-style-type: none"> <li>1. Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines</li> <li>2. Advice and evaluation of equity and diversity in public employment</li> <li>3. Independent Chief Executive Officer selection and reappointment advice</li> </ol>

**Outcomes and Key Effectiveness Indicators** <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: In public authorities there is accountability for and achievement of:</b>					
- merit, equity and probity in human resource management (public sector only);					
- workforce diversity at all levels of employment; and					
- conduct and integrity in the performance of official duties.					
Percentage of public authorities that have provided all reports as required by legislation <sup>(b)</sup> .....	98%	100%	99%	100%	
Percentage of employees expressing a view who agree that there is compliance with the human resource management standards <sup>(b)(c)</sup> .....	64%	65%	65%	68%	
Percentage of employees expressing a view who agree that there is compliance with the ethical codes <sup>(b)(c)</sup> .....	77%	80%	80%	80%	
Improvement in the public sector composite equity index for women, people with disabilities, Indigenous Australians and people from culturally diverse backgrounds <sup>(b)(d)</sup> .....	78	78	79	80	
Percentage of Commissioner's nominations for CEO positions accepted by Minister .....	100%	100%	85%	100%	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) New key effectiveness indicator developed following a review of the Office's Outcome Based Management structure. Comparable information for 2003-04 has been provided where possible.
- (c) These percentages are measured by aggregated responses to selected climate survey questions conducted in a sample of agencies across the sector. The percentage is obtained by dividing the number of respondents who agree by the total number who express an opinion. People who neither agree nor disagree or who do not answer the question are excluded from the calculation.
- (d) The composite equity index is a single measure that combines key measures of equity in public employment for women, Indigenous Australians, people from culturally diverse backgrounds and people with disabilities. The key measures of equity for each group are the variation between the workforce % and the community % and the variation between the Equity Index (a measure of the distribution of the group across all levels of the workforce). The Equity Index can range between zero and 200 and the ideal Equity Index is 100. This measure replaces the other four improvement indicators in 2004-05.

**Service 1: Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines**

Develop Standards and codes, assist public authorities to comply and provide independent oversight to monitor and report on compliance to Parliament and Ministers for the *Public Sector Management Act 1994 (PSM)* and the *Public Interest Disclosure Act 2003 (PID)*.

	2003-04 Actual	2004-05 Budget	2004-05 Estimated Actual	2005-06 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service .....	2,193	2,175	2,268	2,599	
Less Income .....	8	2	12	-	
Net Cost of Service .....	2,185	2,173	2,256	2,599	
Adjustments <sup>(a)</sup> .....	(59)	(150)	(109)	(70)	
<b>Appropriation for delivery of Service .....</b>	<b>2,126</b>	<b>2,023</b>	<b>2,147</b>	<b>2,529</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of assistance and monitoring per public sector agency for the <i>PSM Act</i> .....	\$8,244	\$17,086	\$19,653	\$22,853	Increase due to recurrent funding to cover the cost of agency reviews and improved assistance to agencies.
Average cost of assistance and monitoring per public authority for the <i>PID Act</i> .....	n/a	\$798	\$1,072	\$1,011	
<b>Full Time Equivalents (FTEs)</b>	17	16	11	18	

**Major Achievements For 2004-05**

- Developed and launched consultancy materials to support agencies in their implementation of the ethics framework.
- Continued the development of assistance material to raise awareness of the *Public Interest Disclosure Act 2003* and developed systems to monitor compliance with the Act.
- Identified customer needs and implemented interim changes to the Office's website to enhance agencies' capacity to access electronic support materials.
- Developed regulations prescribing procedures for the administration of Public Sector Standard breach claims and developed support material and conducted sessions to assist agencies to apply the new regulations.
- Commenced a thematic review of the 'Acting' standard across the public sector that examines compliance with the standard and undertook reviews and inquiries in a selection of individual agencies to examine compliance.

**Major Initiatives For 2005-06**

- Implement amended regulations, and evaluate and refine support materials and assistance to agencies and claimants.
- Conduct a thematic review on grievances and acting in a range of public sector agencies and report to Parliament.
- Implement a new website to enhance access to assistance materials, interactive services and compliance information in line with the needs of agencies and other stakeholders.
- Develop a code of ethics for ministerial staff and provide guidelines for public sector employees to clarify respective roles and accountabilities.
- Develop interactive online tools to assist line managers build and sustain compliance with the Recruitment Selection Appointment standard.
- Launch new assistance material to raise awareness and confidence in the *Public Interest Disclosure Act 2003*.

**Service 2: Advice and Evaluation of Equity and Diversity in Public Employment**

Advise and assist public authorities to achieve their equal employment opportunity and diversity objectives and evaluate and report on progress in meeting their responsibilities under Part IX of the *Equal Opportunity Act 1984*.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	858	1,162	1,076	1,093	
Less Income .....	16	32	22	15	
Net Cost of Service .....	842	1,130	1,054	1,078	
Adjustments <sup>(a)</sup> .....	(32)	(83)	(59)	(36)	
<b>Appropriation for delivery of Service .....</b>	<b>811</b>	<b>1,047</b>	<b>995</b>	<b>1,042</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of advice and evaluation per public authority .....	\$3,226	\$4,418	\$4,076	\$4,125	
<b>Full Time Equivalents (FTEs)</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>11</b>	

**Major Achievements For 2004-05**

- Completed development of, and comprehensively tested, a single Equity Index for use in public sector reporting on the representation and distribution of equity groups in the public sector workforce.
- Launched 'Accessing Abilities' guidelines and associated resource sheets and conducted an implementation workshop to assist public authorities increase the representation of people with disabilities employed in the public sector.
- Provided advice on the integration of diversity improvement strategies for the employment of people from culturally and linguistically diverse backgrounds within the whole-of-government Substantive Equality Program.
- Initiated the development of forward planning objectives for the Equity and Diversity Plan beyond 2005 and revised the agency consultancy model to support agency achievement of targets through implementation of existing strategies for women in management, Indigenous employment and the improved representation of people with disabilities.
- Developed and provided targeted support strategies for local government authorities to improve the number of women in management in the local government workforce.
- Undertook comprehensive website and online services needs analysis to identify priorities associated with supporting public authority planning and monitoring.
- Conducted professional development workshops to support agency use of the 'Insights: Strategies for Success' CD-Rom.

**Major Initiatives For 2005-06**

- Develop and communicate a sector-wide framework and related measures to promote the achievement of whole-of-government diversity objectives for the public sector workforce in 2005 and beyond.
- Develop resources to promote and support initiatives aimed at increasing the representation of women in senior management across the public sector.
- Develop customised equal employment opportunity management planning support resources to address business needs and operating environments of local government authorities.
- Implement a new Office of Equal Employment Opportunity (OEEO) website and related online communication services to provide for improved information and resources, enhanced search functionality and new interactive features.
- Support an improvement in agency response rates, data accuracy and in the application of workforce demographic data in integrated strategic human resources planning as well as workforce evaluation and diversity analysis.
- Provide comparative analysis in the use of existing measures and the Single Equity Index in evaluating the progress of the public sector towards objectives in the Equity and Diversity Plan for the public sector workforce.

**Service 3: Independent Chief Executive Officer Selection and Reappointment Advice**

Provide independent advice to the Minister about reappointment and persons suitable for vacant CEO positions by using fair and comprehensive processes.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	616	288	528	534	
Less Income .....	219	62	261	260	
Net Cost of Service .....	397	226	267	274	
Adjustments <sup>(a)</sup> .....	(6)	(12)	(11)	(6)	
<b>Appropriation for delivery of Service .....</b>	<b>391</b>	<b>214</b>	<b>256</b>	<b>268</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per CEO selection .....	\$51,333	\$20,571	\$52,800	\$44,500	Variation due to the number of positions filled within the 2004-05 financial period.
<b>Full Time Equivalents (FTEs)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	

**Major Achievements For 2004-05**

- The Commissioner's nominations were accepted for 11 out of 13 positions for which the Minister for Public Sector Management announced appointments.
- Research into alternative selection techniques to enhance the CEO selection process was completed by 30 June 2005.

**Major Initiatives For 2005-06**

- Conduct pilot of alternative selection techniques and implement substantive changes to the selection techniques for all future CEO positions.

**CAPITAL WORKS PROGRAM**

The Office's capital works program of \$164,000 in 2005-06 will provide for the rolling replacement of existing assets and an additional \$34,000 in 2005-06 to undertake redevelopment of the Office's websites over a three year period which commenced in 2004-05.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Internet Development – OPSSC and OEEO .....	84	50	50	34
<b>COMPLETED WORKS</b>				
Furniture and Office Equipment 2004-05 Program .....	18	18	18	-
Replacement of Computing Equipment 2003-04 Program .....	62	62	38	-
2004-05 Program .....	92	92	92	-
<b>NEW WORKS</b>				
Furniture and Office Equipment 2005-06 Program .....	67	-	-	67
Replacement of Computing Equipment 2005-06 Program .....	97	-	-	97
	420	222	198	198

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	513	110	198	198	102	120	141
	513	110	198	198	102	120	141
<b>LESS</b>							
Drawdowns from the Holding Account .....	93	110	110	164	102	120	141
Internal Funds and Balances .....	420	-	38	-	-	-	-
<b>Capital Contribution .....</b>	-	-	50	34	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	2,044	2,357	2,341	2,852	2,926	3,008	3,094
Superannuation .....	194	220	175	230	240	250	261
Supplies and services .....	1,070	475	820	607	584	563	491
Accommodation .....	199	265	267	262	267	257	257
Capital User Charge .....	50	45	70	55	55	55	55
Depreciation and amortisation .....	109	212	140	177	184	191	178
Costs of disposal of non-current assets .....	1	-	-	-	-	-	-
Other expenses .....	-	51	59	43	38	47	33
<b>TOTAL COST OF SERVICES</b> .....	<b>3,667</b>	<b>3,625</b>	<b>3,872</b>	<b>4,226</b>	<b>4,294</b>	<b>4,371</b>	<b>4,369</b>
<b>Income</b>							
Grants and subsidies .....	-	-	20	-	-	-	-
Proceeds from disposal of non-current assets ..	4	-	-	-	-	-	-
Other Revenue .....	239	96	275	275	275	275	275
<b>Total Income</b> .....	<b>243</b>	<b>96</b>	<b>295</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>275</b>
<b>NET COST OF SERVICES</b> .....	<b>3,424</b>	<b>3,529</b>	<b>3,577</b>	<b>3,951</b>	<b>4,019</b>	<b>4,096</b>	<b>4,094</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	3,327	3,284	3,398	3,839	3,917	3,985	4,040
Resources received free of charge .....	91	108	91	92	93	94	95
Liabilities assumed by the Treasurer .....	2	2	3	3	3	3	3
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>3,420</b>	<b>3,394</b>	<b>3,492</b>	<b>3,934</b>	<b>4,013</b>	<b>4,082</b>	<b>4,138</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(4)</b>	<b>(135)</b>	<b>(85)</b>	<b>(17)</b>	<b>(6)</b>	<b>(14)</b>	<b>44</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detail level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 27, 22 and 30 respectively.



**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	291	42	216	212	215	215	275
Restricted cash .....	173	198	94	103	112	122	132
Receivables .....	139	69	129	130	128	128	128
Amounts receivable for services.....	110	164	164	102	120	141	-
Prepayments.....	25	-	25	25	25	25	25
<b>Total current assets .....</b>	<b>738</b>	<b>473</b>	<b>628</b>	<b>572</b>	<b>600</b>	<b>631</b>	<b>560</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	427	596	515	711	899	1,072	1,376
Plant and equipment.....	593	541	601	562	485	398	368
Intangibles.....	-	-	-	26	21	13	6
Other.....	-	-	50	84	84	84	84
<b>Total non-current assets.....</b>	<b>1,020</b>	<b>1,137</b>	<b>1,166</b>	<b>1,383</b>	<b>1,489</b>	<b>1,567</b>	<b>1,834</b>
<b>TOTAL ASSETS.....</b>	<b>1,758</b>	<b>1,610</b>	<b>1,794</b>	<b>1,955</b>	<b>2,089</b>	<b>2,198</b>	<b>2,394</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	56	99	58	58	58	34	34
Provision for employee entitlements .....	288	507	477	550	625	697	773
Accrued Salaries .....	64	-	-	9	9	18	28
Amounts due to the Treasurer.....	300	300	300	300	300	300	300
<b>Total current liabilities.....</b>	<b>708</b>	<b>906</b>	<b>835</b>	<b>917</b>	<b>992</b>	<b>1,049</b>	<b>1,135</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	232	269	176	238	303	369	435
<b>Total non-current liabilities .....</b>	<b>232</b>	<b>269</b>	<b>176</b>	<b>238</b>	<b>303</b>	<b>369</b>	<b>435</b>
<b>TOTAL LIABILITIES.....</b>	<b>940</b>	<b>1,175</b>	<b>1,011</b>	<b>1,155</b>	<b>1,295</b>	<b>1,418</b>	<b>1,570</b>
<b>EQUITY</b>							
Contributed Equity.....	531	531	581	615	615	615	615
Accumulated surplus/(deficit) .....	287	(96)	202	185	179	165	209
<b>Total equity.....</b>	<b>818</b>	<b>435</b>	<b>783</b>	<b>800</b>	<b>794</b>	<b>780</b>	<b>824</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>1,758</b>	<b>1,610</b>	<b>1,794</b>	<b>1,955</b>	<b>2,089</b>	<b>2,198</b>	<b>2,394</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detail level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	3,041	2,951	3,146	3,541	3,609	3,671	3,736
Capital Contribution.....	-	-	50	34	-	-	-
Holding Account Drawdowns .....	108	110	110	164	102	120	141
<b>Net cash provided by State government .....</b>	<b>3,149</b>	<b>3,061</b>	<b>3,306</b>	<b>3,739</b>	<b>3,711</b>	<b>3,791</b>	<b>3,877</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(2,031)	(2,285)	(2,272)	(2,708)	(2,786)	(2,861)	(2,942)
Superannuation .....	(195)	(218)	(172)	(227)	(237)	(247)	(258)
Supplies and services .....	(964)	(373)	(729)	(515)	(491)	(469)	(396)
Accommodation.....	(227)	(265)	(267)	(262)	(267)	(257)	(257)
Capital User Charge.....	(50)	(45)	(70)	(55)	(55)	(55)	(55)
Goods and Services Tax .....	(168)	(70)	(137)	(134)	(115)	(114)	(118)
Other.....	-	(51)	(59)	(43)	(38)	(47)	(33)
<b>Receipts</b>							
Grants and subsidies .....	-	-	20	-	-	-	-
Goods and Services Tax .....	170	75	149	133	117	114	118
Other receipts .....	162	96	275	275	275	275	275
<b>Net cash from operating activities.....</b>	<b>(3,303)</b>	<b>(3,136)</b>	<b>(3,262)</b>	<b>(3,536)</b>	<b>(3,597)</b>	<b>(3,661)</b>	<b>(3,666)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(478)	(110)	(198)	(198)	(102)	(120)	(141)
Proceeds from sale of non-current assets .....	4	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(474)</b>	<b>(110)</b>	<b>(198)</b>	<b>(198)</b>	<b>(102)</b>	<b>(120)</b>	<b>(141)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	<b>(628)</b>	<b>(185)</b>	<b>(154)</b>	<b>5</b>	<b>12</b>	<b>10</b>	<b>70</b>
Cash assets at the beginning of the reporting period .....	1,092	424	464	310	315	327	337
<b>Cash assets at the end of the reporting period.....</b>	<b>464</b>	<b>239</b>	<b>310</b>	<b>315</b>	<b>327</b>	<b>337</b>	<b>407</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detail level within the financial statements.

**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 Office:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST input credits .....	170	75	149	133
Other revenue.....	162	96	275	275
Grants and subsidies .....	-	-	20	-
<b>TOTAL .....</b>	<b>332</b>	<b>171</b>	<b>444</b>	<b>408</b>

The moneys received and retained are to be applied to the Office's services as specified in the Budget Statements.

## SALARIES AND ALLOWANCES TRIBUNAL

### PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; WATER RESOURCES; FEDERAL AFFAIRS

#### DIVISION 6

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 9 Net amount appropriated to deliver services .....</b>	306	310	318	<b>317</b>	325	327	339
Total appropriations provided to deliver services .....	306	310	318	<b>317</b>	325	327	339
<b>GRAND TOTAL .....</b>	<b>306</b>	<b>310</b>	<b>318</b>	<b>317</b>	<b>325</b>	<b>327</b>	<b>339</b>

#### MISSION

*To ensure the requirements of the Salaries and Allowances Act 1975 are met.*

#### SIGNIFICANT ISSUES AND TRENDS

- Finalise a review of the classification structure for Special Division and prescribed offices.
- Review of the remuneration of local government area Chief Executive Officers (CEO) in accordance with legislative changes.

#### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>SERVICES</b>							
<b>Service 1:</b>							
Support Services to the Salaries and Allowances Tribunal .....	285	306	349	328			
<b>Total Cost of Services .....</b>	<b>285</b>	<b>306</b>	<b>349</b>	<b>328</b>	341	323	372
<i>Less Income .....</i>	2	3	3	3	3	3	3
<b>Net Cost of Services .....</b>	<b>283</b>	<b>303</b>	<b>346</b>	<b>325</b>	<b>338</b>	<b>320</b>	<b>369</b>
Adjustments <sup>(a)</sup> .....	23	7	(28)	(8)	(13)	7	(30)
<b>Appropriation provided to deliver Services.</b>	<b>306</b>	<b>310</b>	<b>318</b>	<b>317</b>	<b>325</b>	<b>327</b>	<b>339</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>306</b>	<b>310</b>	<b>318</b>	<b>317</b>	<b>325</b>	<b>327</b>	<b>339</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chairperson, Executive Officer and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Judicial and Magisterial Officers and superannuation benefits for Members of Parliament.	1. Support Services to the Salaries and Allowances Tribunal

**Outcomes and Key Effectiveness Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Judicial and Magisterial Officers and superannuation benefits for Members of Parliament.</b>					
The extent to which the Salaries and Allowances Tribunal is satisfied with the support services provided .....	100%	100%	100%	100%	

**Service 1: Support Services to the Salaries and Allowances Tribunal**

Determine the remuneration paid or provided to holders of ministerial, parliamentary and certain other public offices, and determine matters relating to the superannuation of Members of Parliament. Report on remuneration to be paid or provided to members of the Judiciary and Magistracy and the Parliamentary Inspector of the Corruption and Crime Commission.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	285	306	349	328	
Less Income .....	2	3	3	3	
Net Cost of Service .....	283	303	346	325	
Adjustments <sup>(a)</sup> .....	23	7	(28)	(8)	
<b>Appropriation for delivery of Service .....</b>	<b>306</b>	<b>310</b>	<b>318</b>	<b>317</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per determination/report .....	\$20,357	\$25,500	\$38,778	\$36,444	
<b>Full Time Equivalents (FTEs)</b>	1	1	1	1	

**Major Achievements For 2004-05**

- The determinations and reports were made in accordance with the *Salaries and Allowances Act 1975*.
- Additional determinations issued as required.

**Major Initiatives For 2005-06**

- Finalise a review of the classification structure for Special Division and prescribed offices.
- Review of the remuneration of local government area CEOs in accordance with legislative changes.

**CAPITAL WORKS PROGRAM**

The Salaries and Allowances Tribunal will spend \$6,000 in 2005-06 to continue its rolling replacement of office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Asset Replacement Program				
2003-04 Program .....	6	6	4	-
2004-05 Program .....	6	6	6	-
<b>NEW WORKS</b>				
Asset Replacement Program				
2005-06 Program .....	6	-	-	6
	18	12	10	6

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	2	6	10	6	6	6	6
	2	6	10	6	6	6	6
<b>LESS</b>							
Drawdowns from the Holding Account .....	6	6	6	6	6	6	6
Internal Funds and Balances .....	(4)	-	4	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	96	90	103	104	107	76	113
Superannuation .....	16	12	18	19	20	21	21
Supplies and services .....	109	140	166	145	150	154	162
Accommodation .....	40	46	38	40	43	46	50
Capital User Charge .....	17	12	18	14	15	20	20
Depreciation and amortisation .....	7	6	6	6	6	6	6
<b>TOTAL COST OF SERVICES</b> .....	<b>285</b>	<b>306</b>	<b>349</b>	<b>328</b>	<b>341</b>	<b>323</b>	<b>372</b>
<b>Income</b>							
Other Revenue .....	2	3	3	3	3	3	3
<b>Total Income</b> .....	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>NET COST OF SERVICES</b> .....	<b>283</b>	<b>303</b>	<b>346</b>	<b>325</b>	<b>338</b>	<b>320</b>	<b>369</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	306	310	318	317	325	327	339
Resources received free of charge .....	20	11	20	20	20	20	20
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>326</b>	<b>321</b>	<b>338</b>	<b>337</b>	<b>345</b>	<b>347</b>	<b>359</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>43</b>	<b>18</b>	<b>(8)</b>	<b>12</b>	<b>7</b>	<b>27</b>	<b>(10)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are all 1.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	245	164	234	246	254	254	245
Restricted cash .....	5	-	-	1	1	2	2
Receivables .....	1	1	1	1	1	1	1
Amounts receivable for services.....	6	6	6	6	6	6	-
<b>Total current assets .....</b>	<b>257</b>	<b>171</b>	<b>241</b>	<b>254</b>	<b>262</b>	<b>263</b>	<b>248</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	-	5	11	18	25	25	38
Plant and equipment.....	5	13	9	9	9	9	9
<b>Total non-current assets.....</b>	<b>5</b>	<b>18</b>	<b>20</b>	<b>27</b>	<b>34</b>	<b>34</b>	<b>47</b>
<b>TOTAL ASSETS.....</b>	<b>262</b>	<b>189</b>	<b>261</b>	<b>281</b>	<b>296</b>	<b>297</b>	<b>295</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	6	3	3	3	3	3	3
Provision for employee entitlements .....	2	6	5	7	9	11	13
Accrued Salaries .....	3	-	-	-	1	1	1
<b>Total current liabilities.....</b>	<b>11</b>	<b>9</b>	<b>8</b>	<b>10</b>	<b>13</b>	<b>15</b>	<b>17</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	25	33	35	41	46	18	24
<b>Total non-current liabilities .....</b>	<b>25</b>	<b>33</b>	<b>35</b>	<b>41</b>	<b>46</b>	<b>18</b>	<b>24</b>
<b>TOTAL LIABILITIES.....</b>	<b>36</b>	<b>42</b>	<b>43</b>	<b>51</b>	<b>59</b>	<b>33</b>	<b>41</b>
<b>EQUITY</b>							
Contributed Equity.....	6	6	6	6	6	6	6
Accumulated surplus/(deficit) .....	220	141	212	224	231	258	248
<b>Total equity.....</b>	<b>226</b>	<b>147</b>	<b>218</b>	<b>230</b>	<b>237</b>	<b>264</b>	<b>254</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>262</b>	<b>189</b>	<b>261</b>	<b>281</b>	<b>296</b>	<b>297</b>	<b>295</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.



**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	301	299	301	304	312	321	326
Holding Account Drawdowns .....	6	6	6	6	6	6	6
<b>Net cash provided by State government .....</b>	<b>307</b>	<b>305</b>	<b>307</b>	<b>310</b>	<b>318</b>	<b>327</b>	<b>332</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(105)	(89)	(93)	(96)	(99)	(102)	(105)
Superannuation .....	(15)	(12)	(18)	(19)	(20)	(21)	(21)
Supplies and services .....	(95)	(129)	(149)	(125)	(130)	(134)	(142)
Accommodation.....	(37)	(46)	(38)	(40)	(43)	(46)	(50)
Capital User Charge.....	(32)	(12)	(18)	(14)	(15)	(20)	(20)
Goods and Services Tax .....	(8)	(15)	(11)	(9)	(10)	(11)	(12)
<b>Receipts</b>							
Goods and Services Tax .....	9	15	11	9	10	11	12
Other receipts .....	2	3	3	3	3	3	3
<b>Net cash from operating activities .....</b>	<b>(281)</b>	<b>(285)</b>	<b>(313)</b>	<b>(291)</b>	<b>(304)</b>	<b>(320)</b>	<b>(335)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(2)	(6)	(10)	(6)	(6)	(6)	(6)
<b>Net cash from investing activities .....</b>	<b>(2)</b>	<b>(6)</b>	<b>(10)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
Cash assets at the beginning of the reporting period .....	24	14	(16)	13	8	1	(9)
<b>Cash assets at the end of the reporting period.....</b>	<b>226</b>	<b>150</b>	<b>250</b>	<b>234</b>	<b>247</b>	<b>255</b>	<b>256</b>
<b>Cash assets at the end of the reporting period.....</b>	<b>250</b>	<b>164</b>	<b>234</b>	<b>247</b>	<b>255</b>	<b>256</b>	<b>247</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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 Tribunal:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST input credits .....	9	15	11	9
Other revenue.....	2	3	3	3
<b>TOTAL .....</b>	<b>11</b>	<b>18</b>	<b>14</b>	<b>12</b>

The moneys received and retained are to be applied to the Tribunal's services as specified in the Budget Statements.



**Part 3****Deputy Premier; Treasurer; Minister for Government Enterprises;  
Minister Assisting the Minister for Public Sector Management****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
135	Treasury and Finance			
	– Delivery of Services .....	54,626	59,350	<b>65,389</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	1,300,011	1,859,230	<b>1,458,616</b>
	– Capital Contribution .....	400	400	-
	Total .....	1,355,037	1,918,980	<b>1,524,005</b>
164	Office of the Auditor General			
	– Delivery of Services .....	12,740	12,787	<b>13,063</b>
	– Capital Contribution .....	113	113	<b>27</b>
	Total .....	12,853	12,900	<b>13,090</b>
175	Economic Regulation Authority			
	– Delivery of Services .....	4,153	6,138	<b>5,610</b>
	– Capital Contribution .....	-	124	<b>17</b>
	Total .....	4,153	6,262	<b>5,627</b>
185	Western Australian Treasury Corporation.....	...	...	...
186	State Supply Commission			
	– Delivery of Services .....	1,494	1,494	<b>1,562</b>
	– Capital Contribution .....	19	19	<b>42</b>
	Total .....	1,513	1,513	<b>1,604</b>
197	Gold Corporation .....	...	...	...
198	Insurance Commission of Western Australia.....	...	...	...
199	Lotteries Commission .....	...	...	...
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	73,013	79,769	<b>85,624</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	1,300,011	1,859,230	<b>1,458,616</b>
	– Capital Contribution .....	532	656	<b>86</b>
	Total .....	1,373,556	1,939,655	<b>1,544,326</b>



## TREASURY AND FINANCE

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT

#### DIVISION 7

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
Item 10 Net amount appropriated to deliver services .....	54,746	53,777	58,501	<b>64,515</b>	65,974	67,020	68,074
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....	849	849	849	<b>874</b>	900	927	955
Total appropriations provided to deliver services .....	55,595	54,626	59,350	<b>65,389</b>	66,874	67,947	69,029
<b>ADMINISTERED</b>							
Community Service Obligation Payments							
Item 11 - Electricity Corporation .....	39,204	47,930	49,430	<b>49,649</b>	54,712	61,751	65,146
Item 12 - Forest Products Commission .....	1,300	1,070	1,070	<b>1,070</b>	1,070	1,070	1,070
Item 13 - Water Corporation of Western Australia .....	268,393	273,613	279,643	<b>340,416</b>	339,502	359,149	369,008
Item 14 - Western Australian Land Authority .....	33,552	27,538	30,571	<b>22,922</b>	8,012	8,012	7,512
Grants, Subsidies and Transfer Payments							
Item 15 - Albany Port Authority .....	173	173	173	<b>151</b>	-	-	-
Item 16 - Armadale Redevelopment Authority ..	750	1,030	1,180	<b>1,470</b>	1,250	1,200	1,200
Item 17 - Broome Port Authority .....	-	-	-	<b>575</b>	435	420	405
Item 18 - First Home Owners' Assistance .....	94,485	113,500	124,300	<b>123,100</b>	125,000	127,000	132,200
Item 19 - GST Administration Costs .....	53,354	57,500	57,900	<b>59,300</b>	60,600	62,100	63,600
Item 20 - HIH Insurance Rescue Package .....	99	500	600	<b>600</b>	500	500	500
Item 21 - Life Support Equipment Electricity Subsidy Scheme .....	-	-	267	<b>534</b>	534	534	-
Item 22 - Office of Health Review .....	1,036	1,189	1,197	<b>1,223</b>	1,249	1,271	1,289
Item 23 - On-Road Diesel Subsidies .....	6,446	5,000	7,000	<b>5,000</b>	5,000	5,000	5,000
Item 24 - Ord Enhancement and Global Benefits Scheme .....	-	-	-	<b>9,865</b>	2,365	2,365	-
Item 25 - Pensioner Concessions - Emergency Services Levy .....	3,565	5,400	5,400	<b>6,390</b>	6,469	6,546	6,637
Item 26 - Pensioner Concessions - Local Government and Water Rates .....	41,098	42,500	42,500	<b>46,473</b>	48,856	51,338	53,643
Item 27 - Provision for Unfunded Liabilities in the Government Insurance Fund .....	2,556	4,711	4,711	<b>4,030</b>	2,970	-	-
Item 28 - Refund of Past Years Revenue Collections - Public Corporations .....	704	100	100	<b>100</b>	100	-	-
Item 29 - Refund of Past Years Revenue Collections - All Other .....	8,184	5,111	16,000	<b>11,000</b>	12,000	13,000	14,000
Item 30 - State Housing Commission - Emergency Services Levy .....	1,300	2,100	2,100	<b>2,100</b>	2,100	2,100	2,100
Item 31 - State Housing Commission - General Housing Funding .....	2,000	1,000	8,000	<b>5,000</b>	1,000	1,000	1,000
Item 32 - State Housing Commission - Indigenous Housing .....	18,483	18,483	18,483	<b>18,483</b>	17,000	17,000	17,000
Item 33 - State Housing Commission - Subsidies for Housing .....	3,480	3,480	3,480	<b>3,480</b>	3,480	3,480	3,480
Item 34 - State Property - Emergency Services Levy .....	6,033	9,000	9,000	<b>9,324</b>	9,345	9,364	9,389
Item 35 - Water Corporation of Western Australia - State Water Strategy Rebate Scheme .....	8,845	-	14,800	<b>9,000</b>	9,000	-	-

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Item 36 - Water Corporation of Western Australia - Part Reimbursement of Land Sales.....</b>	325	-	-	<b>10</b>	-	-	-
<b>Item 37 - Western Australian Building Management Authority - Interest <sup>(a)</sup>.....</b>	7,989	6,615	6,679	<b>5,633</b>	4,538	4,084	3,669
<b>Item 38 - Wine Equalisation Tax Rebate.....</b>	-	-	1,600	<b>2,400</b>	2,500	2,600	2,700
<b>Item 39 - All Other Grants, Subsidies and Transfer Payments.....</b>	3,626	3,325	3,985	<b>3,812</b>	3,538	3,646	3,992
Aerial Shark Surveillance Program.....	101	110	165	-	-	-	-
Midland Redevelopment Authority.....	500	-	-	-	-	-	-
Rail Access Regulator.....	395	-	-	-	-	-	-
Authorised by Other Statutes							
Gold Corporation Act 1987.....	10	64	55	<b>55</b>	55	55	55
Judges' Salaries and Pensions Act 1950.....	4,496	3,988	3,988	<b>4,146</b>	4,311	4,483	4,500
Loan (Financial Agreement) Act 1991							
Interest.....	19,695	19,479	14,912	-	-	-	-
Loan Guarantee Fees.....	636	610	149	-	-	-	-
Parliamentary Superannuation Act 1970.....	3,784	17,500	17,500	<b>7,950</b>	8,104	8,263	8,100
State Superannuation Act 2000.....	394,116	422,065	450,329	<b>469,005</b>	469,591	468,440	459,204
Tobacco Control Act 1990.....	16,930	17,357	17,363	<b>17,753</b>	18,153	18,607	19,081
Unclaimed Money Act 1990.....	394	500	500	<b>500</b>	500	500	500
Unclaimed Money (Superannuation and RSA Providers) Act 2003.....	-	50	50	<b>50</b>	50	50	50
Western Australian Treasury Corporation Act 1986							
Interest.....	31,616	55,803	43,519	<b>30,812</b>	43,230	37,105	34,957
Loan Guarantee Fees.....	895	1,006	749	<b>746</b>	1,063	1,356	1,440
Total Administered.....	1,080,548	1,169,400	1,239,448	<b>1,274,127</b>	1,268,182	1,283,389	1,292,427
<b>CAPITAL</b>							
Capital Contribution.....	400	400	400	-	350	-	-
<b>ADMINISTERED CAPITAL</b>							
Government Equity Contributions							
Item 121 - Albany Port Authority.....	-	-	-	<b>2,600</b>	-	-	-
Item 122 - Armadale Redevelopment Authority.....	2,000	2,000	3,000	<b>3,000</b>	2,000	2,000	2,000
Item 123 - Broome Port Authority.....	-	-	-	<b>1,250</b>	-	-	-
Item 124 - Department of Health <sup>(b)</sup> .....	-	61,152	95,552	<b>133,933</b>	154,737	210,731	293,700
Item 125 - Electricity Corporation.....	1,415	10,450	6,000	<b>13,220</b>	12,050	6,000	-
Item 126 - Forest Products Commission.....	1,289	1,291	1,291	<b>1,291</b>	1,291	1,291	1,291
Item 127 - Fremantle Port Authority.....	921	1,222	5,320	<b>1,533</b>	213	211	207
Item 128 - Midland Redevelopment Authority.....	675	-	-	<b>3,440</b>	9,405	2,300	-
Item 129 - State Housing Commission.....	15,500	19,500	19,105	<b>15,000</b>	15,000	15,000	15,000
Item 130 - Western Australian Building Management Authority <sup>(a)</sup> .....	7,033	7,275	7,375	<b>7,626</b>	7,886	8,156	8,435
Item 131 - Western Australian Meat Industry Commission.....	-	-	-	<b>1,596</b>	3,200	-	-
Western Australian Land Authority.....	5,000	5,000	5,000	-	-	-	-
Authorised by Other Statutes							
Financial Agreement Act 1995 - Sinking Fund....	8,025	-	-	-	-	-	-
Loan (Financial Agreement) Act 1991 - Capital Repayments.....	12,088	12,208	477,139	-	-	-	-
Western Australian Treasury Corporation Act 1986 - Capital Repayments.....	-	10,513	-	-	-	-	-
Total Capital Contribution.....	54,346	131,011	620,182	184,489	206,132	245,689	320,633
GRAND TOTAL.....	1,190,489	1,355,037	1,918,980	1,524,005	1,541,188	1,597,025	1,682,089

(a) The functions of the Western Australian Building Management Authority (WABMA) were transferred to the Department of Housing and Works (DHW) as part of Machinery of Government changes in 2002-03. For legal reasons, loans held by WABMA cannot be transferred to the DHW. The Consolidated Fund provides appropriation support for the interest and capital repayments associated with this debt.

(b) Reflects global funding to be applied to health reforms and related broader health initiatives as part of the Department of Health's Capital Works Program. The Department of Health is required to submit business cases and planning details for Government approval to access these funds.

## MISSION

*To provide quality economic and financial advice, financial management, fair and equitable revenue laws administration and effective government procurement.*

## SIGNIFICANT ISSUES AND TRENDS

### Economic Outlook

- Growth of the Western Australian economy is expected to moderate slightly in 2005-06, but should remain stronger than nationally. The moderation in growth follows several years of above trend growth. The external sector is expected to replace domestic demand as the main driver of activity during the year. This reflects an expected consolidation in business and dwelling investment at record levels and steadier growth in consumer spending following particularly strong growth in recent years. The anticipated lift in the contribution from the external sector is predicated on the movement of a number of major resource projects from their construction phases to their operational phases, and external demand remaining sufficiently strong to absorb the additional production. In this environment, maintaining and promoting a thorough understanding of the Western Australian economy, especially the drivers of and constraints on growth and impact on State revenues, remain a key underpinning of the Department's economic and financial policy advice to government.

### Financial Management

- Maintaining the State's triple A credit rating, accommodating the Government's election commitments, as well as management of expense pressures in key areas, such as health, education and law and order, will be pursued.
- The achievement of earlier reporting timelines and the transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS) are significant issues in public sector financial reporting in 2005-06. The transition to AEIFRS will impact both whole-of-government and agency level reporting. For entities with financial years ending on 30 June, the 2004-05 annual reports will need to disclose the expected material impacts of transition to AEIFRS and the 2005-06 annual reports will need to be AEIFRS compliant, including restatement of 2004-05 comparative results on an AEIFRS basis.
- As part of the performance management improvement initiative, the Outcome Structure Review Group continues to review all proposals for major changes to agency level government desired outcomes, the supporting services and related key performance indicators.

### Commonwealth-State Relations

- The March 2005 Treasurers' Conference agreed to a terms of reference for the Commonwealth Grants Commission (CGC) to review its methods for sharing the Goods and Services Tax (GST) revenue among the States, and to examine how it can simplify its methods. The CGC is to provide progress reports on simplification to the March 2006 and March 2007 Treasurers' Conferences and to present its final report on the complete review in February 2010. Issues for the State will include:
  - preserving the financial gains that Western Australia achieved in the Grants Commission's 2004 Review; and
  - addressing deficiencies in the CGC's current methods (e.g. disincentives to economic development).
- Under the intergovernmental agreement on the GST, the Commonwealth and States were required to review by 2005 'the need to retain' various stamp duties. This review was completed for the March 2005 Treasurers' Conference, without agreement between the Commonwealth and States. At the time of writing, the Commonwealth and States were continuing to negotiate over the abolition of the taxes that were listed for review. In the absence of agreement, there is a risk that the Commonwealth will withhold the GST revenues or penalise the States through other means.
- The Commonwealth is continuing to impose more onerous conditions on specific purpose payments, while providing inadequate funding growth to address rising cost pressures.

**Energy Reform**

- Lower costs and greater choice for energy consumers are being pursued through changes in the market arrangements for the provision of electricity and gas and the vertical disaggregation of Western Power. Independent regulation of network access is intended to enhance competition across the electricity market and increase pressure for lower electricity prices. The introduction of full retail contestability in the gas market is designed to produce similar outcomes.

**National Competition Policy**

- The State is progressing its remaining obligations under National Competition Policy (NCP) agreements with the Commonwealth and is reviewing some of the matters, which have been assessed by the National Competition Council (NCC) as not being compliant with NCP principles. NCP involves reviews of anti-competitive provisions in all statutes, the extension of competitive neutrality provisions across government business operations, and implementation of reform where this has been shown to further the public interest.

**Revenue Laws Administration**

- The level of economic activity, particularly as it affects transaction activity in the property market and employment growth, will continue to impact on the level of demand for services.
- Ongoing monitoring of the level of tax evasion and avoidance in the community will continue through the use of appropriate compliance strategies. Where avoidance is detected, proposals for countervailing legislation will be prepared for consideration by government.
- Development of strategies designed to improve compliance, including better use and coordination of information held by the Office of State Revenue (OSR), revenue authorities of other jurisdictions, and other government agencies will be ongoing.
- There will be a greater focus on education initiatives to ensure taxpayers and their agents are well informed of their obligations and rights, particularly as a result of a greater reliance on self-assessment as a means of tax administration.
- Outcomes of the 2005 review process in respect of state taxes required under the Intergovernmental Agreement on Commonwealth-State Financial Relations may impact on what taxes will be collected in the future. This review requires a range of state taxes to be examined for potential future abolition. Notably, a number of these taxes have already been abolished in this State as a result of the Business Tax Review (BTR) changes.
- The Department will continue to explore opportunities to partner with other government agencies where opportunities exist to provide improved services to common customers.
- Increasing contact will occur with industry and professional bodies to ensure their views are considered in the design of taxation and grant administrative arrangements and to increase the Department's awareness of issues important to their members.

**Government Procurement**

- Significant benefits are being sought from leveraging purchasing power on a whole-of-government basis while ensuring probity and equity principles are maintained for public sector procurement.
- The program management office has progressed the procurement reform initiatives in conjunction with the Functional Review Implementation Team (FRIT).



**MAJOR POLICY DECISIONS**

Details of major policy decisions impacting on the Department's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken prior to State Election</b>				
Funding to address work backlogs – Office of State Revenue .....	1,000	255	-	-
<b>Decisions taken since State Election</b>				
Revenue Assessment and Collection – Office of State Revenue.....	1,200	1,200	1,200	1,200

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Resourcing of Services and Budget Development.	7,792	7,896	8,196	7,620			
<i>Service 2:</i>							
Asset Management and Financing.....	1,436	2,340	2,250	2,237			
<i>Service 3:</i>							
Fiscal Management and Reporting.....	3,372	3,823	3,857	4,002			
<i>Service 4:</i>							
Financial Management Framework Development and Advice.....	2,076	2,006	1,870	1,789			
<i>Service 5:</i>							
Structural Policy Development and Advice .....	2,119	2,120	2,185	2,240			
<i>Service 6:</i>							
Economic, Revenue and Intergovernmental Policy Development and Advice .....	2,907	3,432	3,511	3,467			
<i>Service 7:</i>							
Revenue Assessment and Collection.....	30,220	31,066	31,379	32,179			
<i>Service 8:</i>							
Grants and Subsidies Administration .....	2,092	2,216	2,580	2,712			
<i>Service 9:</i>							
Development and implementation of public sector procurement arrangements and systems.	26,873	21,057	36,711	29,272			
<b>Total Cost of Services .....</b>	<b>78,887</b>	<b>75,956</b>	<b>92,539</b>	<b>85,518</b>	<b>87,032</b>	<b>87,957</b>	<b>89,070</b>
<i>Less Income.....</i>	<i>14,701</i>	<i>13,172</i>	<i>12,886</i>	<i>11,289</i>	<i>11,554</i>	<i>11,522</i>	<i>11,553</i>
<b>Net Cost of Services .....</b>	<b>64,186</b>	<b>62,784</b>	<b>79,653</b>	<b>74,229</b>	<b>75,478</b>	<b>76,435</b>	<b>77,517</b>
Adjustments <sup>(a)</sup> .....	(8,591)	(8,158)	(20,303)	(8,840)	(8,604)	(8,488)	(8,488)
<b>Appropriation provided to deliver Services.</b>	<b>55,595</b>	<b>54,626</b>	<b>59,350</b>	<b>65,389</b>	<b>66,874</b>	<b>67,947</b>	<b>69,029</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>350</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>55,995</b>	<b>55,026</b>	<b>59,750</b>	<b>65,389</b>	<b>67,224</b>	<b>67,947</b>	<b>69,029</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Acting Under Treasurer and the Treasurer.

## OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(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.	Government and public sector agencies are well informed on resource allocation issues.	1. Resourcing of Services and Budget Development
	Public sector financial management and reporting is accountable, transparent and timely.	2. Asset Management and Financing 3. Fiscal Management and Reporting 4. Financial Management Framework Development and Advice
	Government, business and the community are well informed on economic policy.	5. Structural Policy Development and Advice 6. Economic, Revenue and Intergovernmental Policy Development and Advice
	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	7. Revenue Assessment and Collection 8. Grants and Subsidies Administration
	Value for money and probity from public sector procurement.	9. Development and implementation of public sector procurement arrangements and systems

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Government and public sector agencies are well informed on resource allocation issues.</b>					
Percentage of stakeholders who believe that the Department of Treasury and Finance (DTF) has kept them well informed on resource allocation issues .....	82%	75%	80%	80%	
<b>Outcome: Public sector financial management and reporting is accountable, transparent and timely.</b>					
Percentage of stakeholders who believe that DTF guidance on accounting and financial policies assist them to improve service delivery and increase public sector accountability .....	73%	75%	75%	75%	
Percentage of agencies that met reporting timeliness and information requirements .....	35%	75%	75%	75%	
<b>Outcome: Government, business and the community are well informed on economic policy.</b>					
Percentage of stakeholders who believe that the DTF has kept them well informed on economic policy issues .....	70%	75%	75%	75%	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid.</b>					
Percentage of assessments paid and returns lodged by the due date .....	83%	87%	90%	87%	
Extent to which payroll tax persons audited had paid their correct liability.....	29%	30%	43%	43%	
Extent to which all registered stamp duty rental persons audited had paid their correct liability....	39%	40%	39%	39%	
Extent to which all recipients of First Home Owner Grants (FHOG) audited claim the correct concession.....	99%	98%	99%	99%	
Extent to which all recipients of Pensioner Rebate Scheme subsidies audited claim the correct concession.....	n/a	99%	99%	99%	
<b>Outcome: Value for money and probity from public sector procurement.</b>					
Extent to which client agencies agree that their contracts were awarded on a value for money basis.....	78%	80%	80%	80%	
Extent to which client agencies agree that common use contracts are managed/awarded on a value for money basis .....	72%	80%	80%	80%	

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

### Service 1: Resourcing of Services and Budget Development

To advise and manage the allocation of taxpayers resources to achieve government outcomes.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	7,792	7,896	8,196	7,620	
Less Income .....	32	145	120	121	
Net Cost of Service .....	7,760	7,751	8,076	7,499	
Adjustments <sup>(a)</sup> .....	(63)	(63)	(146)	(148)	
<b>Appropriation for delivery of Service .....</b>	<b>7,697</b>	<b>7,688</b>	<b>7,930</b>	<b>7,351</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of producing budget papers .....	\$1,202,697	\$1,422,000	\$1,483,000	\$1,347,000	
Cost of advice .....	\$6,571,303	\$6,474,000	\$6,713,000	\$6,273,000	
<b>Full Time Equivalents (FTEs)</b>	80	69	72	73	

**Major Achievements For 2004-05**

- Monitored and provided advice to government on the progress of the 2004-05 budget and contributed to the formulation of the 2005-06 budget and forward estimates.
- Strengthened relationships with agencies, through regular visits, to better understand the agencies' business and the issues impacting them, and engaged agencies in policy development.
- Provided ongoing advice on major public sector wage agreement negotiations.
- Assisted government and agencies in implementing the recommendations of the FRIT.
- Actively assisted in the implementation of the Health Reform Committee's recommendations for the reform of the health sector. This included substantial evaluation of business cases for the investment program to reconfigure health service delivery.

**Major Initiatives For 2005-06**

- Monitor and provide advice to government on the progress of the 2005-06 budget and contribute to the formulation of the 2006-07 budget and forward estimates.
- Provide ongoing advice on major public sector wage agreement negotiations.
- Continue to strengthen relationships with agencies, through regular visits, to better understand the agencies' business and the issues impacting them, and to engage agencies in policy development.
- Continue to assist in the implementation of reform in the health sector.

**Service 2: Asset Management and Financing**

Management and investment of government's cash resources. Management of the financing and leasing of the government's light vehicle fleet. Provision of advice and analysis on alternative asset financing arrangements for existing or proposed public sector infrastructure and services.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,436	2,340	2,250	2,237	
Less Income .....	514	983	705	705	
Net Cost of Service .....	922	1,357	1,545	1,532	
Adjustments <sup>(a)</sup> .....	(87)	(11)	(22)	(30)	
<b>Appropriation for delivery of Service .....</b>	<b>835</b>	<b>1,346</b>	<b>1,523</b>	<b>1,502</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of advice on major asset financing projects .....	\$162,912	\$180,000	\$183,445	\$181,526	
Cost of fleet financing and leasing .....	\$636,565	\$1,030,000	\$888,727	\$898,953	
Cost of management and investment of cash resources.....	\$637,090	\$1,130,000	\$1,178,226	\$1,157,012	
<b>Full Time Equivalents (FTEs)</b>	23	21	21	24	

**Major Achievements For 2004-05**

- Implemented new fleet related contracts with a common theme of consolidating and streamlining processes for a more cost effective operation. Savings of \$1.4 million were identified across the three contracts.
- Implemented a revised Investment Policy, that aligns with contemporary financial market conditions and enhances performance measurement.

**Major Initiatives For 2005-06**

- Undertake a process review to enable transfer of functions to shared services provider.
- Restructure outsourced vehicle facility management arrangements to further streamline state fleet operations and reduce administration costs.
- Develop in conjunction with the Office of Road Safety and Worksafe, an enhanced safety policy for the government's light vehicle fleet.
- Develop in conjunction with the Department of Environment, an emissions offset program to make the government's light vehicle fleet 'carbon neutral'.

**Service 3: Fiscal Management and Reporting**

Development of policy advice on, and monitoring of fiscal strategy and financial targets for the Western Australian government. Provision and publication of whole-of-government financial statements. Research and analysis of trends and issues in public sector finances.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	3,372	3,823	3,857	4,002	
Less Income .....	17	33	35	35	
Net Cost of Service .....	3,355	3,790	3,822	3,967	
Adjustments <sup>(a)</sup> .....	-	(30)	(69)	(78)	
<b>Appropriation for delivery of Service .....</b>	<b>3,355</b>	<b>3,760</b>	<b>3,753</b>	<b>3,889</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of reports.....	\$1,893,525	\$2,103,000	\$1,139,829	\$1,163,508	
Cost of advice to government.....	\$298,932	\$306,000	\$186,517	\$190,392	
Cost of advice to agencies/other.....	\$307,984	\$498,000	\$269,414	\$275,011	
Cost of producing budget papers.....	\$698,559	\$726,000	\$2,136,632	\$2,247,054	
Cost of producing the mid year review .....	\$173,000	\$190,000	\$124,345	\$126,928	
<b>Full Time Equivalents (FTEs)</b>	38	28	33	34	

**Major Achievements For 2004-05**

- Both major credit ratings agencies, Moody's Investor Services and Standard and Poor's, again confirmed Western Australia's triple A credit rating. A range of submissions and presentations to the ratings agencies were made in support of the State's assessment.
- Production of a Pre-election Financial Projections Statement, showing the current outlook for the State's whole-of-government financial projections going into the State election. As required by law, this publication was prepared and published within the required 10 day timeframe.
- Monthly and quarterly reports of public sector finances were produced regularly through the year, supporting the Department's ongoing financial reporting imperative. These reports allow both the government and the community to assess how the State's finances are tracking through the year, and assist in the identification of emerging issues and trends in public sector finances.

**Major Initiatives For 2005-06**

- Promotion of sound financial policy and management outcomes remains a key issue. This will be achieved through the provision of prompt, accurate and comprehensive advice to government and other stakeholders on matters impacting State finances.
- Proposed amendments to the *Financial Administration and Audit Act 1985* (FAAA), and the *Government Financial Responsibility Act 2000*, aimed at improving the timeliness of whole-of-government financial reporting, will require the Department to continue to work closely with agencies to ensure that reporting deadlines are met.
- Production of monthly and quarterly whole-of-government financial reports on an AEIFRS basis, from July 2005.

**Service 4: Financial Management Framework Development and Advice**

Research and development of policies for government relating to the financial management and resourcing framework for the Western Australian public sector. Advice and assistance to stakeholders, particularly public sector agencies, promoting a better appreciation and understanding of financial management initiatives and assisting with the implementation of endorsed policies. Advice in regard to interpretation of Accounting Standards and legislative framework within which the Western Australian public sector discharges its financial management responsibilities.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,076	2,006	1,870	1,789	
Less Income .....	9	38	26	25	
Net Cost of Service .....	2,067	1,968	1,844	1,764	
Adjustments <sup>(a)</sup> .....	-	(16)	(37)	(34)	
<b>Appropriation for delivery of Service .....</b>	<b>2,067</b>	<b>1,952</b>	<b>1,807</b>	<b>1,730</b>	

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

### **Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of advice to government .....	\$551,000	\$562,000	\$384,456	\$367,772	
Cost of advice to agencies .....	\$1,563,000	\$1,444,000	\$1,485,468	\$1,421,004	
<b>Full Time Equivalents (FTEs)</b>	<b>18</b>	<b>18</b>	<b>19</b>	<b>19</b>	

### **Major Achievements For 2004-05**

- Implemented endorsed improvements to the Outcome Based Management framework including an increased emphasis on achieving government desired outcomes, replacement of output measures of quantity, quality, timeliness and cost with audited key efficiency indicators in both budget papers and agency annual reports, and gazettal of an amended Treasurer's Instruction 904 'Performance Indicators'. These initiatives are intended to assist in improving the relevance and usefulness of agency based performance information and thereby contributes to the enhancement of accountability and transparency of public sector financial management and reporting.
- Assisted with the drafting and passage of the Financial Administration Legislation Amendment Bill that improves the accountability and timeliness of reporting at the whole-of-government and agency levels.
- Issued model financial statements to assist agencies to meet their reporting obligations under current reporting standards and the transition to AEIFRS.
- Conducted six major forums on topical financial management issues to increase the awareness and knowledge of financial management and accounting policies and practices in the public sector.

### **Major Initiatives For 2005-06**

- Finalise drafting of legislation to replace the FAAA which, if passed, will improve the accountability and transparency of public sector management, and reporting.
- Improve the accountability and transparency of public sector management and reporting by assisting an expanded number of agencies to adopt more relevant and useful government desired outcomes, services and supporting key performance indicators.

**Service 5: Structural Policy Development and Advice**

Development of policy advice on microeconomics issues including economic regulation, energy reforms and competition. Oversight of government business enterprises to support shareholder Ministers and the budget process.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,119	2,120	2,185	2,240	
Less Income .....	9	39	35	38	
Net Cost of Service .....	2,110	2,081	2,150	2,202	
Adjustments <sup>(a)</sup> .....	-	(17)	(39)	(43)	
<b>Appropriation for delivery of Service .....</b>	<b>2,110</b>	<b>2,064</b>	<b>2,111</b>	<b>2,159</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of advice to government .....	\$662,000	\$590,000	\$686,048	\$703,237	
Cost of advice to others .....	\$1,457,000	\$1,530,000	\$1,498,817	\$1,536,372	
<b>Full Time Equivalents (FTEs)</b>	<b>26</b>	<b>26</b>	<b>27</b>	<b>27</b>	

**Major Achievements For 2004-05**

- Provided advice on budget submissions prepared by commercial agencies, as well as Strategic Development Plans (SDP) and Statements of Corporation Intent (SCI).
- Contributed to the electricity reform process through membership of the Electricity Reform Implementation Steering Committee (ERISC), and relevant working groups and expert teams. The reforms have included the introduction of new, competitive wholesale market arrangements, development of an electricity access code for Western Australia, a reduction in contestability to 5.7 kilowatt at 1 January 2005, and a range of customer protection measures, including a licensing regime, ombudsman scheme and customer service code.
- Contributed to the development of increased competition and choice in the gas industry to deliver savings to consumers. Full retail contestability commenced in May 2004.
- Provided advice on regulatory frameworks and access arrangements in utility markets (e.g. through participation in the electricity reform process and the Productivity Commission's review of the national gas access regime).
- Coordinated and oversaw the progress of the NCP reviews and reforms, and preparation of the submission to the NCC, with particular attention to minimising risks to payments within the parameters of government policy. Particular issues included the progression of electricity reforms, grain marketing reform, water and health legislation.
- Made a public submission to the Economic Regulation Authority's (ERA) inquiry on water and wastewater prices.
- Contributed to the reform of utility markets, particularly through contributing to the activities of the ERISC.



- Contributed to the electricity procurement process for a 300 megawatt power station so that the Government is able to take final decisions in 2005.
- Finalised some of the outstanding NCP review and reform activity with particular emphasis on minimising risks to ongoing payments to Western Australia.

### **Major Initiatives For 2005-06**

- Provide advice on budget submissions prepared by commercial agencies, as well as SDPs and SCIs.
- Contribute to and coordinate the State Government submission to the NCC on its consideration of the Mount Newman Railway line for declaration.
- Contribute to the development of an effective Pilbara Rail Access Policy.
- Continue to contribute to the electricity reform process, including vertical disaggregation of the Western Power Corporation and implementation of the electricity access code by July 2006.
- Progress outstanding NCP reforms with a view to ensuring Western Australia maximises its NCP payments from the Commonwealth in 2005-06.
- Contribute to the Ministerial Council on Energy's review of the wholesale gas market.
- Prepare a public submission in response to the ERA's draft report on water and wastewater pricing.
- Prepare a public submission to the ERA's inquiry into the cost of supplying bulk potable water to Kalgoorlie-Boulder.

### **Service 6: Economic, Revenue and Intergovernmental Policy Development and Advice**

Preparation of policy advice, reports and estimates in relation to the State's economy and finances, including economic conditions and issues, state taxation, mining royalties and Commonwealth-State relations.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,907	3,432	3,511	3,467	
Less Income .....	13	68	63	64	
Net Cost of Service .....	2,894	3,364	3,448	3,403	
Adjustments <sup>(a)</sup> .....	-	(27)	(68)	(67)	
<b>Appropriation for delivery of Service .....</b>	<b>2,894</b>	<b>3,337</b>	<b>3,380</b>	<b>3,336</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost of advice to government.....	\$880,000	\$901,000	\$1,566,066	\$1,547,120	
Cost of advice to other parties .....	\$470,000	\$468,000	\$546,855	\$530,016	
Cost of reports/publications.....	\$707,980	\$911,000	\$658,354	\$623,202	
Cost of intergovernmental relations .....	\$842,021	\$1,152,000	\$739,560	\$766,853	
<b>Full Time Equivalents (FTEs)</b>	41	41	38	43	

**Major Achievements For 2004-05**

- Participated in a Heads of Treasuries' review of the scope to simplify the CGC process for distributing GST revenue among the States, and the reliability and comparability of the data used in the process. The outcome of the review was an agreed terms of reference for the CGC's next major review of its methods to report in 2010, which provides guidance on simplification.
- Participated in a review of the need to retain certain stamp duties beyond 2005, as required under the intergovernmental agreement relating to the GST funding arrangements. Advised the Government in negotiations over the potential abolition of these stamp duties.
- Assisted the Government with the preparation of major taxation relief measures, which were announced in October 2004.
- Advised Government on implementation of election commitments and revenue relief measures for the 2005-06 budget.
- Coordinated credit rating visits, and provided inputs to submissions on the national and state wage cases and the termination, and redundancy test case. Provided input to government wide policy initiatives on wages policy and greenhouse policies.
- Provided considerable input, including substantial modelling work, to the Western Australian Government's submission to the Productivity Commission Inquiry into the Economic Implications of An Ageing Australia. The Department also provided comments on the draft report of the Inquiry.
- Published an updated report on the structure of the Western Australian economy, and regularly published the Western Australian Economic Summary, which included feature articles on the impact of higher oil prices in Western Australia and the benefits of tariff reform to Western Australian consumers, to contribute to a better understanding of the State's economy.
- Published research reports on business investment, the world iron ore market and a report on the economic history of Western Australia since colonial settlement.
- Continued to lead a national working group of Commonwealth and State central finance agencies exploring reform of specific purpose payments to the States, particularly in relation to conditions that potentially reduce States' capacity to best meet community priorities.

**Major Initiatives For 2005-06**

- Build capacity for economic assessment of policy and projects in the context of the Government's desire to more closely integrate economic, social and environmental analysis.
- Continue to promote greater understanding of the Western Australian economy, and the international markets to which it is linked, through the publication of discussion papers and analysis of contemporary economic issues.

- Continue to develop and implement strategies for broad reform of Commonwealth-State financial relations (including in relation to specific purpose payments), aimed at achieving a better deal for Western Australian taxpayers, industry and the community generally.
- Participate in the CGC's review of its methods for distributing the GST revenue between the States, including work on simplifying the process, for which the first report is due in March 2006.
- Continue to advise government on taxation policies to improve the competitiveness of the Western Australian economy in a financially responsible manner.

### Service 7: Revenue Assessment and Collection

This involves the assessment and collection of a range of statutory based revenues including those that the Commissioner of State Revenue (Commissioner) has direct responsibility for, including stamp duties, land tax and payroll tax, and those that are collected on behalf of other agencies (e.g. Perth Parking License fees on behalf of the Department of Planning and Infrastructure) or other jurisdictions (e.g. collection of a range of taxes for the Commonwealth in the Indian Ocean Territories).

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	30,220	31,066	31,379	32,179	
Less Income .....	3,220	3,252	3,020	2,950	
Net Cost of Service .....	27,000	27,814	28,359	29,229	
Adjustments <sup>(a)</sup> .....	(9,218)	(7,875)	(7,950)	(7,988)	
<b>Appropriation for delivery of Service .....</b>	<b>17,782</b>	<b>19,939</b>	<b>20,409</b>	<b>21,241</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per land item assessed .....	\$8.54	\$8.12	\$7.95	\$7.89	
Cost per payroll tax return issued .....	\$91.14	\$99.18	\$95.97	\$101.25	
Cost per stamp duty return issued .....	\$103.61	\$96.35	\$118.67	\$119.46	
Cost per instrument assessed .....	\$16.05	\$18.85	\$21.52	\$22.82	
<b>Full Time Equivalents (FTEs)</b>	<b>249</b>	<b>248</b>	<b>249</b>	<b>245</b>	

### Major Achievements For 2004-05

- Improved the administration of stamp duties by:
  - rolling out an Internet based online stamping system for stamp duty instruments;
  - commencing data matching in relation to mining tenement and pastoral lease information which identifies changes in indirect ownership of property;
  - continuing to implement remaining BTR recommendations, including the introduction of the hire of goods duty regime;
  - putting procedures in place to accommodate the introduction of a State Administrative Tribunal on tax administration;
  - developing and commencing the implementation of a broadened customer education strategy; and
  - developing and commencing the implementation of a structured learning framework for OSR officers.

- Improved the payroll tax scheme by continuing the development of the revenue online lodgement and payment service and facilitating the move from monthly to annual lodgement for lower value taxpayers.
- Continued to develop and publish Commissioner's practices in accordance with the requirements of the *Taxation Administration Act 2003*.
- Improved the land and financial taxes scheme by:
  - commencing implementation of an integrated compliance strategy in respect of land tax;
  - reviewing alternative payment methods to enable online payment of land tax via electronic advice of sales system two;
  - establishing a land data management section to improve data exchange systems that process land data and ownership of land information; and
  - strengthening the revenue recovery section by staff recruitment and further development of processes and procedures.

#### **Major Initiatives For 2005-06**

- Further developing systems and procedures to reduce compliance costs for people seeking to meet their state taxation obligations or to access grants or subsidies to which they may be entitled.
- Undertaking a land data management project to deal with the matters identified in the analysis phase of the review of computing interfaces in respect of data sources and the processing of that information.
- Completing the revenue online payroll tax suite of services.
- Completing the payroll tax lodgement project by 30 June 2006 to accommodate mandatory monthly electronic lodgement and payment for high value taxpayers, and to enable payroll tax returns to be lodged on a quarterly basis.
- Expanding the utilisation of the revenue online stamping facility so as to eliminate the collection by return disc-based facility and to move to reduce reliance on manual return lodgements.
- Completing a scoping project examining the replacement of the Revenue Collection Information System (RCIS).
- Commencing a review of the *Stamp Act 1921* for the purpose of a re-write of that Act in more contemporary language and having regard to current business practices.
- Continuing to build and manage key customer relationships in a manner which avoids duplication of contact with common customers and ensures relationships are managed in a coordinated manner.
- Continuing to emphasise voluntary compliance through customer education initiatives.

#### **Service 8: Grants and Subsidies Administration**

This involves the assessment and payment of a range of grants and subsidies under both statutory and administrative schemes. The major payments relate to the FHOG scheme and concessions on water and local authority rates for pensioners and seniors.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,092	2,216	2,580	2,712	
Less Income .....	221	271	255	260	
Net Cost of Service .....	1,871	1,945	2,325	2,452	
Adjustments <sup>(a)</sup> .....	(109)	(16)	(44)	(47)	
<b>Appropriation for delivery of Service .....</b>	<b>1,762</b>	<b>1,929</b>	<b>2,281</b>	<b>2,405</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per FHOG application .....	\$121.92	\$106.99	\$91.21	\$95.88	
Cost per pensioner and seniors concession claim.....	\$0.97	\$2.11	\$2.31	\$2.32	
<b>Full Time Equivalents (FTEs)</b>	32	32	31	31	

**Major Achievements For 2004-05**

- Continued improvement in the administration of the grant and subsidy schemes by:
  - undertaking further work to the OSR databases to streamline the validation process to check individual eligibility for concessional water and local government rates and the emergency service levy for pensioners and seniors;
  - increasing the number of visits by the OSR officers to financial institutions to improve the level of education and compliance for the FHOG scheme requirements by these organisations;
  - implementing the recommendations approved by Government regarding the review of the *Rates and Charges (Rebates and Deferments) Act 1992*; and
  - developing and implementing a system to provide payments to applicants under the Office of Energy's Life Support Equipment Energy Subsidy Scheme.
- Continued to liaise with the Commonwealth regarding the administration of the FHOG, including accessing information held by certain Commonwealth agencies to improve compliance.
- Commenced a review with the Water Corporation, the Office of e-Government, and other agencies to determine the ability to receive pensioners' and seniors' data automatically from the Commonwealth and the Office for Seniors Interests and Volunteering, so as to enable concessions to be provided to eligible persons in a more timely and accurate manner.
- Coordinated the conduct and completion of a system audit of the FHOG computer system on behalf of all jurisdictions.

**Major Initiatives For 2005-06**

- Continuing to explore opportunities to expand our revenue collection and grant payment processes in order to maximise the use of the Department's infrastructure to realise efficiencies across the whole-of-government.
- Continuing to liaise with the Commonwealth regarding the administration of the FHOG, including accessing information held by certain Commonwealth agencies to improve compliance.
- Continuing the work being undertaken to receive pensioners' and seniors' data automatically from the Commonwealth and the Office for Seniors Interests and Volunteering.
- Integrating the Life Support Equipment Energy Subsidy Scheme operations into the grants and subsidies work area.
- Undertaking a review of the *First Home Owner Grant Act 2000*.
- Overseeing the implementation of the FHOG computer system audit findings as appropriate.

### Service 9: Development and Implementation of Public Sector Procurement Arrangements and Systems

Leads a whole-of-government approach to procurement that efficiently meets agency needs, manages risk and delivers savings to government.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	26,873	21,057	36,711	29,272	
Less Income .....	10,666	8,343	8,627	7,091	
Net Cost of Service .....	16,207	12,714	28,084	22,181	
Adjustments <sup>(a)</sup> .....	886	(103)	(11,928)	(405)	
<b>Appropriation for delivery of Service .....</b>	<b>17,093</b>	<b>12,611</b>	<b>16,156</b>	<b>21,776</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per registered user of Government Electronic Market (GEM).....	\$158	\$140	\$147	\$162	
Average cost of external web pages linked to online WA .....	\$44	\$41	\$45	\$50	
Average cost per gigabyte of ServiceNet traffic...	\$59	\$65	\$37	\$34	
Average cost per ConferWest conference hour..	\$60	\$58	\$79	\$87	
<b>Full Time Equivalents (FTEs)</b>	<b>208</b>	<b>212</b>	<b>256</b>	<b>279</b>	

### Major Achievements For 2004-05

- Established the program for the development of common use contracting arrangements consistent with the procurement reform principles, with 15 common use arrangements implemented.
- Developed a buying behaviour program to assist agency buyers in achieving the best use of the newly developed common use arrangements.
- Provided contracting services for client agencies across the sector under the new State Supply Commission exemption arrangements that were implemented as part of the procurement reform program. This included 'rebadging' 66 staff positions from the supply branches of major agencies.
- Progressed the establishment of three regional buying centres in Geraldton, Bunbury and Kalgoorlie.
- Developed a suite of standardised procurement documentation for tendering and use in government contracts.
- Commenced the implementation of a training and development framework for procurement practitioners and government buyers.
- Implemented a new whole-of-government procurement data warehouse to assist in identification of new common use contracting opportunities.
- Tendered for a new Contract Development and Management System for use across government.
- ServiceNet provided Internet access services to 39 government agencies and maintained reliability at 99.94%.

**Major Initiatives For 2005-06**

- Continue to progress the procurement reform strategies identified by the FRIT.
- Continue the program of developing new, and redesigning existing, common use contracting arrangements.
- Continue to enhance the procurement service to agencies.
- Implement a new contracting system with associated procurement tools, a government supplier registry, and an e-procurement system that is complementary to other shared corporate services systems.

**CAPITAL WORKS PROGRAM**

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Computing and Office Equipment Replacement 2004-05 to 2014-15 Online Technologies .....	3,537	217	217	200
<b>COMPLETED WORKS</b>				
Accommodation Fit-out.....	350	350	350	-
Computing and Office Equipment Replacement 2003-04 Program .....	1,350	1,350	10	-
2004-05 Program .....	1,254	1,254	1,254	-
GEM Procurement .....	3,300	3,300	732	-
Software Development Treasury Information Management System .....	2,880	2,880	669	-
<b>NEW WORKS</b>				
Computing and Office Equipment Replacement 2005-06 Program .....	1,325	-	-	1,569
Revenue Collection Initiative .....	72	-	-	72
GEM Equipment Replacement 2005-06 Program .....	450	-	-	450
Software Development Revenue Collection Information System – Planning Funds .....	494	-	-	250
	15,012	9,351	3,232	2,541

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	7,144	1,654	3,232	2,541	3,110	2,033	2,005
	7,144	1,654	3,232	2,541	3,110	2,033	2,005
<b>LESS</b>							
Drawdowns from the Holding Account .....	1,431	1,131	1,203	2,115	2,241	2,291	2,313
Funding Included in Service Appropriations <sup>(a)</sup> .....	-	123	123	120	160	-	-
Internal Funds and Balances .....	5,313	-	1,506	306	359	(258)	(308)
<b>Capital Contribution .....</b>	400	400	400	-	350	-	-

(a) Capital works expensed through the Income Statement.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	36,302	33,789	38,887	43,911	44,314	45,029	45,690
Superannuation .....	3,690	4,297	4,351	4,648	4,530	4,488	4,540
Grants and subsidies <sup>(c)</sup> .....	-	29	29	10	10	10	10
Consultancies expense .....	1,160	-	-	-	-	-	-
Supplies and services .....	24,598	25,058	36,364	23,182	23,697	23,394	23,735
Accommodation .....	4,924	4,061	4,161	4,950	4,789	4,584	4,584
Capital User Charge .....	2,106	2,493	2,555	2,549	2,582	2,629	2,666
Depreciation and amortisation .....	4,319	3,978	4,050	4,177	4,507	4,712	4,734
Other expenses .....	1,788	2,251	2,142	2,091	2,603	3,111	3,111
<b>TOTAL COST OF SERVICES</b> .....	<b>78,887</b>	<b>75,956</b>	<b>92,539</b>	<b>85,518</b>	<b>87,032</b>	<b>87,957</b>	<b>89,070</b>
<b>Income</b>							
User charges and fees .....	2,878	11,275	9,332	8,952	9,206	9,161	9,183
Other Revenue .....	11,823	1,897	3,554	2,337	2,348	2,361	2,370
<b>Total Income</b> .....	<b>14,701</b>	<b>13,172</b>	<b>12,886</b>	<b>11,289</b>	<b>11,554</b>	<b>11,522</b>	<b>11,553</b>
<b>NET COST OF SERVICES</b> .....	<b>64,186</b>	<b>62,784</b>	<b>79,653</b>	<b>74,229</b>	<b>75,478</b>	<b>76,435</b>	<b>77,517</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	55,595	54,626	59,350	65,389	66,874	67,947	69,029
Resources received free of charge .....	7,644	7,961	8,261	8,239	8,236	8,229	8,229
Liabilities assumed by the Treasurer .....	279	720	720	720	720	720	720
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>63,518</b>	<b>63,307</b>	<b>68,331</b>	<b>74,348</b>	<b>75,830</b>	<b>76,896</b>	<b>77,978</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(668)</b>	<b>523</b>	<b>(11,322)</b>	<b>119</b>	<b>352</b>	<b>461</b>	<b>461</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 715, 746 and 775 respectively.

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



**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	13,466	12,070	8,417	8,049	8,109	8,816	9,573
Restricted cash .....	1,260	-	1,260	1,400	1,555	1,705	1,855
Receivables .....	3,100	4,304	3,136	3,182	3,182	3,182	3,182
Amounts receivable for services.....	1,131	1,977	2,115	2,241	2,291	2,313	-
Prepayments .....	330	402	331	332	332	332	332
<b>Total current assets .....</b>	<b>19,287</b>	<b>18,753</b>	<b>15,259</b>	<b>15,204</b>	<b>15,469</b>	<b>16,348</b>	<b>14,942</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	11,033	13,034	12,896	14,896	17,112	19,511	24,245
Plant and equipment.....	3,154	2,554	2,973	1,890	1,420	692	200
Intangibles .....	262	-	262	13,650	12,765	10,880	7,759
Other.....	15,130	13,251	14,214	291	130	64	948
<b>Total non-current assets .....</b>	<b>29,579</b>	<b>28,839</b>	<b>30,345</b>	<b>30,727</b>	<b>31,427</b>	<b>31,147</b>	<b>33,152</b>
<b>TOTAL ASSETS.....</b>	<b>48,866</b>	<b>47,592</b>	<b>45,604</b>	<b>45,931</b>	<b>46,896</b>	<b>47,495</b>	<b>48,094</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	245	909	245	255	255	255	255
Provision for employee entitlements .....	7,937	6,435	8,078	8,059	8,189	8,319	8,449
Accrued Salaries .....	1,668	-	676	804	942	1,080	1,218
Other.....	2,706	5,018	2,806	2,806	2,931	2,931	2,931
<b>Total current liabilities.....</b>	<b>12,556</b>	<b>12,362</b>	<b>11,805</b>	<b>11,924</b>	<b>12,317</b>	<b>12,585</b>	<b>12,853</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	4,233	3,865	4,079	4,168	4,038	3,908	3,778
<b>Total non-current liabilities .....</b>	<b>4,233</b>	<b>3,865</b>	<b>4,079</b>	<b>4,168</b>	<b>4,038</b>	<b>3,908</b>	<b>3,778</b>
<b>TOTAL LIABILITIES.....</b>	<b>16,789</b>	<b>16,227</b>	<b>15,884</b>	<b>16,092</b>	<b>16,355</b>	<b>16,493</b>	<b>16,631</b>
<b>EQUITY</b>							
Contributed Equity.....	20,915	21,315	29,880	29,880	30,230	30,230	30,230
Accumulated surplus/(deficit) .....	11,162	10,050	(160)	(41)	311	772	1,233
<b>Total equity.....</b>	<b>32,077</b>	<b>31,365</b>	<b>29,720</b>	<b>29,839</b>	<b>30,541</b>	<b>31,002</b>	<b>31,463</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>48,866</b>	<b>47,592</b>	<b>45,604</b>	<b>45,931</b>	<b>46,896</b>	<b>47,495</b>	<b>48,094</b>

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**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	50,969	50,648	55,300	61,148	62,367	63,235	64,295
Capital Contribution.....	400	400	400	-	350	-	-
Holding Account Drawdowns .....	1,431	1,131	1,203	2,115	2,241	2,291	2,313
<b>Net cash provided by State government .....</b>	<b>52,800</b>	<b>52,179</b>	<b>56,903</b>	<b>63,263</b>	<b>64,958</b>	<b>65,526</b>	<b>66,608</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(33,915)	(34,794)	(39,892)	(43,713)	(44,176)	(44,891)	(45,552)
Superannuation .....	(3,383)	(3,577)	(3,631)	(3,928)	(3,810)	(3,768)	(3,820)
Grants and subsidies .....	-	(29)	(29)	(10)	(10)	(10)	(10)
Consultancies payments.....	(1,045)	-	-	-	-	-	-
Supplies and services .....	(14,310)	(17,101)	(28,107)	(15,295)	(15,822)	(15,526)	(15,867)
Accommodation.....	(4,668)	(4,062)	(4,162)	(4,950)	(4,789)	(4,584)	(4,584)
Capital User Charge.....	(2,986)	(2,493)	(2,555)	(2,549)	(2,582)	(2,629)	(2,666)
Goods and Services Tax .....	(4,843)	(3,100)	(3,100)	(3,130)	(3,084)	(3,084)	(3,084)
Other.....	(3,467)	(2,147)	(2,038)	(1,730)	(2,117)	(2,750)	(2,750)
<b>Receipts</b>							
User charges and fees.....	2,801	10,675	8,660	8,214	8,220	8,220	8,220
Goods and Services Tax .....	5,151	3,064	3,064	3,084	3,084	3,084	3,084
Other receipts .....	9,921	2,497	4,154	2,937	2,948	2,961	2,970
<b>Net cash from operating activities.....</b>	<b>(50,744)</b>	<b>(51,067)</b>	<b>(67,636)</b>	<b>(61,070)</b>	<b>(62,138)</b>	<b>(62,977)</b>	<b>(64,059)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(2,326)	(1,714)	(2,881)	(2,421)	(2,605)	(1,692)	(1,642)
<b>Net cash from investing activities.....</b>	<b>(2,326)</b>	<b>(1,714)</b>	<b>(2,881)</b>	<b>(2,421)</b>	<b>(2,605)</b>	<b>(1,692)</b>	<b>(1,642)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
	(270)	(602)	(13,614)	(228)	215	857	907
Cash assets at the beginning of the reporting period .....	14,996	12,672	14,726	9,677	9,449	9,664	10,521
Net cash transferred to/from other agencies.....	-	-	8,565	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>14,726</b>	<b>12,070</b>	<b>9,677</b>	<b>9,449</b>	<b>9,664</b>	<b>10,521</b>	<b>11,428</b>

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## SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>EXPENSES</b>							
Superannuation .....	506,991	475,003	497,520	497,855	496,310	489,907	429,146
Interest .....	90,488	109,546	98,722	66,930	76,054	73,223	73,219
Appropriations .....	9,431,562	10,002,467	10,462,181	11,141,942	11,418,433	11,884,713	12,273,886
Grants, subsidies and transfers .....	905,969	934,791	995,218	1,026,889	1,062,070	1,104,954	1,161,044
Other expenses .....	20,209	23,797	37,253	37,084	37,834	125,833	38,569
<b>Total administration expenses <sup>(b)</sup> .....</b>	<b>10,955,219</b>	<b>11,545,604</b>	<b>12,090,894</b>	<b>12,770,700</b>	<b>13,090,701</b>	<b>13,678,630</b>	<b>13,975,864</b>
<b>INCOME</b>							
Sale of Goods and Services .....	23,235	21,258	28,644	29,133	29,637	30,155	30,569
Taxation .....	3,551,647	3,174,500	3,564,694	3,425,071	3,580,663	3,782,347	4,003,428
Commonwealth grants .....	3,859,071	4,228,603	4,395,711	4,629,386	4,711,320	4,910,983	5,127,926
Government Enterprises:							
- dividends .....	440,999	420,906	438,025	463,403	457,399	428,745	445,357
- income tax equivalent regime .....	302,756	228,166	252,689	238,349	244,773	266,956	263,095
- local government rates equivalent .....	5,919	6,739	6,170	6,586	6,764	7,040	7,055
Other revenue .....	3,479,232	3,564,347	3,905,922	4,258,607	4,411,420	4,310,605	4,349,619
Net assets transferred in .....	-	-	-	-	25,385	11,983	-
<b>Total administered income <sup>(c)</sup> .....</b>	<b>11,662,859</b>	<b>11,644,519</b>	<b>12,591,855</b>	<b>13,050,535</b>	<b>13,467,361</b>	<b>13,748,814</b>	<b>14,227,049</b>

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(b) Further information is provided in the table 'Details of the Administered Transactions Expenses'.

(c) Further information is provided in the table 'Details of the Administered Transactions Income'.

## SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash resources.....	1,430,345	976,823	877,878	641,222	632,953	651,781	799,348
Investments .....	52,954	52,293	52,954	52,954	52,954	52,954	52,954
Treasurer's advances .....	12,146	16,566	14,256	14,679	15,479	13,079	11,079
Interest receivable .....	12,579	8,980	12,579	12,579	12,579	12,579	12,579
Pension recoups receivable.....	2,320	1,822	2,320	2,320	2,320	2,320	2,320
Government enterprises:							
- dividends receivable .....	104,551	111,059	122,248	50,744	52,442	53,965	57,414
- tax equivalents receivable.....	121,270	37,404	99,806	67,335	63,395	90,743	62,523
Revenue received from agencies receivable.....	17,747	642	17,747	17,747	17,747	17,747	17,747
Capital ledgers.....	17,305	-	15,548	13,706	12,430	11,570	10,722
Other receivables .....	216,414	94,549	215,900	215,900	215,900	215,915	215,945
<b>Total Administered Current Assets .....</b>	<b>1,987,631</b>	<b>1,300,138</b>	<b>1,431,236</b>	<b>1,089,186</b>	<b>1,078,199</b>	<b>1,122,653</b>	<b>1,242,631</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Investments .....	295,157	429	280,157	265,157	265,157	265,157	265,157
Capital ledgers.....	131,681	133,907	117,710	105,657	94,991	85,075	76,032
Equity in agencies .....	1,923,572	2,951,325	2,794,918	4,067,156	5,053,321	5,871,333	6,689,605
<b>Total Administered Non-Current Assets .....</b>	<b>2,350,410</b>	<b>3,085,661</b>	<b>3,192,785</b>	<b>4,437,970</b>	<b>5,413,469</b>	<b>6,221,565</b>	<b>7,030,794</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>4,338,041</b>	<b>4,385,799</b>	<b>4,624,021</b>	<b>5,527,156</b>	<b>6,491,668</b>	<b>7,344,218</b>	<b>8,273,425</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Borrowings.....	477,139	23,292	-	-	-	-	-
Superannuation .....	472,317	441,060	481,601	482,506	481,686	472,304	472,304
Interest payable .....	14,007	13,454	14,009	14,011	14,011	14,011	14,011
Appropriations payable.....	179,198	175,525	160,589	158,424	146,508	110,901	98,685
Trust account liabilities.....	1,148,659	905,286	870,450	849,217	855,677	868,015	891,292
Other payables.....	7,060	8,569	6,279	5,627	5,063	5,063	5,063
<b>Total Administered Current Liabilities.....</b>	<b>2,298,380</b>	<b>1,567,186</b>	<b>1,532,928</b>	<b>1,509,785</b>	<b>1,502,945</b>	<b>1,470,294</b>	<b>1,481,355</b>
<b>ADMINISTERED NON-CURRENT LIABILITIES</b>							
Borrowings.....	294,160	1,242,201	341,051	568,150	603,082	775,484	853,584
Superannuation .....	4,998,020	4,768,134	5,014,440	5,030,290	5,045,414	5,063,517	5,020,859
Appropriations payable.....	1,029,096	-	1,528,243	2,003,760	2,545,082	3,162,391	3,791,083
Trust account liabilities.....	95,960	1,493,155	95,892	101,783	107,973	114,463	120,793
Other liabilities.....	44,522	20,864	41,192	38,414	36,008	36,008	36,008
<b>Total Administered Non-Current Liabilities ..</b>	<b>6,461,758</b>	<b>7,524,354</b>	<b>7,020,818</b>	<b>7,742,397</b>	<b>8,337,559</b>	<b>9,151,863</b>	<b>9,822,327</b>
<b>TOTAL ADMINISTERED LIABILITIES.....</b>	<b>8,760,138</b>	<b>9,091,540</b>	<b>8,553,746</b>	<b>9,252,182</b>	<b>9,840,504</b>	<b>10,622,157</b>	<b>11,303,682</b>

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## SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Appropriations.....	(8,925,006)	(9,381,060)	(9,817,194)	(10,504,398)	(10,727,235)	(11,154,341)	(11,548,233)
Grants, subsidies and transfers.....	(895,955)	(921,201)	(998,724)	(1,029,694)	(1,064,420)	(1,104,329)	(1,160,422)
Superannuation.....	(402,790)	(443,553)	(472,317)	(481,601)	(482,506)	(481,686)	(472,304)
Interest.....	(89,995)	(109,546)	(98,722)	(66,930)	(76,054)	(73,223)	(73,219)
Other payments.....	(26,924)	(23,798)	(37,358)	(37,199)	(37,954)	(37,891)	(38,699)
<b>Financing Activities</b>							
Net change in Treasurer's Advance.....	(50,916)	(4,800)	(6,510)	(5,577)	(5,200)	(2,400)	(2,000)
Repayment of borrowings.....	(20,238)	(22,721)	(477,139)	-	-	-	-
Accrual appropriations receivable paid to agencies.....	(177,110)	(178,819)	(162,547)	(163,527)	(161,098)	(147,976)	(108,104)
Net movement in trust account balances and other financing transactions.....	(101,766)	(245,533)	(285,883)	(10,423)	16,487	24,695	33,607
<b>Investing Activities</b>							
Equity/capital contribution payments.....	(661,989)	(692,155)	(871,614)	(1,272,238)	(986,164)	(906,080)	(818,276)
<b>TOTAL ADMINISTERED CASH OUTFLOWS.....</b>	<b>(11,352,689)</b>	<b>(12,023,186)</b>	<b>(13,228,008)</b>	<b>(13,571,587)</b>	<b>(13,524,144)</b>	<b>(13,883,231)</b>	<b>(14,187,650)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Sale of goods and services.....	23,235	21,258	28,644	29,133	29,637	30,155	30,569
Taxation.....	3,496,669	3,174,500	3,564,694	3,425,071	3,580,663	3,782,347	4,003,428
Commonwealth grants.....	3,809,308	4,228,604	4,395,711	4,629,386	4,711,320	4,910,983	5,127,926
Government enterprises:							
- dividends.....	436,434	416,795	422,277	461,323	455,334	427,219	441,778
- income tax Tax Equivalent Regime.....	250,423	259,915	275,611	269,744	249,998	240,711	288,587
- local government rates Tax Equivalent Regime.....	5,852	6,740	7,266	7,321	7,510	7,776	7,809
Consolidated Fund revenue received from agencies.....	2,491,820	2,544,630	2,867,956	3,162,561	3,246,178	3,076,901	3,062,108
Capital user charge.....	708,452	771,098	773,538	846,739	926,779	994,965	1,047,927
Interest.....	79,249	71,919	92,459	88,634	81,061	88,524	92,994
Loan guarantee fees.....	14,610	16,500	14,823	15,426	16,193	16,323	16,163
Pension recoups.....	32,195	31,988	14,054	13,792	13,654	13,941	14,236
Other operating receipts.....	141,052	127,956	140,807	129,967	126,071	118,310	114,933
<b>Financing Activities</b>							
Proceeds of borrowings.....	-	105,667	46,891	227,099	34,932	172,402	78,100
Capital ledgers repaid by agencies.....	18,777	15,816	15,810	13,735	11,160	9,519	8,659
Other receipts.....	-	15,000	15,000	15,000	25,385	11,983	-
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>11,508,076</b>	<b>11,808,386</b>	<b>12,675,541</b>	<b>13,334,931</b>	<b>13,515,875</b>	<b>13,902,059</b>	<b>14,335,217</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>155,387</b>	<b>(214,800)</b>	<b>(552,467)</b>	<b>(236,656)</b>	<b>(8,269)</b>	<b>18,828</b>	<b>147,567</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.



	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
State Property – Emergency Services Levy...	6,033	9,000	9,000	9,324	9,345	9,364	9,389
Tobacco Control Act 1990 .....	16,930	17,357	17,363	17,753	18,153	18,607	19,081
Unclaimed Money Act 1990 .....	394	500	500	500	500	500	500
Unclaimed Money (Superannuation and RSA Providers) Act 2003 .....	-	50	50	50	50	50	50
Water Corporation of Western Australia – Part Reimbursement of land sales.....	325	-	-	10	-	-	-
Water Corporation of Western Australia – State Water Strategy Rebate Scheme.....	8,845	-	14,800	9,000	9,000	-	-
Western Australian Building Management Authority – Interest .....	7,989	6,615	6,679	5,633	4,538	4,084	3,669
Wine Equalisation Tax Rebate.....	-	-	1,600	2,400	2,500	2,600	2,700
<b>Total grants, subsidies and transfers.....</b>	<b>905,969</b>	<b>934,791</b>	<b>995,218</b>	<b>1,026,889</b>	<b>1,062,070</b>	<b>1,104,954</b>	<b>1,161,044</b>
<i>Other expenses</i>							
Services and contracts.....	23,235	21,258	24,495	25,230	25,987	26,766	27,569
Doubtful debts.....	-5,157	-	-	-	-	-	-
DBNGP debt/grant.....	-	-	-	-	-	88,067	-
Other.....	2,131	2,539	12,758	11,854	11,847	11,000	11,000
<b>Total other expenses.....</b>	<b>20,209</b>	<b>23,797</b>	<b>37,253</b>	<b>37,084</b>	<b>37,834</b>	<b>125,833</b>	<b>38,569</b>
<b>TOTAL.....</b>	<b>10,955,219</b>	<b>11,545,604</b>	<b>12,090,894</b>	<b>12,770,700</b>	<b>13,090,701</b>	<b>13,678,630</b>	<b>13,975,864</b>

#### DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Sale of Goods and Services.....</b>	<b>23,235</b>	<b>21,258</b>	<b>28,644</b>	<b>29,133</b>	<b>29,637</b>	<b>30,155</b>	<b>30,569</b>
<i>Taxation</i>							
Betting tax .....	54,651	52,500	53,494	55,671	58,063	44,147	46,028
Debits tax.....	96,671	95,500	95,500	8,000	-	-	-
Land tax .....	279,036	300,000	318,500	322,000	344,000	368,000	394,500
Metropolitan Regional Improvement Tax.....	43,627	45,500	48,000	54,000	57,500	61,000	66,000
Payroll tax.....	1,151,431	1,209,500	1,208,400	1,247,000	1,305,100	1,392,200	1,473,900
Stamp duty – conveyancing and transfers .....	1,207,271	844,000	1,113,800	1,003,700	1,055,700	1,118,200	1,185,200
Stamp duty – insurance .....	278,693	254,000	286,000	295,500	308,000	323,500	338,000
Stamp duty – mortgages.....	114,880	95,500	121,500	109,700	108,800	114,800	121,800
Stamp duty – motor vehicles.....	273,042	248,500	288,500	298,500	311,000	326,000	341,500
Stamp duty – other financial and capital transactions.....	2,970	-	-	-	-	-	-
Stamp duty – rental business.....	26,863	26,500	24,000	28,000	29,500	31,500	33,500
Stamp duty – shares and marketable securities.....	12,005	-	-	-	-	-	-
Stamp duty - other .....	10,507	3,000	7,000	3,000	3,000	3,000	3,000
<b>Total taxation.....</b>	<b>3,551,647</b>	<b>3,174,500</b>	<b>3,564,694</b>	<b>3,425,071</b>	<b>3,580,663</b>	<b>3,782,347</b>	<b>4,003,428</b>
<i>Commonwealth grants</i>							
Commonwealth mirror taxes .....	15,265	18,499	18,500	18,500	20,000	21,000	21,500
Compensation (companies regulation) .....	15,694	16,196	16,087	16,601	17,143	17,571	18,010
Competition reform .....	33,587	34,335	53,519	39,450	-	-	-
Debt redemption assistance .....	3,092	3,100	3,100	23,600	-	-	-
GST grants .....	3,157,926	3,496,200	3,639,100	3,819,600	3,927,200	4,079,900	4,246,900
Local government (financial assistance grants) .....	102,997	106,176	104,330	109,012	112,980	117,013	121,190
Local government (road funding) .....	71,171	73,399	72,046	75,279	78,019	80,804	83,689
Non-government schools.....	442,454	462,706	464,549	500,618	537,171	575,805	617,247
Pensioner concession assistance.....	16,172	16,700	16,700	17,200	17,700	18,200	18,700
Other .....	713	1,292	7,780	9,526	1,107	690	690
<b>Total Commonwealth grants</b>	<b>3,859,071</b>	<b>4,228,603</b>	<b>4,395,711</b>	<b>4,629,386</b>	<b>4,711,320</b>	<b>4,910,983</b>	<b>5,127,926</b>

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>GOVERNMENT ENTERPRISES</b>							
<i>Dividends</i>							
Albany Port Authority .....	827	-	-	35	355	512	720
Broome Port Authority .....	-	-	-	-	-	-	288
Bunbury Port Authority .....	1,525	1,695	1,695	1,724	1,738	2,300	2,530
Country Housing Authority .....	-	18	18	18	18	18	18
Dampier Port Authority .....	230	24	24	526	935	937	961
Electricity Corporation .....	103,513	93,153	95,931	88,003	74,056	40,369	37,930
Esperance Port Authority .....	1,262	1,301	1,301	1,301	1,419	728	2,775
Forest Products Commission .....	1,470	4,339	-	-	286	2,856	5,386
Fremantle Port Authority .....	5,760	3,906	3,906	3,640	3,571	3,629	3,943
Geraldton Port Authority .....	129	128	128	-	1,271	1,631	11,833
Gold Corporation .....	2,109	-	1,675	1,675	1,664	1,877	2,019
Port Hedland Port Authority .....	1,134	738	738	1,798	1,932	2,880	5,098
Subiaco Redevelopment Authority .....	2,000	2,000	2,000	5,000	-	-	-
Water Corporation of Western Australia .....	291,545	275,540	291,552	321,608	349,470	355,589	357,474
Western Australian Land Authority .....	17,184	35,342	35,560	35,560	17,751	12,751	11,751
Western Australian Treasury Corporation .....	12,311	2,722	3,497	2,515	2,933	2,668	2,631
<b>Total dividends .....</b>	<b>440,999</b>	<b>420,906</b>	<b>438,025</b>	<b>463,403</b>	<b>457,399</b>	<b>428,745</b>	<b>445,357</b>
<i>Income Tax Equivalent Regime</i>							
Albany Port Authority .....	653	-	-	30	305	439	618
Broome Port Authority .....	-	-	1,220	100	-	-	247
Bunbury Port Authority .....	1,517	1,780	1,982	1,599	1,666	2,266	2,492
Bunbury Water Board .....	729	699	613	626	593	559	581
Busselton Water Board .....	101	120	600	224	227	231	250
Dampier Port Authority .....	27	-	-	451	801	803	822
East Perth Redevelopment Authority .....	-	-	-	-	-	-	-
Electricity Corporation .....	106,871	62,591	63,199	42,240	26,181	45,799	33,066
Esperance Port Authority .....	1,006	-	-	213	867	1,113	3,317
Forest Products Commission .....	-	-	-	-	-	-	-
Fremantle Port Authority .....	6,115	3,785	3,785	3,784	3,727	3,786	4,071
Geraldton Port Authority .....	318	626	626	1,008	1,107	1,780	10,105
Gold Corporation .....	-	-	-	1,426	1,609	1,731	1,731
Port Hedland Port Authority .....	1,562	546	546	1,627	1,641	2,453	4,354
Subiaco Redevelopment Authority .....	-	-	-	-	-	-	-
Water Corporation of Western Australia .....	170,568	145,745	161,768	171,599	192,257	195,298	185,815
Western Australian Land Authority .....	10,954	10,313	16,553	11,327	11,506	8,443	13,450
Western Australian Treasury Corporation .....	2,335	1,961	1,797	2,095	2,286	2,255	2,176
<b>Total Income Tax Equivalent Regime .....</b>	<b>302,756</b>	<b>228,166</b>	<b>252,689</b>	<b>238,349</b>	<b>244,773</b>	<b>266,956</b>	<b>263,095</b>
<i>Local Government Rates Equivalent</i>							
Albany Port Authority .....	111	67	68	68	69	70	72
Broome Port Authority .....	5	4	5	5	5	5	5
Bunbury Port Authority .....	130	140	140	144	148	186	191
Dampier Port Authority .....	12	75	12	13	13	14	14
East Perth Redevelopment Authority .....	13	-	-	-	-	-	-
Electricity Corporation .....	1,487	1,332	1,372	1,413	1,442	1,471	1,473
Esperance Port Authority .....	97	180	180	180	180	185	100
Fremantle Port Authority .....	254	281	281	239	251	264	277
Geraldton Port Authority .....	138	140	140	140	140	140	140
Perth Market Authority .....	94	146	146	146	146	146	146
Port Hedland Port Authority .....	197	169	169	215	221	235	235
Potato Marketing Corporation .....	1	-	-	-	-	-	-
Subiaco Redevelopment Authority .....	62	-	-	-	-	-	-
Water Corporation of Western of Australia .....	1,858	2,755	2,755	2,895	3,040	3,200	3,280
Western Australian Land Authority .....	1,460	1,450	902	1,128	1,109	1,124	1,122
<b>Total Local Government Rates Equivalent..</b>	<b>5,919</b>	<b>6,739</b>	<b>6,170</b>	<b>6,586</b>	<b>6,764</b>	<b>7,040</b>	<b>7,055</b>
<b>Total Government Enterprises .....</b>	<b>749,674</b>	<b>655,811</b>	<b>696,884</b>	<b>708,338</b>	<b>708,936</b>	<b>702,741</b>	<b>715,507</b>
<i>Other revenue</i>							
Revenue received from agencies .....	2,503,272	2,545,009	2,867,800	3,162,340	3,245,857	3,076,680	3,061,511
Capital user charge .....	705,735	770,734	774,297	846,739	926,779	994,980	1,047,957
Interest .....	82,904	71,919	92,459	88,634	81,061	88,524	92,994
Pension recoups .....	32,583	32,229	15,736	15,501	15,459	15,788	16,061
Loan guarantee fees .....	14,698	16,500	14,823	15,426	16,193	16,323	16,163
Gold State superannuation reimbursement .....	121,297	124,656	124,656	118,570	113,921	105,899	101,633
Other revenue .....	18,743	3,300	16,151	11,397	12,150	12,411	13,300
<b>Total other revenue .....</b>	<b>3,479,232</b>	<b>3,564,347</b>	<b>3,905,922</b>	<b>4,258,607</b>	<b>4,411,420</b>	<b>4,310,605</b>	<b>4,349,619</b>



	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Net assets transferred in Subiaco Redevelopment Authority wind-up..	-	-	-	-	25,385	11,983	-
<b>Total net assets transferred in .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,385</b>	<b>11,983</b>	<b>-</b>
<b>TOTAL.....</b>	<b>11,662,859</b>	<b>11,644,519</b>	<b>12,591,855</b>	<b>13,050,535</b>	<b>13,467,361</b>	<b>13,748,814</b>	<b>14,227,049</b>

#### DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Grants and subsidies from the Commonwealth	-	29	29	10	10	10	10
<b>TOTAL</b>	<b>-</b>	<b>29</b>	<b>29</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

#### 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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
GST input credits .....	3,125	2,579	3,000	2,600
GST receipts on sales.....	2,026	485	665	484
Land Tax Liability Enquiry Fee .....	2,801	2,640	2,650	2,640
State Fleet revenues .....	820	725	640	750
Revenues from the Executive Vehicle Scheme.....	56	56	56	56
Procurement Service Fees.....	8,481	8,035	8,330	7,250
Corporate Services to Office of Energy and Economic Regulation Authority.....	420	349	375	375
Other receipts .....	144	1,367	162	80
<b>TOTAL.....</b>	<b>17,873</b>	<b>16,236</b>	<b>15,878</b>	<b>14,235</b>

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

## OFFICE OF THE AUDITOR GENERAL

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT

#### DIVISION 8

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 40 Net amount appropriated to deliver services .....</b>	8,114	12,518	12,557	<b>12,826</b>	13,017	13,144	13,315
<b>Amount Authorised by Other Statutes - Financial Administration and Audit Act 1985.....</b>	222	222	230	<b>237</b>	244	251	259
Total appropriations provided to deliver services.....	8,336	12,740	12,787	<b>13,063</b>	13,261	13,395	13,574
<b>CAPITAL</b>							
<b>Item 132 Capital Contribution .....</b>	122	113	113	<b>27</b>	15	56	32
<b>GRAND TOTAL .....</b>	8,458	12,853	12,900	<b>13,090</b>	13,276	13,451	13,606

#### MISSION

*To enable the Auditor General to serve the public interest by communicating to Parliament independent and impartial information regarding public sector accountability and performance.*

#### SIGNIFICANT ISSUES AND TRENDS

- The application of the Australian Equivalents of the International Financial Reporting Standards (AEIFRS) in 2005-06 impacts on around two thirds of existing Australian Accounting Standards. As such it will have wide ranging implications for public sector entities and a substantial impact on the Office of the Auditor General's (the Office) assurance workload over several years.
- The introduction of shared corporate service centres continues to increase the complexity of the audit task. It precludes continued reliance on previous audit work and there will be a need to evaluate controls in the shared service centres as well as in individual agencies. In consequence, increased audit work will be required to re-establish appropriate levels of assurance regarding the new systems and accountability relationships. There is potential for some longer term efficiencies to be gained through the standardisation of public sector corporate services and a reduction in the diversity and number of corporate information systems.
- Community expectations for independent and impartial information regarding accountability and performance in the public sector continue to grow. In 2004-05 there has been a steady growth in the requests for advice, consultation and investigations from both members of the public and public sector agencies, with this trend expected to continue into 2005-06.
- There was an improvement on previous years in agency compliance with statutory deadlines for submitting financial statements and performance indicators to audit in the 2004 audit cycle. However, the quality of agency end-of-year reporting remains an issue, with demand on audit resources to work with agencies to address this issue.
- Contract audit costs for the 2005 audit cycle are expected to rise substantially in response to the application of the AEIFRS.

- As the complexity of the audit task increases, so has the pressure to reduce turnaround time for attest audit functions, in line with national trends to increase timeliness of annual reporting of public sector agencies.
- The role of the Office as a named Proper Authority in the administration of the *Public Interest Disclosure Act 2003* (PID) declined in 2004-05 with fewer public interest disclosures (PIDs) registered than the four in 2003-04.
- The ever increasing importance and complexity of critical information technology systems in government continues to require more audit effort and cost. Parliamentary reports arising from examination of these systems and information technology issues in general are becoming a major product of this Office.
- Workforce planning continues to grow in importance for the public sector, as economic growth and reduced supply triggers demand for skilled professionals in the audit labour market.

### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Performance Auditing.....	11,926	12,690	12,712	13,043			
<b>Total Cost of Services</b> .....	11,926	12,690	12,712	13,043	13,299	13,286	13,531
<i>Less Income</i> .....	2,156	20	55	20	70	20	70
<b>Net Cost of Services</b> .....	9,770	12,670	12,657	13,023	13,229	13,266	13,461
Adjustments <sup>(a)</sup> .....	(1,434)	70	130	40	32	129	113
<b>Appropriation provided to deliver Services.</b>	8,336	12,740	12,787	13,063	13,261	13,395	13,574
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup></b> .....	122	113	113	27	15	56	32
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	8,458	12,853	12,900	13,090	13,276	13,451	13,606

(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.

### OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

#### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	An informed Parliament on public sector accountability and performance.	1. Performance Auditing

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: An informed Parliament on public sector accountability and performance.</b>					
Agreement in Parliamentary census that the Office of the Auditor General is effective in achieving its desired outcome of informing Parliament on public sector accountability and performance of the public sector .....	66%	85%	85%	85%	
Agreement in Parliamentary census that services and reports of the Office of the Auditor General are useful to Parliament .....	76%	80%	80%	80%	
Agreement in Parliamentary census that reports dealt with matters of significance to Parliament .....	83%	85%	85%	80%	

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

**Service 1: Performance Auditing**

The Auditor General is responsible for undertaking the external audit of the Western Australian public sector. This is done through audits of controls, financial statements and performance indicators, examinations of efficiency and effectiveness and the tabling of reports thereon to Parliament.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	11,926	12,690	12,712	13,043	
Less Income .....	2,156	20	55	20	
Net Cost of Service .....	9,770	12,670	12,657	13,023	
Adjustments <sup>(a)</sup> .....	(1,434)	70	130	40	
<b>Appropriation for delivery of Service .....</b>	<b>8,336</b>	<b>12,740</b>	<b>12,787</b>	<b>13,063</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per matter of significance <sup>(a)</sup> .....	\$35,571	\$36,420	\$53,271	\$43,726	The number of Matters of Significance estimated for 2005-06 is 100, an increase on the estimated achievement of 80 for 2004-05.
Average cost per major audit .....	\$102,220	\$106,869	\$108,761	\$111,593	
Average cost per other audit .....	\$15,959	\$20,619	\$18,977	\$19,220	
<b>Full Time Equivalents (FTEs)</b>	<b>92</b>	<b>100</b>	<b>95</b>	<b>97</b>	

(a) The target for 2004-05 was based on achievement of 110 Matters of Significance. However, a drop in the number of reports to Parliament occurred resulting in only 80 Matters of Significance estimated to be tabled by 30 June 2005.

**Major Achievements For 2004-05**

- Tabled in Parliament two single topic reports in the period to 4 May 2005 covering bushfire management and medical research funding.
- Four further single topic reports and two follow-ups reports are scheduled for tabling before 30 June 2005.
- Tabled one public sector performance report, incorporating the results of examinations on fees and charges and corporate credit cards.
- Two further public sector performance reports are scheduled for tabling by 30 June 2005 incorporating the results of seven further audits.
- It is expected that across the full financial year approximately 80 Matters of Significance will be reported to Parliament.
- Issued audit opinions for the financial statements, controls and, where applicable, the performance indicators of:
  - 34 government departments;
  - 108 statutory authorities and 10 corporate bodies;
  - two trusts;
  - four universities, 10 colleges and their eight subsidiaries;
  - 17 certifications;
  - 14 requests, 13 subsidiaries and eight cemetery audit;
  - the Treasurer's Annual Statements and the Consolidated Financial Statements for whole of government with reporting dates of 31 December 2003 and 30 June 2004; and
  - provided qualified opinions on the financial statements, controls or performance indicators of six agencies/entities.
- Issued all opinions within statutory deadlines.
- Completed the audit of 55% of agencies representing 87% of the State's assets within three months of their year-end.
- Continued to improve reader friendly format of audit reports, with opinions achieving national benchmark levels of readability in three categories.
- Review conducted of opening balance sheets prepared using the AEIFRS.
- Tabled a report on attest audit results on 10 November 2004. The report primarily summarised the results of financial statements and performance indicator audits for departments, statutory authorities and other bodies under the *Financial Administration and Audit Act 1985* with 30 June 2004 reporting dates. It highlighted 26 agencies that were exemplars of better practice for timeliness and quality of their financial statements and performance indicators and the supporting working papers. A report on an audit on the Management of Natural Resources was also included.
- Before 30 June 2005, it is intended to table a further report 'Report on Universities and TAFE Colleges and Finalisation of 2004 Audits', focusing on 14 tertiary education entities with 31 December 2004 reporting dates and residual agencies with 30 June 2004 reporting dates.
- Presented to the Public Accounts Committee of the Legislative Assembly and Public Administration and Finance Committee of the Legislative Council, the Recommendations and Responses from the Office to the Independent Peer Review of the Office of the Auditor General.
- Introduced an Office wide knowledge management project to improve performance through better access to information.
- Introduced changes to the audit fee structure to allow the Office to recoup all attest audit costs from Consolidated Fund agencies.
- Commenced drafting of an Auditor General Bill.

**Major Initiatives For 2005-06**

- Table in Parliament six single topic reports on various compliance and performance examinations that have identified Matters of Significance in various areas of public sector performance and accountability.
- Table in Parliament three public sector performance reports during the year. These reports will contain the results of smaller examinations that address compliance and performance issues, including follow-up reviews of examinations previously undertaken.
- Table in Parliament two reports on the results of financial statement, controls and performance indicator audits undertaken during the year with expanded analytical comment (quality and quantity) in Audit Results Reports. The first volume will focus on agencies with a 30 June reporting date, while the second will focus on agencies from the tertiary education sector which have a 31 December reporting date.
- With an emphasis on earlier completion, audit the financial statements, controls and performance indicators of:
  - 34 government agencies;
  - 106 statutory authorities (two were final audits in 2004) and 10 corporate bodies;
  - two trusts;
  - four universities, 10 colleges and their 11 subsidiaries (including three new subsidiaries);
  - 13 requests, 13 subsidiaries and eight cemetery audits; and
  - the Treasurer's Annual Statements and the Consolidated Financial Statements for whole of government with reporting dates of 31 December 2004 and 30 June 2005.
- Complete the audit of 60% of agencies representing approximately 90% of the State's assets no later than three months after year-end.
- Continue a three year program of evaluation and training to strengthen the value of performance indicator opinions, and further enhance professional and technical development of staff to strengthen the capacity of the Office to meet the emerging challenges of the contemporary public sector audit environment.
- Continue to foster the smooth introduction of the AEIFRS.
- Refine the audit fee structure to provide Consolidated Fund agencies with improved information on the recouping of attest audit costs.
- Continue implementation of sustainable workforce planning strategies to address the attrition of audit staff through the ageing of the office workforce and increased demand from across the public and private sector.
- Continue to enhance the readability of audit reports through the finalisation of a three year program of training and development.
- Complete drafting of the Auditor General Bill for introduction in Parliament.

**CAPITAL WORKS PROGRAM**

The Office's 2005-06 capital works program provides for the ongoing replacement of computers and office equipment, and for the maintenance of network hardware and software at a level appropriate to the technology currently in use in the public sector.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Computer Hardware and Software				
2003-04 Program .....	487	487	246	-
2004-05 Program .....	498	498	498	-
<b>NEW WORKS</b>				
Computer Hardware and Software				
2005-06 Program .....	446	-	-	446
	1,431	985	744	446

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	264	463	744	446	479	471	497
	264	463	744	446	479	471	497
<b>LESS</b>							
Asset Sales .....	1	-	35	-	50	-	50
Drawdowns from the Holding Account .....	365	350	350	419	414	415	415
Internal Funds and Balances .....	(224)	-	246	-	-	-	-
<b>Capital Contribution .....</b>	122	113	113	27	15	56	32

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	6,581	6,822	6,551	7,066	7,173	7,289	7,461
Superannuation .....	692	709	735	746	767	767	780
Supplies and services .....	3,486	3,837	4,087	3,731	3,736	3,776	3,787
Accommodation .....	654	716	739	762	809	809	809
Capital User Charge .....	166	171	171	186	204	226	226
Depreciation and amortisation .....	336	419	419	446	346	302	293
Costs of disposal of non-current assets .....	-	-	-	90	248	101	159
Other expenses .....	11	16	10	16	16	16	16
<b>TOTAL COST OF SERVICES</b> .....	<b>11,926</b>	<b>12,690</b>	<b>12,712</b>	<b>13,043</b>	<b>13,299</b>	<b>13,286</b>	<b>13,531</b>
<b>Income</b>							
User charges and fees .....	2,133	-	-	-	-	-	-
Proceeds from disposal of non-current assets ..	1	-	35	-	50	-	50
Other Revenue .....	22	20	20	20	20	20	20
<b>Total Income</b> .....	<b>2,156</b>	<b>20</b>	<b>55</b>	<b>20</b>	<b>70</b>	<b>20</b>	<b>70</b>
<b>NET COST OF SERVICES</b> .....	<b>9,770</b>	<b>12,670</b>	<b>12,657</b>	<b>13,023</b>	<b>13,229</b>	<b>13,266</b>	<b>13,461</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	8,336	12,740	12,787	13,063	13,261	13,395	13,574
Resources received free of charge .....	29	16	16	16	16	16	16
Liabilities assumed by the Treasurer .....	66	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>8,431</b>	<b>12,756</b>	<b>12,803</b>	<b>13,079</b>	<b>13,277</b>	<b>13,411</b>	<b>13,590</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(1,339)</b>	<b>86</b>	<b>146</b>	<b>56</b>	<b>48</b>	<b>145</b>	<b>129</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 92, 95 and 97 respectively.



**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	909	345	558	725	992	1,259	1,518
Receivables .....	177	1,554	178	180	180	180	182
Amounts receivable for services.....	350	419	419	446	378	-	-
Prepayments .....	215	187	215	215	215	215	215
<b>Total current assets .....</b>	<b>1,651</b>	<b>2,505</b>	<b>1,370</b>	<b>1,566</b>	<b>1,765</b>	<b>1,654</b>	<b>1,915</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	-	-	-	-	-	265	143
Plant and equipment.....	638	932	1,014	925	830	918	963
Other.....	209	161	158	157	137	117	117
<b>Total non-current assets .....</b>	<b>847</b>	<b>1,093</b>	<b>1,172</b>	<b>1,082</b>	<b>967</b>	<b>1,300</b>	<b>1,223</b>
<b>TOTAL ASSETS.....</b>	<b>2,498</b>	<b>3,598</b>	<b>2,542</b>	<b>2,648</b>	<b>2,732</b>	<b>2,954</b>	<b>3,138</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	65	122	65	65	65	65	65
Provision for employee entitlements .....	656	417	656	656	656	656	656
Accrued Salaries .....	290	-	75	98	119	140	163
Other.....	97	142	97	97	97	97	97
<b>Total current liabilities.....</b>	<b>1,108</b>	<b>681</b>	<b>893</b>	<b>916</b>	<b>937</b>	<b>958</b>	<b>981</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	812	676	812	812	812	812	812
<b>Total non-current liabilities .....</b>	<b>812</b>	<b>676</b>	<b>812</b>	<b>812</b>	<b>812</b>	<b>812</b>	<b>812</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,920</b>	<b>1,357</b>	<b>1,705</b>	<b>1,728</b>	<b>1,749</b>	<b>1,770</b>	<b>1,793</b>
<b>EQUITY</b>							
Contributed Equity.....	530	643	643	670	685	741	773
Accumulated surplus/(deficit) .....	48	1,598	194	250	298	443	572
<b>Total equity.....</b>	<b>578</b>	<b>2,241</b>	<b>837</b>	<b>920</b>	<b>983</b>	<b>1,184</b>	<b>1,345</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>2,498</b>	<b>3,598</b>	<b>2,542</b>	<b>2,648</b>	<b>2,732</b>	<b>2,954</b>	<b>3,138</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	7,986	12,321	12,368	12,617	12,915	13,093	13,281
Capital Contribution.....	122	113	113	27	15	56	32
Holding Account Drawdowns .....	365	350	350	419	414	415	415
<b>Net cash provided by State government .....</b>	<b>8,473</b>	<b>12,784</b>	<b>12,831</b>	<b>13,063</b>	<b>13,344</b>	<b>13,564</b>	<b>13,728</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(6,074)	(7,037)	(6,766)	(7,043)	(7,150)	(7,266)	(7,438)
Superannuation .....	(610)	(709)	(735)	(746)	(767)	(767)	(780)
Supplies and services .....	(3,586)	(3,812)	(4,062)	(3,706)	(3,711)	(3,751)	(3,762)
Accommodation.....	(649)	(725)	(748)	(770)	(817)	(817)	(817)
Capital User Charge.....	(166)	(171)	(171)	(186)	(204)	(226)	(226)
Goods and Services Tax .....	(420)	(413)	(413)	(414)	(414)	(414)	(414)
Other.....	(11)	(16)	(10)	(17)	(17)	(17)	(17)
<b>Receipts</b>							
User charges and fees.....	3,456	-	-	-	-	-	-
Goods and Services Tax .....	441	412	412	412	412	412	412
Other receipts .....	22	20	20	20	20	20	20
<b>Net cash from operating activities.....</b>	<b>(7,597)</b>	<b>(12,451)</b>	<b>(12,473)</b>	<b>(12,450)</b>	<b>(12,648)</b>	<b>(12,826)</b>	<b>(13,022)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(271)	(463)	(744)	(446)	(479)	(471)	(497)
Proceeds from sale of non-current assets .....	1	-	35	-	50	-	50
<b>Net cash from investing activities.....</b>	<b>(270)</b>	<b>(463)</b>	<b>(709)</b>	<b>(446)</b>	<b>(429)</b>	<b>(471)</b>	<b>(447)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	606	(130)	(351)	167	267	267	259
Cash assets at the beginning of the reporting period .....	304	476	910	559	726	993	1,260
<b>Cash assets at the end of the reporting period.....</b>	<b>910</b>	<b>346</b>	<b>559</b>	<b>726</b>	<b>993</b>	<b>1,260</b>	<b>1,519</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>EXPENSES</b>							
Receipts paid into Consolidated Fund .....	-	9,037	9,068	9,584	9,875	9,875	10,043
<b>TOTAL ADMINISTERED EXPENSES .....</b>	<b>-</b>	<b>9,037</b>	<b>9,068</b>	<b>9,584</b>	<b>9,875</b>	<b>9,875</b>	<b>10,043</b>
<b>INCOME</b>							
User charges and fees – Audit fees .....	-	9,037	9,068	9,584	9,875	9,875	10,043
<b>TOTAL ADMINISTERED INCOME .....</b>	<b>-</b>	<b>9,037</b>	<b>9,068</b>	<b>9,584</b>	<b>9,875</b>	<b>9,875</b>	<b>10,043</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Receipts paid into Consolidated Fund .....	-	(9,037)	(9,068)	(9,584)	(9,875)	(9,875)	(10,043)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>-</b>	<b>(9,037)</b>	<b>(9,068)</b>	<b>(9,584)</b>	<b>(9,875)</b>	<b>(9,875)</b>	<b>(10,043)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
User charges and fees .....	-	9,037	9,068	9,584	9,875	9,875	10,043
<b>TOTAL ADMINISTERED CASH INFLOWS .....</b>	<b>-</b>	<b>9,037</b>	<b>9,068</b>	<b>9,584</b>	<b>9,875</b>	<b>9,875</b>	<b>10,043</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
OTHER							
User charges and fees – Audit fees.....	-	9,037	9,068	9,584	9,875	9,875	10,043
<b>TOTAL</b>	<b>-</b>	<b>9,037</b>	<b>9,068</b>	<b>9,584</b>	<b>9,875</b>	<b>9,875</b>	<b>10,043</b>

**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 Office:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
User charges and fees .....	3,456	-	-	-
GST input credits .....	108	104	412	412
GST receipts on sales.....	333	308	-	-
Other Revenue .....	22	20	20	20
<b>TOTAL .....</b>	<b>3,919</b>	<b>432</b>	<b>432</b>	<b>432</b>

The moneys received and retained are to be applied to the Office's services as specified in the Budget Statements.

## ECONOMIC REGULATION AUTHORITY

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT

#### DIVISION 9

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 41 Net amount appropriated to deliver services .....</b>	2,500	4,153	6,138	<b>5,610</b>	5,089	4,621	4,930
Total appropriations provided to deliver services.....	2,500	4,153	6,138	<b>5,610</b>	5,089	4,621	4,930
<b>CAPITAL</b>							
<b>Item 133 Capital Contribution .....</b>	-	-	124	<b>17</b>	26	67	33
<b>GRAND TOTAL .....</b>	2,500	4,153	6,262	<b>5,627</b>	5,115	4,688	4,963

(a) The Economic Regulation Authority (ERA) was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

#### MISSION

*To promote economically efficient outcomes in Western Australia at the lowest practicable regulatory cost through:*

- *efficient and effective independent regulation;*
- *independent advice to government; and*
- *advancing the debate in economic regulation.*

#### SIGNIFICANT ISSUES AND TRENDS

- Government is increasingly recognising the need for independent regulation of natural monopoly utilities to serve the long term interests of consumers in relation to the price, quality and reliability of goods and services. The Authority was established to achieve positive regulatory outcomes which promote economic efficiency.
- Government has commenced reform of the electricity industry principally to facilitate greater competition in upstream and downstream markets. Many aspects of the reform package were legislated during 2004-05 which has had a significant impact on the Authority's functions and workload including:
  - the Authority acquired the responsibility for licensing participants in the electricity industry. This is likely to lead to the Authority administering approximately 100 licences over the course of the next few years;
  - the Authority fulfils a new role as the independent regulator of the State's monopoly electricity transmission and distribution networks. This involves the setting of terms and conditions, including prices, governing third party access to the electricity grid in the South West of the State. The Authority's new responsibility also includes setting supply standards for quality and reliability;
  - rules have been legislated to facilitate the operation of a new Wholesale Electricity Market which will be established from 1 July 2006. The Authority anticipates a significant new role in monitoring the behaviour of market participants; and
  - importantly, with Government foreshadowing future disaggregation of Western Power, there will be considerably greater opportunity for new competitors to enter the market. A challenge for the Authority will be to ensure small use electricity consumers continue to receive a quality electricity supply from the expanded competitive market and to ensure their interests are protected.

- The Authority assumed responsibility for the gas retail market scheme in Western Australia in May 2005. The scheme provides for full retail contestability in gas, which allows all gas consumers in Western Australia to choose their own retail supplier.
- The Ministerial Council on Energy (Council) is currently considering its response to a number of reviews into the 'National Third Party Access Code for Natural Gas Pipeline Systems'. It is anticipated that the Council will recommend a number of changes to the Gas Access Regime and these changes are likely to have a significant impact upon the Authority's economic regulatory responsibilities for gas pipelines.
- The Authority has received two references, an inquiry on urban water and wastewater pricing and an inquiry on the cost of supplying bulk potable water to Kalgoorlie-Boulder and surrounding regions. A further reference on rural water pricing, which would commence in mid-2005, has been foreshadowed by the Treasurer.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Authority's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken since State Election</b>				
Increased funding for operating costs .....	1,353	831	967	1,207

## SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service I:</i>							
Submissions to the ERA Governing Body .....	2,425	5,437	9,632	7,519			
<b>Total Cost of Services</b> .....	2,425	5,437	9,632	7,519	6,782	6,149	6,848
<i>Less Income</i> .....	718	1,373	3,230	1,909	1,693	1,503	1,893
<b>Net Cost of Services</b> .....	1,707	4,064	6,402	5,610	5,089	4,646	4,955
Adjustments <sup>(b)</sup> .....	793	89	(264)	-	-	(25)	(25)
<b>Appropriation provided to deliver Services</b> .....	2,500	4,153	6,138	5,610	5,089	4,621	4,930
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	-	-	124	17	26	67	33
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	2,500	4,153	6,262	5,627	5,115	4,688	4,963

(a) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chairperson, General Manager and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(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 efficient, safe and equitable provision of utility services in Western Australia.	1. Submissions to the ERA Governing Body

**Service 1: Submissions to the ERA Governing Body**

The Authority seeks to encourage economic development of the State of Western Australia by regulating vital infrastructure in a fair, independent and transparent manner. The Authority is further empowered to inquire and report on matters referred to it by the government. These matters can relate to 'regulated' or 'non-regulated' industries in the areas of pricing, quality, business practices and compliance costs.

In pursuing these objectives the Governing Body of the Authority makes its regulatory decisions through submissions prepared by the secretariat. As the *Economic Regulation Authority Act 2003* limits the Authority's performance indicators to its management functions, submissions considered by the Authority are taken to be its output.

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,425	5,437	9,632	7,519	
Less Income .....	718	1,373	3,230	1,909	
Net Cost of Service .....	1,707	4,064	6,402	5,610	
Adjustments <sup>(b)</sup> .....	793	89	(264)	-	
<b>Appropriation for delivery of Service .....</b>	<b>2,500</b>	<b>4,153</b>	<b>6,138</b>	<b>5,610</b>	

(a) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

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

**Key Efficiency Indicators**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per submission made to the ERA Governing Body.....	\$28,197	\$45,308	\$40,133	\$31,329	
<b>Full Time Equivalents (FTEs)</b>	23	8	29	38	

(a) The Governing Body was effective from 8 March 2004. Therefore, the 2003-04 actual figures relate to the period 8 March to 30 June 2004 only.

**Major Achievements For 2004-05**

- One of the Authority's principal functions is to regulate third party access to natural monopoly assets such as natural gas pipelines, electricity transmission and distribution networks and rail networks. This involves the assessment of terms and conditions, including tariffs (access arrangements), proposed by the owners of regulated assets. The following major achievements were accomplished in the area of third party access to industry infrastructure:
  - a draft decision was issued on 28 February 2005 for the AlintaGas Networks Pty Ltd revised access arrangement for the Mid West and South West Gas Distribution Systems. This decision was to not approve the proposed revised access arrangement. Major progress has been made toward finalising the assessment of the revisions to the access arrangement and a final decision is anticipated before the end of the financial year;
  - an amended draft decision was issued on 29 July 2004 to not approve the proposed access arrangement for the Goldfields Gas Pipeline. A final decision is anticipated by 30 June 2005;
  - revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (DBNGP) were scheduled to be submitted to the Authority for approval on 1 December 2004. However, as the pipeline had been sold to DBNGP Transmission (WA) Pty Ltd by Epic Energy in October 2004 the Authority granted extensions of time for the revisions to be lodged. The revisions to the access arrangement were lodged on 21 January 2005 and submissions were invited from interested parties who responded by lodging 19 submissions. A draft decision on the revisions to the access arrangement and further major progress toward final approval of the access arrangement are expected before the end of the financial year;
  - 'floor and ceiling' costs for parts of the Public Transport Authority's urban network (Perth to Midland, Perth to Fremantle) were determined;
  - 'floor and ceiling' costs for four grainlines (Avon to Goomalling, Katanning to Tambellup, Kulin to Yilminning, and Mullewa to Narngulu) were determined;
  - a decision on the preferred methodology to apply to the assessment of the weighted average cost of capital (WACC) for electricity networks was published;
  - a discussion paper on arrangements to 'ring fence' Western Power Corporation was published;
  - a review of the Railways (Access) Code 2000 was initiated. The review is scheduled to be completed in September 2005;
  - a submission to the Ministerial Council on Energy was co-ordinated on behalf of the Utility Regulators Forum, a national group comprising all State and national regulators. The submission responded to recommendations by the Productivity Commission on the Review of the National Gas Access Regime; and
  - a Technical Rules Committee was established to assist in approving technical rules proposed by Western Power for its South West Interconnected Network.
- A function of the Authority is to administer the licensing regimes for each of the electricity, gas and water industries and monitor compliance in the rail industry. A new function of the Authority is to safeguard the interests of small use customers in the electricity and gas transmission and distribution industries. The introduction of electricity licensing at the beginning of 2005 has given the Authority the opportunity to review and move toward standardising licensing across utility industries. The following major achievements were accomplished in the area of licensing, monitoring and customer protection:
  - operational audits of four licensees (including the Water Corporation, Bunbury and Busselton Water Boards) were completed and the effectiveness of their asset management systems was reviewed;
  - 32 water service licences were reviewed and amended to ensure consistency with the new *Water Services Licensing Act 1995*. A further 28 other associated licence amendments have been completed;
  - as required under licensing arrangements, Standard Customer Contracts for the three gas trading licences were assessed and approved;



- the introduction of a licensing and compliance scheme for the electricity industry consistent with the new *Electricity Industry Act 2004* has been progressed, which included the development of licence application guidelines; and
  - the 2005 benchmarking study of water supply to 32 major towns was completed. Publication of the report is expected prior to 30 June 2005.
- The Authority has a function to undertake inquiries referred to it by Government. The Authority has developed expertise to provide research and other specialised skills relating to economic, financial, legal and technical matters to the Authority's Governing Body and across the agency. The following major achievements were accomplished in the area of references:
    - a draft report was issued on 18 March 2005 on the inquiry on urban water and wastewater pricing, which is an independent inquiry into the pricing structures and tariff levels of the Water Corporation's urban water and wastewater services and the Bunbury and Busselton Water Boards' water services; and
    - major progress has also been made toward the preparation of a draft report on the inquiry into the cost of supplying bulk potable water to Kalgoorlie-Boulder and surrounding regions. The draft report is scheduled to be issued on 6 May 2005.
  - In its first year of operation, the Authority focussed upon amalgamating three separate industry specific regulatory agencies (Office of Gas Access Regulation, Office of the Rail Access Regulator and elements of the Office of Water Regulation) as well as acquiring expertise to deal with a new regulated industry, electricity. The Authority determined a need for a revised corporate structure to deal with functional commonalities and ensure that resources are allocated efficiently. Consequently, the Authority has identified the expertise and optimal staffing level it requires to fulfil its many and varied regulatory functions.

#### **Major Initiatives For 2005-06**

- With the assessment of an access arrangement for the Goldfields Gas Pipeline and the revisions to access arrangements for the DBNGP and AlintaGas' Mid West and South West Gas Distribution Systems coming to completion, there will be a shift of emphasis from gas access issues to electricity access including:
  - complete the assessment of the proposed revised access arrangement for the Mid West and South West Gas Distribution Systems;
  - complete the assessment of the proposed revised access arrangement for the DBNGP;
  - commence the assessment of a proposed revised access arrangement for the Tubridgi Pipeline System;
  - commence the assessment of a proposed access arrangement and technical rules for Western Power Corporation in the South West Interconnected System;
  - monitor gas market participants with Retail Market Scheme Obligations;
  - undertake a review of 'floor and ceiling' costs for rail lines and review the weighted average cost of capital for urban passenger and freight railway infrastructure;
  - complete the review of the Railways (Access) Code 2000;
  - consider the development of ring fencing rules for electricity networks businesses;
  - approve consultation procedures developed by Western Power under the Electricity Industry Customer Transfer Code 2004 and the (yet to be promulgated) Electricity Industry Metering Code; and
  - develop an arbitration process for disputes which arise between network operators and retailers under the Electricity Industry Customer Transfer Code 2004.
- The licensing of electricity generators, network owners, traders and retailers will continue to be a major focus of activity with up to about 100 licences to be issued in the period. Significant effort will also be directed toward standardising licensing arrangements including those relating to the monitoring of performance. Specific major initiatives include:
  - review and issue licences for an anticipated 100 industry participants, following the introduction of licensing requirements under the *Electricity Industry Act 2004*;
  - develop a standardised audit scope for performance audits and asset management system reviews in the electricity, gas and water industries;
  - develop a database for licensing and monitoring of service providers across the utility industries;
  - establish a consultative committee to review the Electricity Code of Conduct for Small Use Customers 2004;
  - review existing gas and water licences to ensure a consistent format;
  - develop licence application guidelines for the gas industry;
  - undertake approximately 26 audit and asset management reviews of licensees;
  - develop a financial information guideline to assist small licence holders with asset management reporting;
  - review and develop performance criteria for gas, water and electricity licensees; and
  - conduct the 2006 benchmarking study of the water supply to 32 major towns in Western Australia.

- References and research include finalising:
  - the inquiry on urban water and wastewater pricing; and
  - the inquiry on the cost of supplying bulk potable water to Kalgoorlie-Boulder and surrounding regions.
- The Authority intends to continue to use its operational experience in regulation to further the debate on economic regulation nationally.

### CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Computer Hardware and Software Replacement 2004-05 Program .....	147	147	147	-
Office Equipment Replacement 2004-05 Program .....	25	25	25	-
<b>NEW WORKS</b>				
Computer Hardware and Software Replacement 2005-06 Program .....	57	-	-	57
Office Equipment Replacement 2005-06 Program .....	9	-	-	9
	238	172	172	66

### CAPITAL CONTRIBUTION

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	49	71	172	66	56	97	63
	49	71	172	66	56	97	63
<b>LESS</b>							
Drawdowns from the Holding Account .....	-	18	18	19	-	-	-
Internal Funds and Balances .....	49	53	30	30	30	30	30
<b>Capital Contribution .....</b>	-	-	124	17	26	67	33

(a) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a) (b)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(c)</sup> .....	1,105	2,277	2,596	3,613	3,726	3,840	3,990
Superannuation .....	48	106	275	324	333	343	353
Consultancies expense .....	608	400	195	1,409	953	388	361
Supplies and services .....	386	733	5,019	930	702	471	964
Accommodation .....	129	153	735	352	362	373	384
Capital User Charge .....	37	8	105	98	101	104	107
Depreciation and amortisation .....	37	39	62	102	105	108	111
Other expenses .....	75	1,721	645	691	500	522	578
<b>TOTAL COST OF SERVICES</b> .....	<b>2,425</b>	<b>5,437</b>	<b>9,632</b>	<b>7,519</b>	<b>6,782</b>	<b>6,149</b>	<b>6,848</b>
<b>Income</b>							
User charges and fees .....	696	1,285	3,140	1,810	1,590	1,400	1,790
Regulatory Fees and Fines .....	-	49	-	-	-	-	-
Interest revenue .....	19	29	36	36	36	36	36
Other Revenue .....	3	10	54	63	67	67	67
<b>Total Income</b> .....	<b>718</b>	<b>1,373</b>	<b>3,230</b>	<b>1,909</b>	<b>1,693</b>	<b>1,503</b>	<b>1,893</b>
<b>NET COST OF SERVICES</b> .....	<b>1,707</b>	<b>4,064</b>	<b>6,402</b>	<b>5,610</b>	<b>5,089</b>	<b>4,646</b>	<b>4,955</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,500	4,153	6,138	5,610	5,089	4,621	4,930
Resources received free of charge .....	14	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,514</b>	<b>4,153</b>	<b>6,138</b>	<b>5,610</b>	<b>5,089</b>	<b>4,621</b>	<b>4,930</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>807</b>	<b>89</b>	<b>(264)</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>(25)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

(c) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 23, 29 and 38 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)(b)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	765	703	214	122	54	58	77
Restricted cash .....	-	-	200	200	200	200	200
Receivables .....	1,409	1,021	1,489	1,570	1,649	1,646	1,645
Amounts receivable for services.....	18	-	19	-	-	-	-
Prepayments.....	7	3	7	7	7	7	7
<b>Total current assets .....</b>	<b>2,199</b>	<b>1,727</b>	<b>1,929</b>	<b>1,899</b>	<b>1,910</b>	<b>1,911</b>	<b>1,929</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	11	31	35	122	186	253	323
Plant and equipment.....	100	127	159	123	104	93	45
Other.....	1	40	52	52	22	22	22
<b>Total non-current assets .....</b>	<b>112</b>	<b>198</b>	<b>246</b>	<b>297</b>	<b>312</b>	<b>368</b>	<b>390</b>
<b>TOTAL ASSETS.....</b>	<b>2,311</b>	<b>1,925</b>	<b>2,175</b>	<b>2,196</b>	<b>2,222</b>	<b>2,279</b>	<b>2,319</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	18	211	18	18	18	33	63
Provision for employee entitlements .....	171	125	171	239	239	239	239
Accrued Salaries .....	-	8	4	8	8	8	10
Amounts due to the Treasurer.....	200	1,000	200	200	200	200	200
Other.....	331	-	331	331	331	331	331
<b>Total current liabilities.....</b>	<b>720</b>	<b>1,344</b>	<b>724</b>	<b>796</b>	<b>796</b>	<b>811</b>	<b>843</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	152	3	152	84	84	84	84
<b>Total non-current liabilities .....</b>	<b>152</b>	<b>3</b>	<b>152</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>
<b>TOTAL LIABILITIES.....</b>	<b>872</b>	<b>1,347</b>	<b>876</b>	<b>880</b>	<b>880</b>	<b>895</b>	<b>927</b>
<b>EQUITY</b>							
Contributed Equity.....	632	30	756	773	799	866	899
Accumulated surplus/(deficit) .....	807	548	543	543	543	518	493
<b>Total equity.....</b>	<b>1,439</b>	<b>578</b>	<b>1,299</b>	<b>1,316</b>	<b>1,342</b>	<b>1,384</b>	<b>1,392</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>2,311</b>	<b>1,925</b>	<b>2,175</b>	<b>2,196</b>	<b>2,222</b>	<b>2,279</b>	<b>2,319</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a) (b)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,500	4,133	6,095	5,523	5,025	4,554	4,860
Capital Contribution.....	-	-	124	17	26	67	33
Holding Account Drawdowns .....	-	18	18	19	-	-	-
<b>Net cash provided by State government .....</b>	<b>2,500</b>	<b>4,151</b>	<b>6,237</b>	<b>5,559</b>	<b>5,051</b>	<b>4,621</b>	<b>4,893</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(842)	(2,269)	(2,586)	(3,603)	(3,724)	(3,838)	(3,988)
Superannuation .....	(42)	(104)	(273)	(324)	(332)	(342)	(352)
Consultancies payments.....	(622)	(400)	(195)	(1,409)	(953)	(388)	(361)
Supplies and services .....	(378)	(828)	(4,771)	(895)	(799)	(488)	(981)
Accommodation.....	(127)	(152)	(735)	(352)	(362)	(373)	(384)
Capital User Charge.....	-	(8)	(105)	(98)	(101)	(89)	(77)
Goods and Services Tax .....	(149)	(255)	(255)	(255)	(254)	(252)	(252)
Other.....	(48)	(1,707)	(975)	(808)	(484)	(506)	(562)
<b>Receipts</b>							
User charges and fees.....	387	1,282	3,137	1,283	1,284	1,284	1,284
Regulatory fees and fines.....	-	49	-	521	300	110	500
Interest received .....	19	29	36	36	37	37	37
Goods and Services Tax .....	19	249	249	251	253	253	253
Other receipts .....	3	13	57	68	72	72	72
<b>Net cash from operating activities.....</b>	<b>(1,780)</b>	<b>(4,101)</b>	<b>(6,416)</b>	<b>(5,585)</b>	<b>(5,063)</b>	<b>(4,520)</b>	<b>(4,811)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(40)	(37)	(172)	(66)	(56)	(97)	(63)
<b>Net cash from investing activities.....</b>	<b>(40)</b>	<b>(37)</b>	<b>(172)</b>	<b>(66)</b>	<b>(56)</b>	<b>(97)</b>	<b>(63)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(800)	-	-	-	-	-	-
<b>Net cash from financing activities.....</b>	<b>(800)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(120)</b>	<b>13</b>	<b>(351)</b>	<b>(92)</b>	<b>(68)</b>	<b>4</b>	<b>19</b>
Cash assets at the beginning of the reporting period .....	-	690	765	414	322	254	258
Net cash transferred to/from other agencies.....	885	-	-	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>765</b>	<b>703</b>	<b>414</b>	<b>322</b>	<b>254</b>	<b>258</b>	<b>277</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

**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 Authority:

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Recoups from industry.....	387	1,331	3,137	1,804
Goods and Services Tax .....	19	249	249	251
Revenue from the Government Vehicle Scheme .....	7	7	7	7
Other revenue.....	15	35	86	97
<b>TOTAL .....</b>	<b>428</b>	<b>1,622</b>	<b>3,479</b>	<b>2,159</b>

(a) The ERA was created from 1 January 2004. The 2003-04 actual figures relate to the period 1 January to 30 June 2004.

The moneys received and retained are to be applied to the Authority's services as specified in the Budget Statements.



## STATE SUPPLY COMMISSION

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT

#### DIVISION 10

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 42 Net amount appropriated to deliver services .....</b>	1,415	1,494	1,494	<b>1,562</b>	1,632	1,661	1,699
Total appropriations provided to deliver services.....	1,415	1,494	1,494	<b>1,562</b>	1,632	1,661	1,699
<b>CAPITAL</b>							
<b>Item 134 Capital Contribution .....</b>	-	19	19	<b>42</b>	-	-	-
<b>GRAND TOTAL .....</b>	<b>1,415</b>	<b>1,513</b>	<b>1,513</b>	<b>1,604</b>	1,632	1,661	1,699

#### MISSION

*To achieve universal adoption of best practice in government procurement and disposals.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Government spent approximately \$6.4 billion on goods and services, construction and related services in 2003-04 with services representing some 80 percent of that spend. The Commission expects this level of expenditure to continue in 2004-05 and 2005-06.
- State Fleet's financial performance delivers returns to the Government through the implementation of its improved leasing model.
- The Australian Procurement and Construction Council has recommended the use of the United Nations Standard Products and Services Codes (UNSPSC) as an e-procurement standard across all jurisdictions. In 2005-06 the Commission will review the classifications used to collect statistics for the Annual Supply report with a view to adopting UNSPSC.
- The Commission will continue to play a key role in the implementation of the procurement reform agenda. The impact of the State Supply Commission's revised supply policies will be reviewed in 2005-06 to ensure the continued effectiveness of these policies in support of the procurement reform.
- The procurement reform agenda requires that training be provided to government procurement officers. In 2005-06 the Commission, in liaison with the Department of Treasury and Finance, will ensure the delivery of training programs that will provide career progression opportunities.
- To meet the 2005-06 procurement reform agenda savings target, the Commission will continue to monitor procurement performance and identify aggregation opportunities.



**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support and promotion of the use of the supply policy framework .....	5,412	1,355	3,156	2,922			
<i>Service 2:</i>							
Support to the State Tender Committee .....	149	150	150	126			
<i>Service 3:</i>							
Management of the funding and leasing of the State's vehicle fleet.....	126,449	130,252	123,207	61,708			
<b>Total Cost of Services .....</b>	<b>132,010</b>	<b>131,757</b>	<b>126,513</b>	<b>64,756</b>	<b>63,728</b>	<b>63,882</b>	<b>65,141</b>
<i>Less Income.....</i>	<i>135,680</i>	<i>130,705</i>	<i>129,098</i>	<i>65,084</i>	<i>66,402</i>	<i>69,076</i>	<i>71,763</i>
<b>Net Cost of Services .....</b>	<b>(3,670)</b>	<b>1,052</b>	<b>(2,585)</b>	<b>(328)</b>	<b>(2,674)</b>	<b>(5,194)</b>	<b>(6,622)</b>
Adjustments <sup>(a)</sup> .....	5,085	442	4,079	1,890	(6)	(5)	(5)
<b>Appropriation provided to deliver Services.</b>	<b>1,415</b>	<b>1,494</b>	<b>1,494</b>	<b>1,562</b>	<b>1,632</b>	<b>1,661</b>	<b>1,699</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>1,415</b>	<b>1,513</b>	<b>1,513</b>	<b>1,604</b>	<b>1,632</b>	<b>1,661</b>	<b>1,699</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcome	Service
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 <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: The use of best practice procurement and disposal processes by all public authorities.</b>					
The extent of the use of best practice procurement and disposal processes by public authorities.....	96%	100%	96%	96%	
<b>Outcome: Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.</b>					
Extent to which State Fleet operations are economically sustainable (\$'000) <sup>(b)</sup> .....	5,070	450	4,121	1,896	Lower vehicle resale values.

(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.

**Service 1: Support and Promotion of the Use of the Supply Policy Framework**

The adoption of best practice procurement and disposal processes by public authorities.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	5,412	1,355	3,156	2,922	The receipt and recoup of fees from Common Use Arrangements are built into the forward estimates commencing 2004-05. The 2003-04 Actual includes these fees as previously they were only reported retrospectively.
Less Income .....	4,161	3	1,770	1,480	
Net Cost of Service .....	1,251	1,352	1,386	1,442	
Adjustments <sup>(b)</sup> .....	17	(7)	(41)	(5)	
<b>Appropriation for delivery of Service .....</b>	<b>1,268</b>	<b>1,345</b>	<b>1,345</b>	<b>1,437</b>	

(a) Included within this service is \$4 million in 2003-04, \$1.7 million in 2004-05 and \$1.5 million in 2005-06 representing the receipt and recoup of fees from Common Use Arrangements (CUAs) 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.

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of State Supply Commission services per contract or tender over \$10,000.	\$295	\$387	\$309	\$321	Number of contracts over \$10,000 increased from 3,500 to 4,500.
<b>Full Time Equivalents (FTEs)</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	

**Major Achievements For 2004-05**

- Conducted a Policy Awareness Seminar series with Government procurement officers, suppliers and industry associations to ensure a full understanding of the revised policy suite.
- Reviewed and reissued procurement exemption levels to public authorities, in line with the procurement reform.
- Developed a Procurement Officers' Induction Program for newly appointed procurement officers from across Government to promote a sound understanding of the role and functions of the State Supply Commission.
- Developed a supply policy training and awareness program for the whole of Government in conjunction with the Department of Treasury and Finance.
- Participated in a review of the legislative framework for procurement across Government as part of the ongoing procurement reform agenda of the Functional Review Taskforce.
- Developed a new policy and associated guide in relation to the implications of the Australia-United States Free Trade Agreement (AUSFTA) for goods and services procurement in Western Australia.
- Conducted a review of the Standard Service Agreement implementation across Government as part of the Commission's responsibilities for administering the Funding and Purchasing Community Services Policy.
- Investigated the possible introduction of a Gateway risk management process for all goods and services contracts across Government.
- Undertook two health checks of procurement processes and practices of public authorities.

**Major Initiatives For 2005-06**

- Review the impact on procurers and suppliers of the State Supply Commission policies and associated guidelines, and make any necessary modifications.
- Undertake two health checks of procurement processes and practices of public authorities.
- Deliver a Procurement Officers' induction program for newly appointed procurement officers from across Government to promote a sound understanding of the role and functions of the State Supply Commission.
- Implement, in conjunction with the Department of Treasury and Finance, a supply policy training and awareness program for the whole-of-Government.
- Review the categories used to report the annual supply statistics.
- Implement the AUSFTA procurement policy.

**Service 2: Support to the State Tender Committee**

Strategic assessment of procurement plans, recommendation or endorsement of contract evaluations and advice on the effectiveness of State Supply Commission policies.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	149	150	150	126	Revised allocation of costs between services.
Less Income .....	-	-	-	-	
Net Cost of Service .....	149	150	150	126	
Adjustments <sup>(a)</sup> .....	(2)	(1)	(1)	(1)	
<b>Appropriation for delivery of Service .....</b>	<b>147</b>	<b>149</b>	<b>149</b>	<b>125</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of State Tender Committee operations per procurement plan or contract.	\$471	\$429	\$629	\$525	Number of procurement plans/contracts considered decreased from 350 to 240 due to increased submission threshold.
<b>Full Time Equivalents (FTEs)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	

**Service 3: Management of the Funding and Leasing of the State's Vehicle Fleet**

Management of the funding and leasing of the State's vehicle fleet.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	126,449	130,252	123,207	61,708	
Less Income <sup>(a)</sup> .....	131,519	130,702	127,328	63,604	
Net Cost of Service .....	(5,070)	(450)	(4,121)	(1,896)	
Adjustments <sup>(b)</sup> .....	5,070	450	4,121	1,896	Anticipated lower vehicle resale values in 2005-06.
<b>Appropriation for delivery of Service .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore the 2005-06-budget estimate, revenues and expenses arising from the sale of vehicles are reported on a net basis. On a gross basis the 2005-06 Target revenue is \$140.4 million and the expenditure \$138.5 million.

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average Cost of Leased Vehicle .....	\$15,027	\$15,146	\$13,539	\$6,707	See note (a)
<b>Full Time Equivalents (FTEs)</b>	4	7	5	7	

- (a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore the 2005-06 Target estimated average cost of a leased vehicle is reported on a net basis. On a gross basis, the 2005-06 Target estimated average cost of a leased vehicle is \$15,054.

**Major Achievements For 2004-05**

- Implemented new fleet-related contracts with a common theme of consolidating and streamlining processes for a more cost effective operation. Savings of \$1.03 million were identified across three contracts.

**Major Initiatives For 2005-06**

- Restructure of outsourced vehicle facility management arrangements to further streamline State Fleet operations and reduce administration costs.
- Develop, in conjunction with:
  - the Office of Road Safety and Worksafe, an enhanced safety policy for the government's light vehicle fleet; and
  - the Department for the Environment, an emissions offset program to make the government's light vehicle fleet 'carbon neutral'.

**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 services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
State Fleet – Vehicle Acquisitions				
2004-05 Program .....	111,838	111,838	111,838	-
Computer Hardware and Software				
2004-05 Program .....	7	7	7	-
Office Equipment				
2000-03 Program .....	20	20	6	-
2004-05 Program .....	24	24	24	-
<b>NEW WORKS</b>				
State Fleet – Vehicle Acquisitions				
2005-06 Program .....	119,692	-	-	119,692
Computer Hardware and Software				
2005-06 Program .....	29	-	-	29
Office Equipment				
2005-06 Program .....	23	-	-	23
	231,633	111,889	111,875	119,744

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	118,279	123,350	111,875	119,744	121,907	122,605	125,065
	118,279	123,350	118,875	119,744	121,907	122,605	125,065
<b>LESS</b>							
Asset Sales <sup>(a)</sup>	51,373	73,554	62,291	76,824	76,619	76,604	76,672
Drawdowns from the Holding Account .....	-	12	12	10	-	18	57
Internal Funds and Balances .....	66,906	49,765	49,553	42,868	45,288	45,983	48,336
<b>Capital Contribution .....</b>	-	19	19	42	-	-	-

- (a) Asset sales are vehicle sales. The capital works program for the State Fleet is in most circumstances funded using lease rental income and proceeds from vehicle sales. The State Fleet leasing arrangement is self-funding with any surplus revenue used to reduce borrowings. 2004-05 was the first year that the State Fleet vehicle purchases were reported in the capital works program.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	820	964	971	991	979	998	1,018
Superannuation .....	77	104	81	81	93	93	93
Consultancies expense .....	84	89	70	70	69	69	70
Supplies and services .....	5,784	1,330	4,408	3,830	2,865	2,867	2,869
Accommodation .....	126	132	132	132	135	135	135
Finance costs .....	10,542	13,200	11,300	11,600	11,100	10,600	10,900
Capital User Charge .....	23	25	25	27	29	29	29
Depreciation and amortisation .....	58,123	36,530	44,654	45,277	47,555	48,938	49,860
Motor Vehicle Fleet Expense .....	-	193	-	-	-	-	-
Loss on disposal of non-current assets .....	-	-	-	2,633	756	-	-
Costs of disposal of non-current assets .....	56,237	79,110	64,753	-	-	-	-
Other expenses .....	194	80	119	115	147	153	167
<b>TOTAL COST OF SERVICES</b> .....	<b>132,010</b>	<b>131,757</b>	<b>126,513</b>	<b>64,756</b>	<b>63,728</b>	<b>63,882</b>	<b>65,141</b>
<b>Income</b>							
User charges and fees .....	58,724	54,809	62,649	64,864	66,182	68,531	71,328
Interest revenue .....	362	210	320	210	210	210	210
Gain on disposal of non-current assets .....	-	-	-	-	-	325	215
Proceeds from disposal of non-current assets ..	52,561	73,554	62,291	-	-	-	-
Other revenue .....	24,033	2,132	3,838	10	10	10	10
<b>Total Income</b> .....	<b>135,680</b>	<b>130,705</b>	<b>129,098</b>	<b>65,084</b>	<b>66,402</b>	<b>69,076</b>	<b>71,763</b>
<b>NET COST OF SERVICES</b> .....	<b>(3,670)</b>	<b>1,052</b>	<b>(2,585)</b>	<b>(328)</b>	<b>(2,674)</b>	<b>(5,194)</b>	<b>(6,622)</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,415	1,494	1,494	1,562	1,632	1,661	1,699
Resources received free of charge .....	19	8	8	6	6	5	5
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>1,434</b>	<b>1,502</b>	<b>1,502</b>	<b>1,568</b>	<b>1,638</b>	<b>1,666</b>	<b>1,704</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>5,104</b>	<b>450</b>	<b>4,087</b>	<b>1,896</b>	<b>4,312</b>	<b>6,860</b>	<b>8,326</b>
Extraordinary items .....	(17)	-	-	-	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>5,087</b>	<b>450</b>	<b>4,087</b>	<b>1,896</b>	<b>4,312</b>	<b>6,860</b>	<b>8,326</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 16, 18 and 20 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	6,377	7,226	6,328	6,319	6,314	6,309	6,309
Receivables .....	3,980	4,547	3,980	3,981	3,981	3,981	3,981
Interest receivable .....	18	21	18	18	18	18	18
Amounts receivable for services .....	12	-	10	-	18	57	-
Prepayments .....	3,861	808	19	20	25	30	30
<b>Total current assets .....</b>	<b>14,248</b>	<b>12,602</b>	<b>10,355</b>	<b>10,338</b>	<b>10,356</b>	<b>10,395</b>	<b>10,338</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	9	30	20	42	46	11	33
Plant and equipment .....	199,478	213,329	205,789	200,799	197,775	195,163	193,930
Deferred expenses .....	-	1,588	-	-	-	-	-
<b>Total non-current assets .....</b>	<b>199,487</b>	<b>214,947</b>	<b>205,809</b>	<b>200,841</b>	<b>197,821</b>	<b>195,174</b>	<b>193,963</b>
<b>TOTAL ASSETS .....</b>	<b>213,735</b>	<b>227,549</b>	<b>216,164</b>	<b>211,179</b>	<b>208,177</b>	<b>205,569</b>	<b>204,301</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	1,697	2,026	1,658	1,651	1,651	1,651	1,669
Provision for employee entitlements .....	239	212	239	239	239	239	239
Interest payable .....	481	373	481	481	481	481	481
Borrowings .....	102,574	107,149	98,019	94,561	90,904	86,170	81,364
Other .....	2,358	2,072	2,390	2,390	2,390	2,390	2,390
<b>Total current liabilities .....</b>	<b>107,349</b>	<b>111,832</b>	<b>102,787</b>	<b>99,322</b>	<b>95,665</b>	<b>90,931</b>	<b>86,143</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	56	101	56	56	56	56	56
Borrowings .....	95,134	107,149	98,019	94,561	90,904	86,170	81,364
<b>Total non-current liabilities .....</b>	<b>95,190</b>	<b>107,250</b>	<b>98,075</b>	<b>94,617</b>	<b>90,960</b>	<b>86,226</b>	<b>81,420</b>
<b>TOTAL LIABILITIES .....</b>	<b>202,539</b>	<b>219,082</b>	<b>200,862</b>	<b>193,939</b>	<b>186,625</b>	<b>177,157</b>	<b>167,563</b>
<b>EQUITY</b>							
Contributed Equity .....	20,069	20,070	20,088	20,130	20,130	20,130	20,130
Accumulated surplus/(deficit) .....	(8,873)	(11,603)	(4,786)	(2,890)	1,422	8,282	16,608
<b>Total equity .....</b>	<b>11,196</b>	<b>8,467</b>	<b>15,302</b>	<b>17,240</b>	<b>21,552</b>	<b>28,412</b>	<b>36,738</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>213,735</b>	<b>227,549</b>	<b>216,164</b>	<b>211,179</b>	<b>208,177</b>	<b>205,569</b>	<b>204,301</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.



**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,400	1,473	1,473	1,540	1,610	1,639	1,677
Capital Contribution.....	-	19	19	42	-	-	-
Holding Account Drawdowns .....	-	12	12	10	-	18	57
<b>Net cash provided by State government .....</b>	<b>1,400</b>	<b>1,504</b>	<b>1,504</b>	<b>1,592</b>	<b>1,610</b>	<b>1,657</b>	<b>1,734</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(849)	(935)	(971)	(991)	(979)	(998)	(1,018)
Superannuation .....	(79)	(104)	(81)	(81)	(99)	(99)	(99)
Consultancies payments.....	(84)	(35)	(70)	(70)	(69)	(69)	(70)
Supplies and services .....	(5,502)	(1,611)	(4,409)	(3,831)	(2,868)	(2,870)	(2,872)
Finance costs .....	(10,434)	(13,200)	(11,300)	(11,600)	(11,100)	(10,600)	(10,900)
Accommodation.....	(126)	(120)	(120)	(124)	(135)	(135)	(135)
Capital User Charge.....	(23)	(25)	(25)	(27)	(29)	(29)	(29)
Goods and Services Tax .....	(12,314)	(11,045)	(12,222)	(12,195)	(12,212)	(12,212)	(12,212)
Other.....	(196)	(93)	(136)	(128)	(135)	(144)	(153)
<b>Receipts</b>							
User charges and fees.....	58,449	54,809	62,649	64,864	66,182	68,531	71,328
Interest received.....	364	210	320	210	210	210	210
Goods and Services Tax .....	12,428	11,051	12,228	12,198	12,212	12,212	12,212
Other receipts .....	34	10	41	9	9	10	9
<b>Net cash from operating activities.....</b>	<b>41,668</b>	<b>38,912</b>	<b>45,904</b>	<b>48,234</b>	<b>50,987</b>	<b>53,807</b>	<b>56,271</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(118,279)	(123,350)	(111,875)	(119,744)	(121,907)	(122,605)	(125,065)
Proceeds from sale of non-current assets .....	51,373	73,554	62,291	76,824	76,619	76,604	76,672
Proceeds from sale of investments .....	23,551	2,122	3,798	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(43,355)</b>	<b>(47,674)</b>	<b>(45,786)</b>	<b>(42,920)</b>	<b>(45,288)</b>	<b>(46,001)</b>	<b>(48,393)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(6,793)	(116,070)	(1,671)	(6,915)	(7,314)	(9,468)	(9,612)
Proceeds from borrowings .....	6,216	123,319	-	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>(577)</b>	<b>7,249</b>	<b>(1,671)</b>	<b>(6,915)</b>	<b>(7,314)</b>	<b>(9,468)</b>	<b>(9,612)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(864)</b>	<b>(9)</b>	<b>(49)</b>	<b>(9)</b>	<b>(5)</b>	<b>(5)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	7,240	7,235	6,376	6,327	6,318	6,313	6,308
<b>Cash assets at the end of the reporting period.....</b>	<b>6,376</b>	<b>7,226</b>	<b>6,327</b>	<b>6,318</b>	<b>6,313</b>	<b>6,308</b>	<b>6,308</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**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 Commission:

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000
Common Use Arrangements fees .....	3,825	-	1,767	1,477
GST input credits .....	-	-	177	148
GST receipts on sales.....	-	-	177	148
<b>TOTAL .....</b>	<b>3,825</b>	<b>-</b>	<b>2,121</b>	<b>1,773</b>

(a) The amounts shown only reflect the receipt and recoup of fees from Common Use Arrangements (CUAs) and associated GST transactions 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.

The moneys received and retained are to be applied to the Commission's services as specified in the Budget Statements.









**Part 4****Minister for Agriculture and Forestry; The Mid-West and Wheatbelt****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
203	Agriculture			
	– Delivery of Services .....	116,769	134,037	<b>140,045</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	1,178	7,129	-
	– Capital Contribution .....	2,296	2,158	<b>3,531</b>
	– Administered Capital Contribution.....	-	5,000	<b>5,000</b>
	Total .....	120,243	148,324	<b>148,576</b>
233	Agriculture Protection Board			
	– Delivery of Services .....	2,413	2,594	<b>3,091</b>
	Total .....	2,413	2,594	<b>3,091</b>
241	Western Australian Meat Industry Authority .....	...	...	...
242	Perth Market Authority .....	...	...	...
243	Rural Business Development Corporation			
	– Delivery of Services .....	181	8,931	<b>182</b>
	Total .....	181	8,931	<b>182</b>
250	Forest Products Commission.....	...	...	...
251	Mid West Development Commission			
	– Delivery of Services .....	1,549	3,542	<b>4,001</b>
	Total .....	1,549	3,542	<b>4,001</b>
264	Wheatbelt Development Commission.....			
	– Delivery of Services .....	1,783	1,879	<b>1,431</b>
	Total .....	1,783	1,879	<b>1,431</b>
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	122,695	150,983	<b>148,750</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	1,178	7,129	-
	– Capital Contribution .....	2,296	2,158	<b>3,531</b>
	– Administered Capital Contribution.....	-	5,000	<b>5,000</b>
	Total .....	126,169	165,270	<b>157,281</b>





## AGRICULTURE

### PART 4 - MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT

#### DIVISION 11

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 43 Net amount appropriated to deliver services .....</b>	118,299	116,619	133,887	<b>139,890</b>	162,517	161,150	129,917
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	150	150	150	<b>155</b>	159	164	169
Total appropriations provided to deliver services .....	118,449	116,769	134,037	<b>140,045</b>	162,676	161,314	130,086
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Amount provided for Administered Grants, Subsidies and Other Transfer Payments...</b>	1,178	1,178	7,129	-	-	-	-
<b>CAPITAL</b>							
<b>Item 135 Capital Contribution .....</b>	-	2,296	2,158	<b>3,531</b>	5,200	16,000	10,000
<b>Item 136 Administered Capital Contribution .....</b>	-	-	5,000	<b>5,000</b>	-	-	-
<b>GRAND TOTAL .....</b>	119,627	120,243	148,324	<b>148,576</b>	167,876	177,314	140,086

#### MISSION

*The Department of Agriculture will accelerate the success of agriculture, food and fibre industries through information, science and innovation, responsible management of the resource base, policy and regulation across all elements of the supply chain.*

#### SIGNIFICANT ISSUES AND TRENDS

##### **Food and Fibre Industry Development**

- Primary agricultural production represents the largest renewable resource-based industry in Western Australia. The agri-food industries, including retailing and food service sector, represent more than 9% of the State's economy. The sector creates employment for more than 11% of the State's workforce, is the largest employer in the rural regions, and amongst the State's leading employers.
- **Gross State Product (GSP) contribution 1999-2004**

	1999-2000	2000-01	2001-02	2002-03	2003-04
Proportion of GSP attributed to agriculture (%) <sup>(a)</sup> .....	8.8%	9.3%	9.2%	8.8%	9.0%
Total GSP (\$ million) .....	68,933	68,089	77,495	81,107	87,190

- (a) The direct contribution of the agriculture, forestry and fishing sector to the State's GSP in 2003-04 was 3.8%. The indirect contribution to GSP of related industries within other sectors is estimated to be an additional 5.3%. The contribution in 2002-03 was lower due to the effects of drought.

- The Western Australian food-processing sector has an annual turnover of approximately \$3.5 billion and has grown at an average of 4.5% per annum over the last ten years. Much of the growth is directed to exports. Studies indicate an economic multiplier of 6:1 for every dollar created by the food sector and an employment multiplier of 12:1 for every person employed. The agri-food industry represents the second largest export sector with more than 82% of the total value of production being exported.
- The industry has undergone many changes in recent years that need to be considered when looking at the various demands for policy intervention and government activities:
  - the industry has shifted towards being more market driven and conscious of consumer needs;
  - healthy food is now the new paradigm;
  - radical shift in the supply chain from manufacturers to major retailer and food service companies dictating trends for products and innovation;
  - the industry increasingly needs to integrate production and distribution chains;
  - increasing demand for intellectual property protection, management and commercialisation; and
  - increasing awareness of the need for environmentally benign production methods.
- Western Australia currently exports (\$4.9 billion) approximately 80% of production (\$6.1 billion) and represents:
  - 40% of Australia's grain exports;
  - 25% of Australia's wool clip and supplies 6% of the world's apparel wool;
  - 31% of Australia's vegetable exports;
  - 30% of Australia's plum, peach and nectarine exports and more than 60% of Australia's strawberry exports; and
  - 60% of live animal exports.
- Of the \$4.9 billion in agricultural and food exports, only 17% represents processed food exports.
- The application of modern information management, communication, global positioning, remote sensing, auto-detection and identification and tracing technology will be increasingly important to the assurance of product quality and safety, maintenance of animal and plant health and protection of the natural environment.
- Adoption of new food and fibre production technologies, including the use of biotechnology coupled with more intensive production techniques will become a major driver for change.
- More mechanised industries, such as grains and wine, are up-scaling and farm sizes are increasing. These industries are attracting new capital investments because of good returns, and are having a strong positive impact on regional economies. However, labour supply is an increasing issue in remote agricultural areas, and availability of seasonal labour appears to be trending downward. There will be continued drive toward more labour efficient and flexible farm operations, placing further downward pressure on rural communities.
- Supermarket consolidation and penetration into Western Australia's traditional markets in Asia is continuing. However, disaggregation of food retailing is becoming evident in mature markets like the USA, particularly in areas of higher incomes, where retailers offer an up-market shopping experience. These contrasting trends may offer new opportunities for high quality Australian produce.
- There has been a trend towards intensification of animal industries in Western Australia with increases in lot-feeding in the beef and lamb industries, development of intensive feeding systems in the dairy industry and the concentration of sheep on fewer pasture hectares as the cropping area has expanded. This is leading to a need for research and development into new fodder and feeding systems, management of the nutrient impact and development of new production systems.
- Increasing diversity in farming enterprises due to changes in product type or farming systems will lead to an increased need to manage on-farm storage and handling, an increased requirement to segregate material based on crop type, development of improved crop production techniques and an ability to track Quality Assured (QA) grain. Changes in growers' ability to manage and market their own grain will be complemented by changes in bulk storage being able to segregate grain without contamination, develop a QA supply chain and to deliver grain to the market with the best quality.
- The ability of growers to obtain independent, reliable information on varieties and performance upon deregulation of plant breeding will become a significant issue. A large number of public and private companies will be contributing new varieties to the market often with limited information on their performance under a diverse set of environments.

- Pressure is building within rangeland industries as a result of increasing costs of production and a declining human resource base. Traditional European-grazing systems (set stocking regimes, square paddock with corner waters) are being challenged. The challenge is to introduce more sustainable management systems that are predicated on total grazing control, decision point management, pasture rest and strategic utilisation, which more adequately reflect Western Australia's arid pastoral estate.
- Segregation and legal liability issues and the lack of clear market signals about consumer acceptance of genetically modified (GM) foods in domestic and overseas markets have resulted in the government adopting a cautious approach to the commercialisation of GM food crops in Western Australia. This will allow Western Australia's primary producers and marketers to identify and capitalise on the advantages of marketing all of the State's food produce as GM free.
- Western Australian producers have a high reliance on export markets and are affected significantly by changes to World Trade Organisation (WTO) agreements, regional free trade agreements (FTA) and subsidisation regimes of the European Union and USA. The introduction of the recent USA and Thailand FTAs will provide both opportunities and challenges to Western Australian agriculture.
- The export focused horticulture industries are facing increasing competition from other countries in traditional export markets. Specifically, the major Western Australian vegetable export industries, carrots and cauliflowers, are facing strong competition from China and the export plum industry is facing increased competition from other Southern hemisphere producers including Chile and South Africa. The industries are focusing on developing new markets, both overseas and in Australia, and on continuing improvements to production efficiency.

### **Agriculture Resource Management**

- Managing salinity in the South West and maintaining or improving rangeland condition in the pastoral areas are high priority land degradation issues. For agricultural land use some difficult choices will need to be made to get the right level of investment for longer term ecological sustainability of the natural resource base on which rural communities and agricultural industries depend.
- Climate change is beginning to impact on Western Australian agriculture. Greenhouse has become a more important issue, with potential adverse impacts on all industries in terms of reducing greenhouse emissions and adapting farming systems to climatic change. Greenhouse also affects resource conditions. There are opportunities in agriculture to diversify into the provision of environmental services through carbon trading schemes and increasing the area of revegetation. Internationally, the Kyoto Protocol has come into effect and emissions trading has officially commenced in the European Union. In Australia, State and Territory governments are investigating a national emissions trading system which could in future link Australia to international carbon markets.
- Associated with climate change is increased pressure on water resources. Increasingly, agriculture will be required to account for the efficiency of its water use. Growth in agricultural industries will be highly dependent on access to water resources. Western Australia will need to take an integrated approach to water resource planning and management involving a combination of initiatives that involve using existing resources more efficiently and developing new sustainable resources (including recycling and reuse).
- Increasing costs of production has placed ongoing pressure on the profitability of many farms. This cost price squeeze coupled with inadequate management actions is placing pressure on the sustainability of the resource base.
- The demand for environmental monitoring and reporting is growing and is partly satisfied with increased corporate and government involvement. The National Action Plan for Salinity and Water Quality (NAP) has established a monitoring and evaluation framework for agricultural and pastoral lands. Monitoring and evaluation of both resource condition and management action, against targets set in regional strategies, will enable compliance for both the NAP and State of Environment reporting.
- Increased community expectations regarding environmental impacts underpins a trend nationally towards greater regulation. Legislation is increasingly being tightened and framed to require compliance with Codes of Practice.
- The responsibility for determining land clearing proposals was transferred to the Department of Environment on 8 July 2004 when new laws were proclaimed. Environmental protection and planning legislation is under increased pressure and scrutiny driven by concerns about their impact on private property rights and appropriate compensation when those rights are removed.

- There is also a trend toward self-regulation through voluntary codes of practice, certification of industry practices (3-tier approach). This requires the setting of standards for sustainable agricultural practices, such as limits on nutrient export from dairy and horticulture enterprises, and benchmarks for water use in the Wheatbelt.
- Government is coming under increasing pressure to reform the regulation of land drainage. Wheatbelt farmers are increasingly seeing drainage as a viable management option for salinity and are seeking funding for catchment and regional scaled drainage projects.
- The emergence of 'sustainable development' as a market and government driven concept. In the short term, the market is unlikely to be a major driver for environmental sustainability being limited to a relatively small number of producers supplying niche or specialised markets. However, the industry must be positioned to meet the likelihood of increased export market pressures in this area.
- An emerging trend, both internationally and within Australia, is for a regionally coordinated approach to community and economic development and the delivery of government services. A multi-agency, whole of government, whole of landscape approach is increasingly being taken to integrate Natural Resource Management (NRM) (land, water and biodiversity) and agricultural production at the regional level. Strategic planning for NRM is occurring at the regional level to provide a more integrated approach to resource management that allows trade-offs with economic and social issues.

### **Biosecurity**

- The threat of incursion of serious plant and animal pests and diseases and weeds will continue as a result of greater population mobility and increased international and interstate trade. Heightened public awareness and strengthened community commitment to biosecurity of the State's biological resources will be essential if the risk of incursions of serious exotic plant and animal pests and diseases and weeds is to be adequately mitigated.
- The significant economic and social impacts of animal diseases such as Foot and Mouth Disease, Bovine Spongiform Encephalopathy and Nipah virus will drive greater community expectation that susceptible animal industries and governments will work proactively to ensure that adequate prevention and preparedness measures are in place. Similar community expectations will emerge regarding the protection of natural resources from ingress of weeds, impact of non-native animals and diseases to which native flora and fauna are susceptible.
- Strategic biosecurity preparedness programs to reduce the potential impacts of pest and disease incursions will be increasingly important. Crop breeding programs will need to include offshore testing to evaluate germplasm for major diseases/pests to assess the status of current and future varieties to these risks such as Hessian fly, Karnal Bunt and Russian wheat aphid.
- Continued reliance on herbicides for weed control will require herbicide resistance strategies and control of resistant populations to induce lower levels of resistant weeds. Similarly increased reliance on fungicides for disease control will require management with improved plant resistance, farming systems that modify risk through management and better systems to forecast disease epidemics to prepare for and manage disease risk.
- Animal welfare issues are becoming increasingly important. Livestock industries will face increasing pressure from the community and markets to adopt and demonstrate the use of best animal welfare practices.
- The recent international terrorism attacks and heightened security concerns have resulted in a focus on food chain security. A risk of agri-terrorism exists, leading to a need to ensure adequate biosecurity risk management measures are in place.
- Under the international Sanitary and Phytosanitary Agreement there will be an ongoing need to scientifically justify both international and domestic import quarantine measures. The generation of rigorous survey data to demonstrate freedom of Western Australia from specific pests, diseases and weeds will be increasingly important in order to gain access for the State's produce to premium international markets.
- Modernisation of regulatory mechanisms, including the most appropriate interface of national and State legislation and regulations, and efficient industry and community consultation processes will be essential for the State's biosecurity regulatory system to keep pace with rapid biological, technological, market and community developments. Integration of legislation, more responsive regulatory processes, and adoption of co-regulatory schemes will be essential to the cost-effective regulation for plant and animal health, product integrity and natural resource protection.

- Increasing community expectations that pests such as starlings and cane toads will be excluded/eradicated from Western Australia.
- The reduction in disease reporting by livestock producers, and the reduced utilisation of veterinary services in rural areas, present a major challenge for disease surveillance.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken since State Election</b>				
New Opportunities for Tropical Agriculture.....	500	500	500	500
Carnarvon 2020 Strategy .....	2,325	1,600	-	-

## SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Food and fibre industry development.....	88,363	87,141	97,771	95,752			
<i>Service 2:</i>							
Agricultural resource management.....	53,600	52,386	82,358	107,277			
<i>Service 3:</i>							
Biosecurity .....	63,270	52,125	66,683	53,953			
<i>Service 4:</i>							
Services provided to Rural Business Development Corporation.....	9,532	3,801	8,450	3,837			
<b>Total Cost of Services .....</b>	<b>214,765</b>	<b>195,453</b>	<b>255,262</b>	<b>260,819</b>	<b>282,887</b>	<b>274,162</b>	<b>190,985</b>
<i>Less Income.....</i>	<i>88,561</i>	<i>76,893</i>	<i>112,096</i>	<i>131,610</i>	<i>118,663</i>	<i>113,110</i>	<i>47,461</i>
<b>Net Cost of Services .....</b>	<b>126,204</b>	<b>118,560</b>	<b>143,166</b>	<b>129,209</b>	<b>164,224</b>	<b>161,052</b>	<b>143,524</b>
Adjustments <sup>(a)</sup> .....	(7,755)	(1,791)	(9,129)	10,836	(1,548)	262	(13,438)
<b>Appropriation provided to deliver Services.</b>	<b>118,449</b>	<b>116,769</b>	<b>134,037</b>	<b>140,045</b>	<b>162,676</b>	<b>161,314</b>	<b>130,086</b>
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments .....</b>	<b>1,178</b>	<b>1,178</b>	<b>7,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>-</b>	<b>2,296</b>	<b>2,158</b>	<b>3,531</b>	<b>5,200</b>	<b>16,000</b>	<b>10,000</b>
<b>Administered Capital Contribution.....</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>119,627</b>	<b>120,243</b>	<b>148,324</b>	<b>148,576</b>	<b>167,876</b>	<b>177,314</b>	<b>140,086</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Director General and the Treasurer.

## OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(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.	Increased competitiveness and profitability of Agriculture, food and fibre industries.	1. Food and fibre industry development 4. Services provided to Rural Business Development Corporation
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Improved ecological sustainable development of agri-industry.	2. Agricultural resource management
To ensure that regional Western Australia is strong and vibrant.	Effective management of biosecurity.	3. Biosecurity

### Outcome: Increased Competitiveness and Profitability of Agriculture, Food and Fibre Industries

#### Effectiveness Indicator – Uptake of Department Varieties

The Department of Agriculture is the main provider of new varieties for the dominant export crops grown in Western Australia (e.g. wheat, lupins and barley). The market share of the Department of Agriculture developed varieties highlights the effectiveness of the breeding programs for Western Australian conditions. The table below indicates that the Department of Agriculture expects the uptake of its varieties will remain at high levels with most producers utilising over 80% of the bred varieties.

Variety	Percentage (%) of Western Australian crop area sown to crop varieties developed by the Department of Agriculture	Season hectares planted	Estimated % of Western Australian crop area sown to crop varieties developed by the Department of Agriculture	
			2003	2004
Wheat	84.0	4,458,000	84.0	4,403,269
Barley	89.8	1,140,000	93.3	1,090,318
Oats	96.0	314,000	89.9	149,821
Lupins	85.4	795,000	99.8	544,026
Field Peas	9.0	51,000	6.6	68,002
Chickpeas	97.5	6,000	87.1	1,931
<b>Total</b>	<b>85.1</b>	<b>6,764,000</b>	<b>86.3</b>	<b>6,257,367</b>

**Effectiveness Indicator – Exports to Select Markets from Trade and Development**

The table below indicates export performance of select products to markets which were subject to active work by the Department of Agriculture.

Commodity	Destination	2002-03	2003-04	2004-05	2005-06
		\$'000	\$'000	Estimate \$'000	Target \$'000
Pork	Total exports	26,985	30,272	35,100	38,700
	Singapore	23,996	27,972	30,840	34,100
Beef	Japan	14,017	36,353	48,895	54,000
	Taiwan	4,768	5,331	5,175	5,720
	South Korea	12,188	16,290	23,400	25,600
	Kuwait	2,539	4,407	4,150	4,580
Lamb	Japan	3,099	5,831	5,400	5,900
Milk	Singapore	14,568	13,123	12,300	13,600
	Taiwan	1,693	2,718	3,100	3,400
	Malaysia	1,581	2,068	2,100	2,300
	Hong Kong	6,835	7,779	6,800	7,500
Hay	Japan	82,945	69,142	67,500	75,000
	South Korea	1,948	4,216	5,800	6,300
Cereal Straw	Japan	1,519	1,277	2,200	2,500

For the majority of destinations where the Department of Agriculture has focussed its attention, growth in trade is clearly evident.

**Effectiveness Indicator – Departments Contribution to Increasing Producer's Profitability**

This table reveals the value and volume of exports of a sample number of industries that the Department of Agriculture has assisted to increase the profitability of producers.

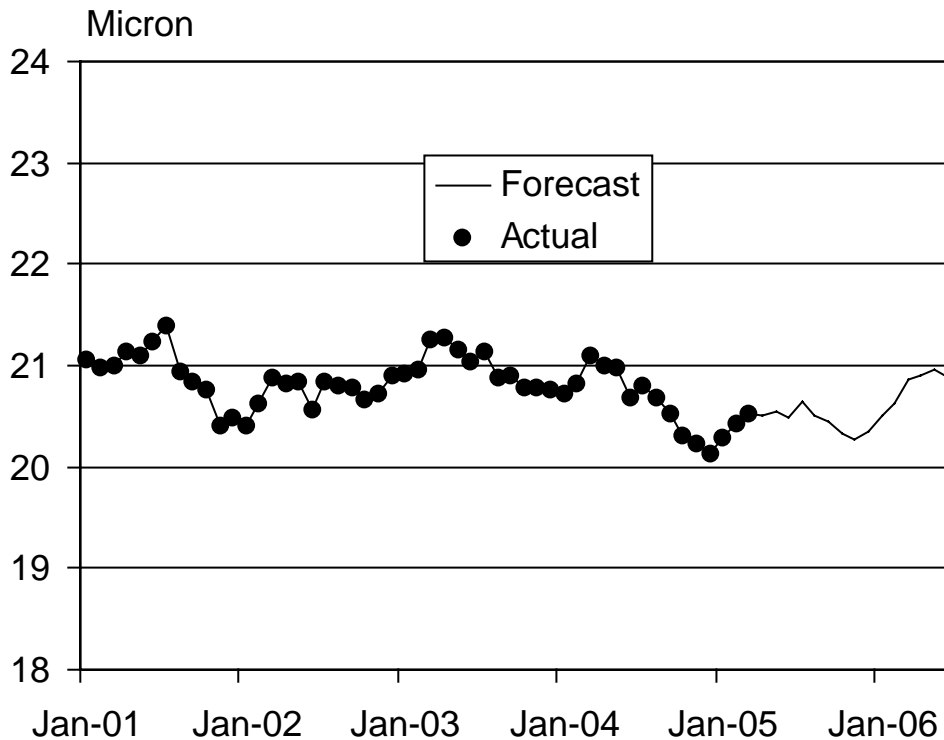
**- Select horticulture exports**

Product	2002-03	2003-04	2004-05	2005-06
			Estimate	Target
Potato Exports (volume) T .....	1,654	1,421	2,000	2,500
Potato Exports (value) .....	\$1,800,000	\$1,300,000	\$1,800,000	\$2,200,000
Carrot Exports (volume) T .....	67,405	59,536	53,700	50,000
Carrot Exports (value) .....	\$40,900,000	\$34,600,000	\$30,100,000	\$27,000,000
Strawberry Exports (volume) T .....	1,945	1,385	1,800	1,900
Strawberry Exports (value) .....	\$10,200,000	\$7,600,000	\$8,500,000	\$9,500,000

Exports of carrots have declined due to the impact of China's increased trade of horticultural products. The strength of the Australian dollar has also had an impact.

### - Average diameter of wool sold at auction in Western Australia

The Woolmark Company has highlighted that the fastest growing textile fibre market in the world is for luxury fine wool. Micron was the major driver of increased profits and the Department of Agriculture has contributed to this through a range of focussed activities to reduce micron diameters.



### Outcome 2: Improved Ecological Sustainable Development of Agri-industry

The ecological sustainability of agri-industry will be improved if primary producers are able to:

- adopt sustainable land management practices;
- manage their businesses sustainably and profitably; and
- be responsive to change and open to opportunities.

The Agricultural Resource Management (ARM) output contributes to all these areas.

A major emphasis of the ARM output has been on the management of Wheatbelt salinity with about one million hectares severely affected and about another million affected to the extent that the yield of normal crops and pastures is reduced by at least 50%. In total, roughly 10% of the agricultural area is affected by salinity.

### Effectiveness Indicators – Adoption of Sustainable Practices in the Sheep/Wheat Agricultural Area

The Department of Agriculture promotes a range of land management practices that are considered important for salinity management. It is expected, with continued extension efforts that the increase in adoption of these practices will continue, given favourable seasonal and economic conditions. Given the variable farming conditions experienced in 2004, it is not expected that adoption will increase significantly in 2005.



### Western Australian Primary Producers in the Sheep/Wheat Agricultural Areas who used Selected Sustainable Land Management Practices

Selected Management Practice	2003 %	2004 %	2005 Estimate %	2006 Target %
<b>Agronomy practices</b>				
Planted non-irrigated perennial pasture species .....	31	36	36	40
Planted saltland pasture species .....	15	21	21	25
Farmed to soil type .....	68	75	74	76
Stubble retention or mulching practices .....	48	71	72	74
<b>Land Conservation Management</b>				
Tree/shrub planting .....	57	56	58	60
Preserve or enhanced areas of conservation value .....	59	66	65	66
Excluded stock from areas impacted by land degradation .....	66	72	72	75
Protected river or creek frontages from grazing animals .....	50	44	44	50
<b>Resource Monitoring</b>				
Regular soil testing for nutrient levels .....	58	74	74	76
Regular soil testing for pH .....	59	74	74	75
Regular monitoring of pasture/vegetation cover on sandy/light soils .....	53	60		
<b>Surface water management</b>				
Water on sloping land (eg grade banks) .....	48	61	61	63
Water on the valley floors using surface drains .....	29	41	41	44
Water on the valley floors using deep drains .....	12	16	16	18

### Outcome 3: Effective Management of Biosecurity

#### Effectiveness Indicator – Animal and Pest Intercepts and Releases from Quarantine

Service Measures	2002-03	2003-04	2004-05 Estimate	2005-06 Target
1 Identifications of notifiable animal diseases .....	23	22	22	23
2 Number of animal diseases .....	9	5	5	5
3 Interceptions of significant pests, diseases and weeds .....	278	367	300	310
4 Number of pests, diseases and weeds .....	81	65	70	71
5 Removal of properties from quarantine .....	122	119	100	105

#### Animal Diseases

For animal disease identification, early identification is critical to successful control of a disease. A primary focus is the identification of potentially serious diseases. A disease is designated as being notifiable if it matches a set of criteria that relate to the likely scale of impact on agriculture and human health.

#### Interception of significant pests, diseases and weeds

The total excludes interceptions of insects from international sources, which are reported to the Commonwealth Government. For pest interceptions by interstate and international barrier quarantine activities, effectiveness is the exclusion of quarantine risk material. Sampling indicates successful exclusion of insect pests, plant diseases and weeds. A given pest is deemed significant when it is capable of inflicting a high damage cost.

#### Quarantine

For quarantine releases, two activities, footrot eradication and chemical residues, were included to demonstrate effectiveness. When a property, flock or herd is released from quarantine, which may be by the issue of a permit, this signifies either freedom from a pest threat or control of the problem by virtue of management arrangements in place. Progressive releases indicate wider freedom from the threat, and thereby reduce the number of properties or flocks subject to future release.

### Service 1: Food and Fibre Industry Development

Generation, integration and application of knowledge which together with appropriate industry policy increases the international competitiveness and market opportunities for State agriculture, food and fibre industries.

This service contributes to increased profitability and competitiveness of agri-industry by providing agri-industry with leading edge science and innovation in the following areas:

- research and development of new plant and animal products;
- research and development of new farming techniques and practices;
- facilitation of strategic alliances to enhance trade;
- encouragement of investment attraction and provision of market intelligence;
- provision of key information and support for existing industries and the development of new industries; and
- development of industry, management and marketing policy.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	88,363	87,141	97,771	95,752	Increase in Industry Funding and new opportunities for tropical and pastoral agriculture initiative.
Less Income .....	28,989	27,124	34,670	31,145	
Net Cost of Service .....	59,374	60,017	63,101	64,607	
Adjustments <sup>(a)</sup> .....	(371)	4,555	112	(629)	
<b>Appropriation for delivery of Service .....</b>	<b>59,003</b>	<b>64,572</b>	<b>63,213</b>	<b>63,978</b>	

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

### Efficiency Indicator – Average Cost per unit of Knowledge

Units of knowledge include outputs of new varieties, books, journal articles, information kits, etc weighted to reflect the different levels of difficulty and time involved in their preparation. Marginal efficiency declines are evident for 2004-05 and 2005-06, however this is primarily due to the difficulty of measuring outputs and the increasing complexity (and hence cost) of some outputs. As processes improve, the quality of this measure will become more reflective of true efficiency.

	2002-03	2003-04	2004-05 Estimate	2005-06 Target
Total number of units of knowledge .....	2,936	2,975	2,900	3,100
Total Cost .....	\$81,366,000	\$88,363,000	\$87,141,000 <sup>(a)</sup>	\$95,752,000
Average cost per unit of knowledge .....	\$27,713	\$29,702	\$30,049	\$30,888

(a) One off costs have been removed which do not deliver direct outputs in the current year, hence the increase in 2005-06.

### Full Time Equivalents for Service 1

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Full Time Equivalents (FTEs)</b>	<b>703</b>	<b>657</b>	<b>696</b>	<b>668</b>	

**Major Achievements For 2004-05**

- The Cereal Breeding Program released the new premium quality 'Australian Hard' (AH) wheat varieties Eagle Rock and Tammarin Rock, both with triple rust resistance in 2004-05. Tammarin Rock is adapted to lower rainfall areas and as the highest yielding AH wheat in the state, is expected to take over from Westonia in these areas. Eagle Rock has unique levels of tolerance to the herbicide metribuzin and is expected to have a key role in management of herbicide-resistant Grass weeds and wild radish.
- The Department of Agriculture released a new narrow-leaved lupin variety Mandelup in 2004. There has been very strong demand from growers and all 1,100 tonnes of certified seed produced has been sold. The variety is recommended for all lupin growing areas throughout the State, except the extreme anthracnose prone areas in the high rainfall coastal parts of the Northern Agricultural Region. Mandelup provides up to an 8% yield boost over the next highest lupin variety and provides better anthracnose tolerance, higher protein, improved aphid resistance and improved herbicide tolerance than the widely grown variety Belara.
- Cooperative Bulk Handling (CBH) and George Weston Foods signed a joint venture agreement to build a lupin processing facility at the Metro Grains Centre in Forrestfield in 2005. This opens up a raft of value-adding opportunities for the lupin grain including the food ingredient industry. Lupin kernel flour, milled by the Department of Agriculture from a specific variety, was used to bake bread by a local commercial bakery. The bread had high sensory appeal and was used in the first round of dietary intervention studies by collaborating researchers in the School of Medicine and Pharmacology based at Royal Perth Hospital. Subjects that consumed the lupin bread had a marked reduction in blood glucose and insulin levels compared to those that consumed equivalent non-lupin bread. Work continues to accumulate clinical evidence that lupin flour consumption, at realistic levels of dietary intake, can reduce the risk of obesity, diabetes and cardiovascular disease. Such data will provide the food industry with an 'edge' to market novel lupin ingredients and the potential public health benefits to Western Australia are significant.
- The first year of a two year project to assess the potential for summer fruit exports to India and the United Arab Emirates (UAE) has been completed. This project is being carried out with support of local and interstate growers and exporters. There are promising export opportunities in both markets. In India, consumer surveys have quantified market requirements for eating quality in plums and nectarines. In the UAE attendance at a major trade fair resulted in commercial interest in developing imports of Western Australian summer fruit.
- Manjimup apple producers successfully exported red delicious apples to India, using a new bulk shipment approach, to increase competitiveness in the marketplace. The Department of Agriculture is working with industry to expand this opportunity in the coming season.
- Soil sealing chemicals were trialed on a roaded catchment in the Great Southern to increase runoff and collection of rainfall for irrigation. Preliminary results show that runoff can be increased for at least one season with minimal cost. The success of this new approach to water catchment for the wine industry was demonstrated to viticulturists at a field day and is already being implemented on a few vineyards. The availability of irrigation water is one of the biggest issues facing the viticulture industry and is likely to become more pressing with the Greenhouse effect. Further work to refine this system will be carried out with funding support from the Grape and Wine Research and Development Corporation.
- A new variety of Boronia, known as 'Helena Bells', was released to industry at a workshop at Albany in October 2004. This variety is a pink *Boronia heterophylla* which fits well into the production supply window for Boronia.
- The Kimberley Flower Industry Development Plan was developed in partnership with the Kimberley Primary Industry Association and growers at Broome, Derby and Kununurra. The plan investigates the potential and short comings of the Kimberley region for the development of a flower industry. The plan has undergone a comment phase with the partners in the Kimberley and will be finalized and released in mid 2005.
- The new sea freight technologies, developed to enable cauliflowers to be successfully exported to more distant markets than those currently serviced, has been successfully used in trial shipments. Research is continuing to assess its performance across different cauliflower varieties.
- The State's Gene Technology Interdepartmental Committee provided technical advice to the Gene Technology Regulator on nine applications for Dealings Involving Intentional Release, seven Risk Assessment and Risk Management Plans for Dealings Involving Intentional Release and one Dealing Not Involving Intentional Release. The applications ranged from cotton, to rice, to wheat to animal vaccines.

- The Department of Agriculture assisted the Japanese company Nagata Sangyo to re-establish a starch and gluten facility at Henderson. Expenditure to date by the company has been in the order of \$4.5 million. The company plans to double production and produce other value added products leading to a total investment in excess of \$10 million.
- Launched in Thailand 'WA finest promotion' under the 'Taste of Australia' promotion in March 2005. Some 60 new Western Australian products have been launched including dairy products from Margaret River Cheeses, Casa dairy and PB Foods, spices, confectionaries, salt, fruit juices and fresh fruit and vegetables. Sale figures indicated an increase of almost 20 per cent in sales of products during the promotion.
- Continued to develop strategic alliances with agriculture, food and fibre industries to establish a clear market focus and attract overseas investment into Western Australian agriculture. A number of Memorandum of Understanding's (MOU's) were signed leading to a number of formal contracts.
- The Beef Cooperative Research Centre Regional combinations project investigating the potential economic benefits of matching calving time with pasture productivity by changing time of calving from autumn to winter continues. The breeding phase (to weaning) was completed in January 2005 with the weaning of the third years calving. Results indicate pastures grazed by the winter calving herds are more efficiently utilised allowing approximately 20 percent higher stocking rates.
- Two very successful decision tools for farmers and agribusiness were produced. The 'Lamb Planner' was the result of collaboration between farmer groups and researchers. The second product is a two part series that is designed to be part of the family of decision tools on pastures. The 'Perennials rules of thumb' and the 'Perennials for out of season production' packages have received high praise from farmers and consultants.
- A series of projects related to the sheep industry were undertaken during 2004-05. Positive results are being seen in the areas of Integrated Parasite Management, Sustainable Grazing Systems, whole Farm Integration and Wool Market Specifications.
- Established the necessary arrangements for the development of the Integrated Agricultural Research Institute.
- Continued to use research, development and extension to enhance productivity of agriculture, food and fibre industries. A number of achievements were made in 2004-05, some of which include:
  - the development of new grain varieties;
  - supply chain analysis into export hay industry;
  - arrangements with overseas research and development bodies for the exchange of germplasm;
  - the development of new plum varieties; and
  - a focus on improving efficiency in horticultural industries.
- Evaluation of the genetic and biological relationship between non-dimensional properties of wool and their effects on product performance, particularly pilling and shrinkage in knitwear.
- Continued to work on improving the eating quality of pork by using dietary manipulation, management strategies and genetic marker assisted technologies.

#### ***Major Initiatives For 2005-06***

- The pearl lupin has been cultivated by the indigenous peoples of Peru and Ecuador for centuries but has not been domesticated as a modern agricultural crop. Market interest comes from its very high protein and oil content equivalent to soybean and an oil quality similar to canola. Western Australian expertise which domesticated the narrow-leafed lupin from a Mediterranean weed to a multi-million dollar grain crop is being applied to pearl lupin with a view to creating a new high value grain crop for Western Australia. The Department of Agriculture will partner with the Grains Research and Development Cooperation and the University of Western Australia (UWA) to establish a breeding activity to produce the first fully domesticated variety for Australia and a supporting agronomic package.

- Department of Agriculture scientists recently developed prototype lupin milk and dairy substitute products of superior taste and appearance to many commercial soy-based equivalents. In 2004, the Department of Agriculture sought through competitive tender an industry partner to undertake commercial evaluation of these products. Weston Technologies won this tender and their evaluation identified some technical hurdles that are expected to be resolved within the coming six months. In 2005-06 the Department of Agriculture will complete negotiations on the conditions under which it can offer its lupin milk technology and related know-how that will maximise potential benefit to Western Australia and the lupin industry.
- The cost-price squeeze will affect the grains industry during the coming season. The squeeze is most acute for growers in the lower rainfall zones where yield potential is lower yet costs of inputs, particularly herbicides, are still significant. A range of agronomic technologies integrated into a tram-line cropping system will be investigated through modelling for their potential to reduce fuel, fertiliser and pesticide usage, with particular emphasis on the lower rainfall Wheatbelt.
- The sustainability of broadacre cropping in Western Australia requires more robust and profitable pulse crop options to provide rotational benefits and income diversification. The new erect field pea variety, Kaspera, has substantial harvesting advantages over all current trailing varieties. To facilitate adoption the Department of Agriculture will conduct a series of specialist training courses for agribusiness consultants and agronomists as well as a rural press and media campaign to raise broader grower awareness.
- Three new high yielding chickpea varieties with improved ascochyta blight resistance have been released. Collaboration with grower groups in suitable production zones will be undertaken to demonstrate the best production packages and advantages over old varieties. An analysis of key drivers for farm business adoption of pulses and a market analysis to determine the implications of Western Australia potentially producing 250,000 tonnes of field pea within three years will support this initiative.
- The Department of Agriculture has released some exceptionally high quality bread and noodle wheats and malting barley varieties in recent years that are actively sought by premium markets. However, some of these varieties have significant production issues such as susceptibility to some diseases or perceptions of poorer weed competition. Appropriate weed and disease management packages will be researched for such varieties to ensure supply to premium markets.
- The National Barley Breeding program will be established, with the Department of Agriculture program as the 'Western Node' and leader of the acid soil tolerant barley breeding program across Australia.
- The Barley Breeding Program will release a new high quality malting barley variety with broad adaptation across Australia and improved disease resistance and grain size over existing varieties.
- The Cereal Breeding Program will establish a centre of excellence based at UWA as the Australian Centre for Wheat and Barley Improvement for Hostile Climates and Soils. This group will provide leadership across Australia in meeting the challenges of climate change (more frequent droughts) and increasingly hostile soils (salinity, acidity).
- The export seed potato industry has a competitive advantage because of the freedom from major potato diseases in Western Australia. A project to demonstrate the successful eradication of a pest known as potato cyst nematode will be commenced. This pest is of major concern to a number of potential markets and its eradication will further underpin the industry's competitive advantage. The reputation of Western Australia as a supplier of high quality seed potatoes is also being enhanced through building relationships with quarantine officials in Asia. The result will be that this year should see changes to seed potato import conditions into Indonesia and Thailand that will benefit Western Australian seed potato growers and exporters.
- The table grape industry is becoming increasingly important to the Gascoyne economy. A new table grape, Hybrid 51-18, which is a white seeded table grape bred by the Commonwealth Scientific and Industrial Research Organisation (CSIRO), was recently released. Research will be carried out to identify best practice management systems and to develop the market for the variety. By 2008, it is expected this variety will be the main variety grown that ripens in the month of November in Carnarvon.
- A number of sites will be developed in the Ord to demonstrate best practice farming systems for growers on Kununurra clay soils. Findings from the NAP, Sugar Research and Development Corporation and the Cotton Research and Development Corporation funded projects undertaken in the Ord in collaboration with growers will be integrated to develop best practice options for demonstration.

- Continue to assist industry to establish a clear market focus through strategic alliances with agriculture, food and fibre industries. Emphasis will be on investment attraction and helping agriculture, food and fibre industries to better understand and target key markets. Particular focus will be directed towards Japan, China, Malaysia, South Korea, Middle East, Thailand and South America.
- Begin a major drive to increase the transformation of Western Australian products. A key initiative is the development of a Western Australian food policy which will help facilitate increased growth in the Western Australian Food sector.
- Continue the implementation of an Integrated Agricultural Research Institute to increase the State's critical mass in Research and Development (R&D) for Agriculture and to facilitate an increased involvement of industry with the directions and priorities of R&D and teaching.
- A major new project to integrate dairy research findings and other data to confirm the effects of a range of nitrogen management strategies on water, nutrient flows, and productivity between the farm system and surface and ground water.
- Five new pasture varieties will be released. Two varieties of purple clover and three new cultivars – bladder clover, rose clover and eastern star clover.
- Develop training packages aimed to equip livestock producers with the skills and information necessary to utilize pastures from space technology to make strategic and tactical management decisions on farm.
- Work with Western Australian Fashion Designers to expand the premium quality fine wool niche market.
- Investigate new strategies for optimising the growth of fine-ends wool in a commercial practice. Sheep feeding strategies are being developed which maximises the fineness of fibre ends in the staple leading to more comfortable wool when worn next to the skin.
- Provide input into the review of the *Gene Technology Act 2000* (Commonwealth) and the inter Governmental Agreement.
- Progress a number of legislative amendments, including:
  - the Agriculture and Related Resources Protection Amendment Bill;
  - amendments to the *Veterinary Surgeon's Act*;
  - the Agriculture Management Bill;
  - legislation for industry self funding;
  - the Gene Technology Bill and Gene Technology Amendment Bill; and
  - the Agricultural Practices (Disputes) (Expiry) Bill.
- Work with the Western Australian Meat Industry Authority to relocate the Midland saleyards to Muchea.
- Continue the work on climate risk management. A robust framework for developing and delivering climate risk management support to producers will be implemented.
- Work with key stakeholders to determine effective strategies for managing labour shortfalls.
- Continue to work with local communities and the Department of Health to establish the 'Wheatbelt Alive and Well Initiative' focussing on issues of men's health.
- Implement a new project to develop the enormous potential of the West Kimberley. The 'New Opportunities for Tropical Agriculture' project will engage traditional owners, regional communities and commercial interests to achieve social, cultural, environmental and economic outcomes for the Kimberley region.
- Continue to research and develop alternative fuels including bio-diesel and ethanol. Use of the experimental biodiesel plant will be extensively used to progress this research.

## Service 2: Agricultural Resource Management

Generation, integration and application of knowledge which together with appropriate investment, policy and regulation develops the capacity of rural communities and industries to profit from environmentally responsible agriculture.

This service contributes to the ecological sustainable development of agri-industry in a number of ways. The Department of Agriculture aims to manage the risks to production by preventing the decline in the productive capacity of our natural resources and minimising offsite impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables.

Sustainable use of our natural resources is inextricably linked to productivity and profitability and therefore has to be part of business and management decisions that are made at the paddock level by farmers every day. Influence is highly dependent on knowledge of, and credible participation in rural networks. The Department of Agriculture through its long established connection with rural people and its fostering of networks such as the Landcare movement is still the best placed agency to do this.

For sustainable land management, farmers must receive holistic sustainable land management and production advice. Increasingly, advice on sustainable land management is being incorporated into farming systems advice and the Department of Agriculture because of its skills and knowledge is uniquely placed to lead this through Research and Development and farming systems.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	53,600	52,386	82,358	107,277	Increased funding for National Action Plan for Salinity, Carnarvon 2020 and Catchment Demonstration Initiatives.
Less Income .....	26,762	30,202	54,328	82,436	
Net Cost of Service .....	26,838	22,184	28,030	24,841	
Adjustments <sup>(a)</sup> .....	(16,995)	(7,295)	(5,693)	10,401	
<b>Appropriation for delivery of Service .....</b>	<b>9,843</b>	<b>14,889</b>	<b>22,337</b>	<b>35,242</b>	

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

## Efficiency Indicator – Average Cost per Information Product

Information products include publications, cartographic products, contributions to corporate publications and audiovisuals such as CD ROMs and videos. These form a major component of the physical output delivered to clients.

	2003	2004	2005 Estimate	2006 Target
Total number of information products.....	624	734	640	680
Total Cost.....	\$14,177,015	\$15,817,928	\$15,729,288	\$15,474,969
Average cost per information product .....	\$22,720	\$21,550	\$24,577	\$22,757

### Efficiency Indicator – Average Cost per Hectare Assessed for Risks, Options and Impacts

Under the Western Australian Government's State Salinity Strategy (2000), the Department of Agriculture has obligations to provide all landholders in the agricultural areas with an assessment of current salinity, options for managing those risks and their likely impacts. It is estimated that there will be a significant increase in the number of hectares assessed as a result of some very large catchments (more than one million hectares). This is planned to be completed in 2005.

	2003	2004	2005 Estimate	2006 Target
Total number hectare assessed for risks, options and impacts .....	2,200,000	1,830,000	4,500,000	4,000,000
Total Cost .....	\$4,265,083	\$4,266,087	\$4,418,182	\$4,311,269
Average cost per hectare assessed for risks, options and impacts .....	\$1.94	\$2.33	\$0.98	\$1.08

### Efficiency Indicator – Average cost per Regulatory Activity Processed

The Department of Agriculture manages the regulatory process under the *Soil and Land Conservation Act 1945*. This involves processing a number of regulatory instruments including Notices of Intent to clear land, Notices of Intent to drain, requests for land degradation advice and compliance.

	2003	2004	2005 Estimate	2006 Target
Total number of regulatory actions processed.....	256	288	325	300
Total Cost.....	\$5,092,955	\$5,322,948	\$5,492,340	\$5,185,699
Average cost per regulatory action processed.....	\$19,894	\$18,482	\$16,900	\$17,286

### Efficiency Indicator – Average Cost per Participant in Farm Business and Rural Community Development Activities

This indicator demonstrates the efficiency in delivering farm business development and rural community development activities.

	2003	2004	2005 Estimate	2006 Target
Total number of participants in Farm Business Development and Rural Community development activities .....	4,552	5,413	3,887 <sup>(a)</sup>	4,100
Total Cost.....	\$7,485,078	\$7,437,203	\$7,352,428	\$6,223,155
Average cost per participants in Farm Business Development and Rural Community development activities .....	\$1,644	\$1,374	\$1,892	\$1,518

(a) With the establishment of a new FarmBis program participant numbers are expect to drop slightly in 2004-05.

### Full Time Equivalents for Service 2

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Full Time Equivalents (FTEs)</b>	304	315	315	309	



**Major Achievements For 2004-05**

- Finalisation and accreditation of regional NRM strategies and preparation of Regional Investment plans to guide investment under the NAP and Natural Heritage Trust (NHT) programs. This has been a significant undertaking given the complexities and available resources, but has established the blueprints for nearly \$400 million of investment in natural resource management in regional areas.
- Implementation of the Western Australian Greenhouse Strategy through a national and international collaboration to monitor the emissions of nitrous oxide from grain crops, quantify the impacts of changed management on these emissions and carry out Life Cycle Assessments of the greenhouse impacts of cropping. Also assessed the impacts of future climate change on land suitability to identify high-risk areas.
- Under the Rural Towns project, 16 'Priority' towns were nominated by the shires to participate in the 'Rural Towns - Liquid Assets' project. In addition four 'Pilot' towns were identified (one from each region), in which to demonstrate on ground water management schemes.
- Commenced three of the four NAP Catchment Demonstration Initiative projects. Recent research has verified that containment of salinity is an achievable goal for almost all of the catchments in the South Coast region. The implementation plan for the Catchment Demonstration Initiative (CDI) in the Fitzgerald catchment has been endorsed by the Joint Steering Committee (State/Commonwealth funding body). With the Department of Agriculture as a partner, the Catchment Groups will demonstrate the containment of salinity in three representative sub-catchments. Provided technical support for the Coblinine catchment to prepare their project plan.
- Under the Farming for the Future project, performance standards and best practices for agricultural systems to provide the basis for farm sustainability certification are being developed with industry. For example, through the DairyCatch program, dairy farmers are now actively involved in an industry-driven environmental improvement programme and are well on the way to developing and implementing improved effluent, water and nutrient management practices. A strong partnership has been developed between the Western Australian dairy industry, the Department of Environment, regional catchment groups, milk processors and Dairy Australia.
- Progress has been made in an initiative to increase the capacity of regional NRM Groups to carry out rigorous analysis of investments made under the NAP/NHT programs. In a pilot approach, qualitative analysis of land management options (multi-criteria analysis (MCA)) for the South Coast region was completed. This has enabled targeting of benefit cost analysis (BCA) in priority areas to support the NRM Regional Investment Plan required under the NAP/NHT programs.
- A smooth transition for the administration of the new land clearing laws by the Department of Environment was achieved. The Department of Agriculture provides land degradation risk assessments and land management advice to the Department of Environment.
- Seven salinity risk management workshops were developed for delivery to landholders to enable them to assess the risks of salinity, evaluate the options for managing the problem, and assess the costs of transition to a new farming system that has low recharge and is therefore more environmentally sustainable. The project was completed, with a product launch and workshop for potential deliverers held in May 2005.
- The Sustainable Grazing on Saline Lands project involved 61 farmer groups in research trials on a range of pasture based issues. Trials address grower group needs and are now being used as the basis of an active network for growers and researchers to support ongoing research and sharing of knowledge that will result in the more productive use of saline land.
- Continued to implement the Department of Agriculture's commitments under the State Sustainability Strategy.
- Developed and modelled nutrient management Best Management Practices (BMPs) for diffuse and point nutrient sources for the multi-agency Coastal Catchments Initiative. These have provided important information and modelled scenarios that are now being built into the final package of policies, guidelines, legislation and standards for the catchment.

- The Harvey Irrigation Systems Project has shown that a switch to more efficient irrigation systems such as centre pivots gives significant improvements in water use efficiency, irrigation runoff reductions, pasture production and quality, and milk production. The project received a special commendation in the Western Australian State Environment Awards - Water Conservation and Management Award as well as being selected as one of 12 'Innovation in Irrigation' case studies from around Australia. It is being run in close partnership with Harvey Water, irrigation and agronomy consultants and irrigation farmers and has been partly funded by Land and Water Australia's National Program for Sustainable Irrigation.
- Provided the State Water Strategy Irrigation Review Steering Committee with detailed reports on land availability for irrigation and an economic assessment of the value of water to different irrigation industries in Western Australia to assist in implementing the State Water Strategy.
- Conducted risk analysis of low disturbance cropping systems to identify the role that key biotic and abiotic stresses may play in limiting continued operation.
- Developed a sophisticated database to incorporate all available land resource information for the agricultural region and provide rapid interpretations of land capability and land suitability to a broad spectrum of clients, both within and outside the agency. This included publication of CD-based interactive land resource information through the Agmaps and Land Resource Series publications.
- Conducted Rapid Catchment Appraisal (RCA) over 5,254,000 hectares of agricultural land to assess land degradation risks including salinity, providing landholders and land planners with guidance on how to address the risks and to incorporate land management practices into current farming systems. The total area covered by RCA is now almost 11.5 million hectares and the project is on target to complete coverage of the agricultural area by December 2006.
- Began implementation of the 'Carnarvon 2020' project. The project is comprised of four key elements:
  - Quobba Coast Eco-Tourism Precinct;
  - Brickhouse Horticulture Precinct;
  - Meedo Horticulture Precinct; and
  - Carnarvon Artesian Basin.

#### ***Major Initiatives For 2005-06***

- Continue the implementation of the Carnarvon 2020 project, with a major focus on the Artesian Basin Rehabilitation, Horticulture and Tourism developments.
- Continue the 'Farming for the Future Project' to improve the sustainability of farming systems at all levels to enable Western Australian farmers to demonstrate to the community, government and the marketplace that our farm produce is derived from farms, catchments and regions that have a plan for a sustainable farming future.
- The Wheatbelt Regional Drainage Evaluation project will establish governance systems, engineering standards for regional drainage, evaluate impact of drainage in all NAP regions and undertake feasibility studies at four specified sites. A component of this project, Yenyening Catchment Engineering Feasibility, will assess engineering options and their impact.
- A cross regional initiative on soil health and land condition Healthy Hectares is to be developed based on successful proposals within the NRM strategies of the agricultural areas. Central to this initiative are robust diagnostic processes for assessing soil physical, biological and chemical health. Soil health is among the main R&D priorities of most farmer groups requiring objective diagnostics (setting industry standards) based on our strong scientific research base in soils.
- A new two year project called 'Acid Groundwater' was established with partners CSIRO Land and Water, Engineering Evaluation Initiative – Department of Environment, to investigate the causes of acid groundwater and the effect of drainage and mitigation systems.

- Continued support to the implementation of the NAP and NHT programs including:
  - technical support provided to regional NRM groups to accredit regional NRM strategies and prepare Regional Investment plans to guide investment;
  - continue to support community empowerment to make informed decisions on priority actions and evaluate efficiency and effectiveness of investment; and
  - prepare land salinity targets for the South West, working with inland communities and agricultural industries to identify targets for land affected by salinity in medium and low rainfall zones.
- Develop Sustainability Action Plans that reflect the Department of Agriculture's commitment and response to the Sustainability Code of Practice for Government Agencies.
- Support implementation of the Irrigation Review as part of the State Water Strategy including water resource management reforms based on similar principles expressed in the National Water Initiative and establish a five year State-wide program for WaterWise on the Farm. WaterWise on the Farm training programs will deliver training and information on using water efficiently, including technical support for demonstration farms and development of web-based integrated climate and water use information system.
- The Land Potential Initiative (NRM investment plan – Southern Prospects) will provide more soil-based information to a wide and growing number of clients through access to databases and publications (hard copy and CD) integrated through a process with yield mapping. This service provides critical information to help farmers select the optimal farming system for each soil type.
- Continue the Grain and Graze project providing enhanced understanding of the benefits of perennials to the farming system in the Northern Agricultural Region, both economic and environmental, particularly the additional water usage by perennials in comparison to annual crops and pastures.
- Research into the impact of downhill tramline farming and wide row spacing in cereals on water erosion rates compared with current erosion control methods.
- Support the Department of Environment to finalise the action plans for recovery of the Collie River Catchment and the Denmark River Catchment.
- Implement the FarmBis 3 skills training initiative to provide opportunities for primary producers to undertake training programs to better manage their business risks and improve their skills base (this is being managed through the Rural Business Development Corporation).

**Service 3: Biosecurity**

Generation, integration and application of knowledge, policy and regulation to ensure the agriculture and related resources are protected and that safety and quality standards are upheld.

This service contributes to the protection of our productive resource base through:

- maintenance of effective barrier quarantine and protection requirements to minimise the risk of introducing new pests and diseases and to maintain market access;
- operation of effective surveillance programs to ensure early detection and diagnosis of incursions, define the status for market access and justify quarantine barriers;
- ongoing capability to undertake emergency responses to incursions and outbreaks of high priority animal and plant pests and diseases;
- delivery of effective management programs that target specified pests and diseases; and
- achievement of a high level of awareness of key threats to agricultural industries and an increased participation by industry members in the management of risk.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	63,270	52,125	66,683	53,953	European House Borer funding received in 2004-05.
Less Income .....	23,278	15,766	14,648	14,192	
Net Cost of Service .....	39,992	36,359	52,035	39,761	
Adjustments <sup>(a)</sup> .....	9,611	949	(3,548)	1,064	
<b>Appropriation for delivery of Service .....</b>	<b>49,603</b>	<b>37,308</b>	<b>48,487</b>	<b>40,825</b>	

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

**Efficiency Indicator – Average Cost per Passenger, Freight Consignment, Property Management Plan and Diagnostic Sample**

Average cost per service	2002-03	2003-04	2004-05 Estimate <sup>(a)</sup>	2005-06 Target
Cost per freight consignment cleared or certified.....	\$318	\$682	\$737	\$650
Passenger quarantine checking cost (per passenger).....	\$6.83	\$8.25	\$7.53	\$7.00
Cost per property management plan for animal disease .....	\$6,594	\$6,991	\$8,580	\$8,500
Cost per diagnostic sample processed .....	\$184	\$370	\$552	\$425

(a) Excludes costs associated with specific one off projects (i.e. European House Borer, Red Imported Fire Ants, Locusts, Cane Toads, Wild Dogs etc)

**Full Time Equivalents for Service 3**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Full Time Equivalents (FTEs)</b>	<b>443</b>	<b>411</b>	<b>473</b>	<b>453</b>	

**Major Achievements For 2004-05**

- Development and promotion of animal pest policies at State and national levels continued. This included specific inputs on the national Vertebrate Pest Committee, evaluation of a national risk assessment model and involvement in national pest species strategies. Industry Committees were also formed to develop State strategies and policies for wild dog, starling, cane toad, rainbow lorikeet and State barrier fence management. Animal pest risks were integrated into industry programs and NRM Regional Strategies and Investment Plans.
- Continued the introduction of a decision support system that allows improved assessment of integrated pest management giving farmers the ability to balance competing pest control priorities.
- Targeted research direction to focus on development and evaluation of additional techniques for animal pest management (wild dog bait, feral pig bait and starlings).
- Continued exclusion and local eradication of starlings from Western Australia.
- Commenced upgrade of the State Barrier Fence to a standard that excludes wild dogs.
- Implementation of the wild dog and cane toad strategies/initiatives.
- Increased ownership and involvement of private and public land managers in animal pest management with implementation of the Declared Species Group Initiative and targeted wild dog control planning.
- Developed and promoted animal health policies at State and national levels. This included specific inputs on the future of the National Johne's Disease Program, the National Newcastle Disease Program, the National Animal Health Performance Standards and the National Animal Health Information System.
- Legislation was introduced for the control of use of registered veterinary preparations and animal feeding stuffs, the identification of cattle under the National Livestock Identification Scheme (NLIS), vaccination for Newcastle disease, and amendments to the *Veterinary Surgeons' Act*.
- Market access for animals and animal products from Western Australia was enhanced through the demonstration of freedom from specific diseases and other threats.
- Negotiations continued with industry to enable industry funding for the footrot eradication and the introduction of the NLIS.
- The Animal Health Laboratories provided world class disease investigation and diagnostic services to underpin the State's continued freedom from exotic diseases. In depth investigations were conducted to confirm the diagnoses of a number of significant new and emerging diseases. The Animal Health Laboratory (AHL) is the national reference laboratory for Tuberculosis (TB) and was re-accredited by the National Association of Testing Authorities (NATA).
- A record number of 25 pest incidents were dealt with. Six incidents were part of a national response and three were the subject of continuing responses from the previous year. Some of the incidents included apple rust mite (South West); olive bark beetle (South West); Mediterranean fruitfly (Kununurra); coconut scale (Kununurra); sugarcane scale (Derby); sweet potato feathery mottle virus (State-wide); tar spot of sorghum (Kimberley); drywood termite infestation (Swan); potato spindle tuber viroid (Swan); Karnal bunt (national); European House Borer (State-wide); European wasp (State-wide); brown rust of sugarcane (Kimberley) Fusarium head blight, bedstraw, cleavers and wheat streak mosaic virus (Central Wheatbelt). Of particular note was the European wasp incident. A media campaign in the summer and autumn of 2004 provided a wide public response which helped to locate and destroy 123 nests.
- State-wide area freedom was maintained for a number of exotic pests such as Queensland fruit fly, codling moth and Asian Gypsy moth. Mediterranean fruit fly area freedom was maintained for the Ord River Irrigation Area. On an average basis, 240 traps per working day were checked for key pests by the surveillance team. Surveillance for white blister rust of broccoli and cauliflower was completed. The disease is widespread in all brassica production areas in Western Australia. Surveillance for olive knot continued. Olive knot has not been detected in Western Australia. Surveillance for Red Imported Fire Ants was completed with no detection at any of the surveillance points.

- Over 100,400 vehicles entered Western Australia through Kununurra and Eucla checkpoints and more than 20,470 kilograms of fruit and vegetable produce were seized. Of the 1,930 interceptions samples submitted, 100 were classified as significant. Major interceptions included painted apple moth, banana rust thrips, oriental fruit moth, pyralidae caterpillars and cicadellidae bugs. On an average basis 56 kilograms of quarantine risk material was seized every day during the year. With a total of 1,703,063 passengers arriving on interstate air flights, detector dog handler teams seized more than 1,946 kilograms of produce. Major interceptions included mango seed weevil, codling moth and Queensland fruit fly.
- Made significant contributions to the development of a full business case for a new Cooperative Research Centre (CRC) devoted to national plant biosecurity. The objectives of this CRC, which will commence from July 2005, are to build a national capability to detect and identify pest incursions, develop tools to enhance surveillance and national response programs, create the capacity to conduct and coordinate epidemiological research on pest incursions and to enhance the national biosecurity skills base through education and training.
- Achieved continued collaborative research agreements with CSIRO, the UWA, Curtin University, Australian Wool Innovation and the Commonwealth Government for research into integrated management of weeds especially Paterson's curse, cape tulip, blackberry, mesquite, Parkinsonia and Noogoora burr.
- A moderate outbreak of Australian Plague Locusts was successfully predicted and controlled in the South coastal area and in the eastern part of the Central Agricultural Region. Approximately 30,000 hectares was treated during a coordinated control program between October and November 2004.
- Continued to develop and implement with industry a series of biosecurity plans, including GrainGuard, HortGuard, StockGuard and BeeGuard.
- An eradication program was commenced on a large infestation of prickly acacia (*Acacia nilotica*) over an area of 100 square kilometres in a remote part of the East Kimberley. The eradication program is a cooperative effort involving the local community, Department of Agriculture, the National Prickle Bush Management Committee, the Agriculture Protection Board (APB) and the Aboriginal Lands Trust.
- Several sites where Paterson's curse biological control agents have been released have been assessed as being ready for the harvest of insects to seed more sites and accelerate the spread of the agents. In addition, biological control agents for blackberry have been released in parts of the South West Region. Monitoring of the effects of these agents will continue into 2005-06.
- Began enhancement of the State's capacity to effectively manage the risks associated with the threat of Emergency Animal Diseases.

#### ***Major Initiatives For 2005-06***

- Further engage and advance with Biosecurity Australia a process that ensures that regional differences in pest status and risk are satisfactorily addressed in national risk analysis, policy decision making and in developing national policy.
- Initiate work on development of pest prediction tools to enhance placement of surveillance and monitoring trapping arrays for agricultural plant pests not found in Western Australia.
- Implement risk reducing strategies for Western Australia and Eastern States commercial enterprises that have been identified as sources of ongoing risk of introduction of European Wasps into Western Australia.
- Coordinate the development and implementation of pest management training modules for shires and local communities.
- Improve capacity to carry out surveillance for new weed incursions throughout Western Australia through improved networks and community education as well as improving access to expertise in the area of weed surveillance in remote areas. Enhance the capacity to map weed infestations and contribute to National weed mapping strategy.
- Significant enhancement of the State's capacity to effectively manage the risks associated with animal health issues and the threat of Emergency Animal Disease incidents like Foot and Mouth Disease and BSE (Mad Cow). Additional resources will be provided to strengthen the Department of Agriculture's response and surveillance capabilities.

- The Agriculture Management Bill and legislation to amend or replace both the *Plant Pests and Diseases (Eradication Funds) Act* and *Cattle Industry Compensation Act* will be introduced into Parliament and all Regulations supporting the Agriculture Management Bill will be drafted.
- Cost-effective industry biosecurity measures will be implemented in partnership with all major industries under the GrainGuard, HortGuard, StockGuard and BeeGuard initiatives with costs borne appropriately by Government and industry. Industry consultation on biosecurity matters will be based around the biosecurity plans and biosecurity plans will be integrated into broader industry development plans as they are developed.
- Further harmonisation of international and domestic quarantine policy and regulation will be achieved through improved national consideration of the State's area freedom status and regional differences in biosecurity risk status. Science-based review of domestic quarantine protocols will ensure an appropriate level of protection to the State, without imposing inappropriate restrictions on trade.
- Improved livestock identification and traceback and vendor declaration arrangements will improve the State's ability to both respond to emergency animal diseases and demonstrate to premium export markets the State's outstanding animal health status.
- A key initiative in the integrated pest management area is to address the issue of pesticide use especially in relation to pesticide resistance. The proposed work aims to produce a decision support system that will assess integrated pest management for all major weed, disease and insect pests. The system will allow farmers to balance competing pest control priorities, to make management decisions based on their combined effects on all pests and to examine the economics of pest control options. It is proposed to review a number of areas of pest resistance to pesticides, with insecticide resistance in grain production, handling and storage being a key focus in the initial work.
- Increase focus/effort on the local eradication of starlings in the areas of Munghlinup and Condingup.
- Continued barrier control and surveillance for Cane toads.
- Continued upgrade to the State Barrier Fence to a standard that excludes wild dogs, including assessment of extension eastward to protect agriculture in the South East Region.
- Work with the Royal Society for the Prevention of Cruelty to Animals (RSPCA), Commonwealth Government, other States and Territories, the Livestock Transport Association and livestock exporters to develop a uniform national code of conduct to ensure that the road and ocean transport of livestock is conducted in accordance with best practice animal welfare standards.
- Continued assessment of the extent of European House Borer. A detailed analysis will be undertaken on the feasibility of eradication or appropriate options for control.

#### **Service 4: Services Provided to Rural Business Development Corporation**

Provision of contractual services to the Rural Business Development Corporation to assist farmers to enhance their skills, leading to improved sustainable long-term profitability and better capacity to deal with risks inherent in farming.

This output contributes to the ecological sustainable development of agri-industry in a number of ways, but essentially the Department aims to manage the risks to production by preventing the decline in the productive capacity of our natural resources and minimising offsite impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables. This can only be achieved under a situation where industry profitability is at least maintained. Therefore, a key focus is to assist farmers significantly impacted by exceptional seasonal events which are outside the normal capacity of farmers to control. Another key focus is to enhance their skills through training, which will lead to sustainable long term profitability and a better capacity to deal with risks.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	9,532	3,801	8,450	3,837	Additional Exceptional Circumstances payments in 2004-05.
Less Income .....	9,532	3,801	8,450	3,837	
Net Cost of Service .....	-	-	-	-	
Adjustments <sup>(a)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service .....</b>	-	-	-	-	

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

## CAPITAL WORKS PROGRAM

The capital works program includes \$1 million for the planning of modern facilities for the Department of Agriculture's head office and biosecurity facility, together with the new Integrated Agricultural Research Institute, a collaborative joint venture involving the Department of Agriculture and the University sector.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Externally Funded Replacement Program .....	5,418	4,044	1,165	1,374
Initial Planning for new Headquarter Facility .....	1,000	-	-	1,000
Kimberley Regional Office Redevelopment (Frank Wise Institute) .....	2,500	500	500	2,000
SLIP (Shared Land Information Platform) Capital Project .....	2,539	461	461	2,078
South Boulder Quarantine Inspection Yard .....	1,000	300	152	700
<b>COMPLETED WORKS</b>				
Capital Equipment Replacement Program				
2004-05 Program .....	2,898	2,898	2,898	-
Capital Works Planning - 2000-01 .....	250	250	94	-
Capital Works Planning - 2002-03 .....	250	250	138	-
Information Technology Network Upgrade - Stage 2 .....	1,100	1,100	50	-
Regional Accommodation .....	4,783	4,783	365	-
Regional Accommodation Phase 2 .....	4,163	4,163	2,540	-
South Perth Planning .....	500	500	44	-
<b>NEW WORKS</b>				
Capital Equipment Replacement Program				
2005-06 Program .....	1,302	-	-	1,302
	<b>27,703</b>	<b>19,249</b>	<b>8,407</b>	<b>8,454</b>

## CAPITAL CONTRIBUTION

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	7,220	19,942	8,407	8,454	10,300	39,300	10,000
LESS	7,220	19,942	8,407	8,454	10,300	39,300	10,000
Asset Sales .....	461	-	400	-	-	-	-
Drawdowns from the Holding Account .....	4,887	17,646	2,771	1,471	5,100	23,300	-
Internal Funds and Balances .....	757	-	1,565	3,452	-	-	-
Other .....	1,115	-	1,513	-	-	-	-
<b>Capital Contribution .....</b>	-	2,296	2,158	3,531	5,200	16,000	10,000



## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	80,911	79,446	84,038	80,978	81,912	82,456	82,645
Superannuation .....	7,634	9,470	8,580	8,575	8,579	8,692	8,694
Grants and subsidies <sup>(c)</sup> .....	38,013	42,331	81,881	102,924	124,505	114,809	29,939
Consultancies expense .....	10,190	3,619	7,599	6,354	6,468	6,555	6,580
Supplies and services .....	51,787	40,367	48,346	37,013	35,303	35,108	35,587
Accommodation .....	2,148	2,163	644	668	696	723	718
Capital User Charge .....	12,371	10,895	13,440	14,010	14,687	15,547	16,123
Depreciation and amortisation .....	7,204	6,025	6,393	6,882	7,336	6,825	6,451
Other expenses .....	4,507	1,137	4,341	3,415	3,401	3,447	4,248
<b>TOTAL COST OF SERVICES</b> .....	<b>214,765</b>	<b>195,453</b>	<b>255,262</b>	<b>260,819</b>	<b>282,887</b>	<b>274,162</b>	<b>190,985</b>
<b>Income</b>							
User charges and fees .....	9,432	6,623	6,424	6,384	6,404	6,438	6,430
Regulatory Fees and Fines .....	676	1,562	1,661	1,668	1,631	1,571	1,563
Grants and subsidies .....	53,144	56,066	84,583	109,229	96,336	90,909	28,209
Interest revenue .....	1,028	204	1,011	1,012	1,012	1,012	1,012
Service Delivery Agreement .....	16,533	11,701	17,357	12,639	12,583	12,463	9,567
Proceeds from disposal of non-current assets ..	552	-	400	-	-	-	-
Other Revenue .....	7,196	737	660	678	697	717	680
<b>Total Income</b> .....	<b>88,561</b>	<b>76,893</b>	<b>112,096</b>	<b>131,610</b>	<b>118,663</b>	<b>113,110</b>	<b>47,461</b>
<b>NET COST OF SERVICES</b> .....	<b>126,204</b>	<b>118,560</b>	<b>143,166</b>	<b>129,209</b>	<b>164,224</b>	<b>161,052</b>	<b>143,524</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	118,449	116,769	134,037	140,045	162,676	161,314	130,086
Resources received free of charge .....	993	788	788	788	788	788	788
Liabilities assumed by the Treasurer .....	2	1,004	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>119,444</b>	<b>118,561</b>	<b>134,825</b>	<b>140,833</b>	<b>163,464</b>	<b>162,102</b>	<b>130,874</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>(6,760)</b>	<b>1</b>	<b>(8,341)</b>	<b>11,624</b>	<b>(760)</b>	<b>1,050</b>	<b>(12,650)</b>
Change in Equity arising from transfer of assets/liabilities .....	-	-	(1,570)	(922)	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(6,760)</b>	<b>1</b>	<b>(9,911)</b>	<b>10,702</b>	<b>(760)</b>	<b>1,050</b>	<b>(12,650)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 1450, 1484 and 1430 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	4,147	12,638	1,313	2,636	2,757	2,878	2,999
Restricted cash .....	33,966	-	21,583	27,826	27,961	29,206	16,751
Receivables .....	8,210	5,456	5,705	5,705	5,705	5,705	5,705
Inventories .....	3,638	3,108	3,638	1,589	1,589	1,589	1,589
Amounts receivable for services .....	17,646	8,397	1,471	5,100	23,300	-	-
Prepayments .....	2,675	1,464	2,675	2,675	2,675	2,675	2,675
<b>Total current assets .....</b>	<b>70,282</b>	<b>31,063</b>	<b>36,385</b>	<b>45,531</b>	<b>63,987</b>	<b>42,053</b>	<b>29,719</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	3,939	1,567	23,736	26,218	10,254	17,079	23,530
Land and Buildings .....	122,014	113,255	122,432	119,206	123,160	121,115	119,069
Investments .....	540	486	540	540	540	540	540
Plant and equipment .....	18,147	13,938	18,197	17,950	15,960	14,480	10,075
Biological Assets .....	-	-	-	2,656	2,656	2,656	2,656
Other .....	1,362	12,000	151	2,851	3,851	39,851	49,851
<b>Total non-current assets .....</b>	<b>146,002</b>	<b>141,246</b>	<b>165,056</b>	<b>169,421</b>	<b>156,421</b>	<b>195,721</b>	<b>205,721</b>
<b>TOTAL ASSETS .....</b>	<b>216,284</b>	<b>172,309</b>	<b>201,441</b>	<b>214,952</b>	<b>220,408</b>	<b>237,774</b>	<b>235,440</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	9,189	9,400	9,189	9,189	9,189	9,189	9,189
Provision for employee entitlements .....	15,628	15,481	15,302	16,814	17,514	17,514	17,514
Accrued Salaries .....	3,816	-	-	316	632	948	1,264
<b>Total current liabilities .....</b>	<b>28,633</b>	<b>24,881</b>	<b>24,491</b>	<b>26,319</b>	<b>27,335</b>	<b>27,651</b>	<b>27,967</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	8,265	10,093	8,074	7,262	7,262	7,262	7,262
<b>Total non-current liabilities .....</b>	<b>8,265</b>	<b>10,093</b>	<b>8,074</b>	<b>7,262</b>	<b>7,262</b>	<b>7,262</b>	<b>7,262</b>
<b>TOTAL LIABILITIES .....</b>	<b>36,898</b>	<b>34,974</b>	<b>32,565</b>	<b>33,581</b>	<b>34,597</b>	<b>34,913</b>	<b>35,229</b>
<b>EQUITY</b>							
Contributed Equity .....	475	3,126	(124)	1,062	6,262	22,262	32,262
Accumulated surplus/(deficit) .....	51,433	19,002	41,522	52,831	52,071	53,121	40,471
Reserves .....	127,478	115,207	127,478	127,478	127,478	127,478	127,478
<b>Total equity .....</b>	<b>179,386</b>	<b>137,335</b>	<b>168,876</b>	<b>181,371</b>	<b>185,811</b>	<b>202,861</b>	<b>200,211</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>216,284</b>	<b>172,309</b>	<b>201,441</b>	<b>214,952</b>	<b>220,408</b>	<b>237,774</b>	<b>235,440</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	111,207	110,744	127,644	132,463	155,340	154,489	123,635
Capital Contribution.....	-	2,296	2,158	3,531	5,200	16,000	10,000
Holding Account Drawdowns .....	4,887	17,646	2,771	1,471	5,100	23,300	-
<b>Net cash provided by State government .....</b>	<b>116,094</b>	<b>130,686</b>	<b>132,573</b>	<b>137,465</b>	<b>165,640</b>	<b>193,789</b>	<b>133,635</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(82,517)	(82,240)	(88,371)	(79,962)	(80,896)	(82,140)	(82,329)
Superannuation .....	(7,188)	(8,466)	(8,580)	(8,575)	(8,579)	(8,692)	(8,694)
Grants and subsidies .....	(37,209)	(42,357)	(81,907)	(102,950)	(124,531)	(114,835)	(29,965)
Consultancies payments.....	(10,071)	(3,619)	(7,599)	(5,854)	(5,968)	(6,055)	(5,764)
Supplies and services .....	(48,701)	(38,488)	(46,467)	(35,634)	(33,924)	(33,729)	(34,840)
Accommodation.....	(2,148)	(2,163)	(644)	(668)	(696)	(723)	(718)
Capital User Charge.....	(12,371)	(10,895)	(13,440)	(14,010)	(14,687)	(15,547)	(16,123)
Goods and Services Tax .....	(10,250)	(9,369)	(9,369)	(9,369)	(9,369)	(9,369)	(9,369)
Other.....	(3,540)	(2,311)	(5,515)	(4,589)	(4,575)	(4,621)	(5,106)
<b>Receipts</b>							
User charges and fees.....	9,903	6,746	6,546	6,507	6,527	6,561	6,553
Regulatory fees and fines.....	648	1,571	1,670	1,680	1,643	1,583	1,575
Grants and subsidies .....	50,096	56,066	87,088	109,229	96,336	90,909	28,209
Interest received.....	951	170	978	978	978	978	978
Goods and Services Tax .....	9,910	9,369	9,369	9,369	9,369	9,369	9,369
Service Delivery Agreement.....	16,198	11,701	17,357	12,639	12,583	12,463	9,567
Other receipts .....	576	748	671	686	705	725	688
<b>Net cash from operating activities.....</b>	<b>(125,713)</b>	<b>(113,537)</b>	<b>(138,213)</b>	<b>(120,523)</b>	<b>(155,084)</b>	<b>(153,123)</b>	<b>(135,969)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(7,220)	(19,942)	(8,407)	(8,454)	(10,300)	(39,300)	(10,000)
Proceeds from sale of non-current assets .....	461	-	400	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(6,759)</b>	<b>(19,942)</b>	<b>(8,007)</b>	<b>(8,454)</b>	<b>(10,300)</b>	<b>(39,300)</b>	<b>(10,000)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(16,378)</b>	<b>(2,793)</b>	<b>(13,647)</b>	<b>8,488</b>	<b>256</b>	<b>1,366</b>	<b>(12,334)</b>
Cash assets at the beginning of the reporting period .....	54,846	15,431	38,113	22,896	30,462	30,718	32,084
Net cash transferred to/from other agencies .....	(355)	-	(1,570)	(922)	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>38,113</b>	<b>12,638</b>	<b>22,896</b>	<b>30,462</b>	<b>30,718</b>	<b>32,084</b>	<b>19,750</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>EXPENSES</b>							
Employee benefits expenses .....	-	-	60	60	60	60	60
Supplies and services .....	-	-	33	31	31	31	31
Finance costs .....	507	590	114	-	-	-	-
Other expenses .....	15	-	148	-	-	-	-
Receipts paid into Consolidated Fund .....	-	-	233	120	368	646	946
<b>TOTAL ADMINISTERED EXPENSES <sup>(b)</sup> ..</b>	<b>522</b>	<b>590</b>	<b>588</b>	<b>211</b>	<b>459</b>	<b>737</b>	<b>1,037</b>
<b>INCOME</b>							
Interest revenue .....	-	-	205	1,205	1,968	2,665	3,296
Other Revenue .....	-	-	52	104	148	150	156
Service Appropriations .....	1,178	1,178	7,129	-	-	-	-
<b>TOTAL ADMINISTERED INCOME <sup>(c)</sup> .....</b>	<b>1,178</b>	<b>1,178</b>	<b>7,386</b>	<b>1,309</b>	<b>2,116</b>	<b>2,815</b>	<b>3,452</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Further information is provided in the table 'Details of the Administered Transactions Expenses'.

(c) Further information is provided in the table 'Details of the Administered Transactions Income'.

**SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	474	276	-	-	-	-	-
Receivables .....	-	-	52	126	192	238	290
Interest receivable .....	-	-	205	1,290	2,890	4,909	7,259
<b>Total Administered Current Assets .....</b>	<b>474</b>	<b>276</b>	<b>257</b>	<b>1,416</b>	<b>3,082</b>	<b>5,147</b>	<b>7,549</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Loans and Advances .....	-	-	5,000	10,000	10,000	10,000	10,000
<b>Total Administered Non-Current Assets .....</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>TOTAL ADMINISTERED ASSETS .....</b>	<b>474</b>	<b>276</b>	<b>5,257</b>	<b>11,416</b>	<b>13,082</b>	<b>15,147</b>	<b>17,549</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Payables .....	-	-	93	154	163	150	137
Borrowings .....	7,002	6,274	-	-	-	-	-
Interest payable .....	106	116	-	-	-	-	-
<b>Total Administered Current Liabilities .....</b>	<b>7,108</b>	<b>6,390</b>	<b>93</b>	<b>154</b>	<b>163</b>	<b>150</b>	<b>137</b>
<b>TOTAL ADMINISTERED LIABILITIES ..</b>	<b>7,108</b>	<b>6,390</b>	<b>93</b>	<b>154</b>	<b>163</b>	<b>150</b>	<b>137</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

## SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Finance costs .....	(516)	(590)	(94)	-	-	-	-
Other .....	(15)	-	(148)	-	-	-	-
Receipts paid into Consolidated Fund .....	-	-	(233)	(120)	(368)	(646)	(946)
<b>Financing Activities</b>							
Repayment of borrowings .....	(448)	(588)	(7,129)	-	-	-	-
Other payments for financing activities .....	-	-	(5,000)	(5,000)	-	-	-
<b>Investing Activities</b>							
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(979)</b>	<b>(1,178)</b>	<b>(12,604)</b>	<b>(5,120)</b>	<b>(368)</b>	<b>(646)</b>	<b>(946)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Interest received .....	-	-	-	120	368	646	946
Service Appropriations .....	1,178	1,178	7,129	-	-	-	-
Capital Contribution .....	-	-	5,000	5,000	-	-	-
<b>TOTAL ADMINISTERED CASH INFLOWS .....</b>	<b>1,178</b>	<b>1,178</b>	<b>12,129</b>	<b>5,120</b>	<b>368</b>	<b>646</b>	<b>946</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS .....</b>	<b>199</b>	<b>-</b>	<b>(475)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Research grant allocations .....	27,822	36,981	71,237	89,544	108,320	99,884	26,047
Compensations .....	1,943	150	150	150	150	150	150
Subsidies .....	4,952	3,500	6,550	8,234	9,960	9,185	2,395
Scholarships .....	81	200	200	200	200	200	200
Other .....	3,215	1,500	3,744	4,796	5,875	5,390	1,147
<b>TOTAL</b>	<b>38,013</b>	<b>42,331</b>	<b>81,881</b>	<b>102,924</b>	<b>124,505</b>	<b>114,809</b>	<b>29,939</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>OTHER STATE SERVICES</b>							
Interest and Instalments (Debt Servicing costs of the Western Australian Meat Commission which was wound up with effect from 3 March 1995).....	522	590	495	-	-	-	-
Western Australian Co-operatives Loan Scheme.	-	-	93	211	459	737	1,037
<b>TOTAL</b>	<b>522</b>	<b>590</b>	<b>588</b>	<b>211</b>	<b>459</b>	<b>737</b>	<b>1,037</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>OTHER</b>							
Interest revenue.....	-	-	205	1,205	1,968	2,665	3,296
Western Australian Co-operatives Loan Scheme.	-	-	52	104	148	150	156
Repayment of Western Australian Meat Commission Loan .....	1,178	1,178	7,129	-	-	-	-
<b>TOTAL</b>	<b>1,178</b>	<b>1,178</b>	<b>7,386</b>	<b>1,309</b>	<b>2,116</b>	<b>2,815</b>	<b>3,452</b>

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Proceeds from Direct mail Services .....	4	23	23	24
Proceeds from Land Management Services .....	-	108	110	107
Proceeds from Animal Health Services.....	1,731	1,857	1,745	1,539
Proceeds from Seed Quality Services.....	707	849	792	792
Proceeds from Research Support Unit Operations.....	4,024	3,100	3,655	3,655
Proceeds from Services to Industry.....	31,809	27,915	49,321	32,140
Commonwealth Specific Purpose Programs:				
Australian Quarantine Inspection Services .....	5,047	-	-	-
Agricultural Research Projects .....	-	251	283	76
National Heritage Trust .....	11,367	20,800	22,830	22,840
National Action Plan.....	2,652	6,750	12,500	53,923
FarmBis .....	681	-	1,441	-
Tuberculosis Freedom Assurance Program.....	325	400	208	250
Proceeds from Consultancy Services .....	190	300	300	-
Proceeds from the Sale of Intellectual or Genetic Property .....	2,506	1,000	2,286	1,798
Proceeds from Services Contracted by:				
Rural Business Development Corporation .....	9,329	3,801	8,450	3,837
Agriculture Protection Board.....	5,682	5,991	6,798	7,144
Agricultural Produce Commission .....	1,187	1,909	2,109	1,658
Biosecurity .....	1,131	1,948	1,459	1,936
GST Input Credits.....	9,910	6,147	6,147	6,147
GST Receipts on Sales.....	-	3,222	3,222	3,222
<b>TOTAL .....</b>	<b>88,282</b>	<b>86,371</b>	<b>123,679</b>	<b>141,088</b>

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

# AGRICULTURE PROTECTION BOARD OF WESTERN AUSTRALIA

## PART 4 - MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT

### DIVISION 12

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 44 Net amount appropriated to deliver services .....</b>	1,668	1,624	1,805	<b>2,129</b>	1,884	1,386	1,379
<b>Amount Authorised by Other Statutes - Agriculture and Related Resources Protection Act 1976.....</b>	766	789	789	<b>962</b>	991	1,021	1,052
<b>Total appropriations provided to deliver services.....</b>	<b>2,434</b>	<b>2,413</b>	<b>2,594</b>	<b>3,091</b>	<b>2,875</b>	<b>2,407</b>	<b>2,431</b>

#### MISSION

*To assist the agricultural industries to be competitive and sustainable by protecting themselves from the impacts of pests, diseases and associated threats.*

#### SIGNIFICANT ISSUES AND TRENDS

- The threat of incursion of serious plant and animal pests and diseases and weeds continues to grow as a result of greater population mobility and increasing international and interstate trade. Heightened public awareness and strengthened community commitment to biosecurity of the State's biological resources will be essential if the risk of incursions of serious exotic plant and animal pests and diseases and weeds is to be adequately mitigated.
- The significant economic and social impacts of animal diseases such as Foot and Mouth Disease, Bovine Spongiform Encephalopathy and Nipah virus will drive greater community expectation that susceptible animal industries and governments will work proactively to ensure that adequate prevention and preparedness measures are in place. Similar community expectations will emerge regarding the protection of natural resources from ingress of weeds, impact of non-native animals and diseases to which native flora and fauna are susceptible.
- Strategic biosecurity preparedness programs to reduce the potential impacts of pest and disease incursions will be increasingly important. Crop breeding programs will need to include offshore testing to evaluate germplasm for major diseases/pests to assess the status of current and future varieties to these risks such as Hessian fly, Karnal Bunt and Russian wheat aphid.
- Continued reliance on herbicides for weed control will require herbicide resistance strategies and control of resistant populations to induce lower levels of resistant weeds. Similarly increased reliance on fungicides for disease control will require management with improved plant resistance, farming systems that modify risk through management and better systems to forecast disease epidemics to prepare for and manage disease risk.
- Animal welfare issues are becoming increasingly important. Livestock industries will face increasing pressure from the community and markets to adopt and demonstrate the use of best animal welfare practices.
- The ongoing terrorism attacks around the world and the consequential heightened security concerns have resulted in a focus on food chain security. A risk of agri-terrorism exists, leading to a need to ensure adequate biosecurity risk management measures are in place.

- Under the international Sanitary and Phytosanitary Agreement there will be an ongoing need to scientifically justify both international and domestic import quarantine measures. The generation of rigorous survey data to demonstrate freedom of Western Australia from specific pests, diseases and weeds will be increasingly important in order to gain access for the State's produce to premium international markets.
- Modernisation of regulatory mechanisms, including the most appropriate interface of national and State legislation and regulations, and efficient industry and community consultation processes will be essential for the State's biosecurity regulatory system to keep pace with rapid biological, technological, market and community developments. Integration of legislation, more responsive regulatory processes, and adoption of co-regulatory schemes will be essential to the cost-effective regulation for plant and animal health, product integrity and natural resource protection.
- Downward international and domestic trends in community resourcing of traditional agriculture protection services will continue the shift away from operational control activities toward State-wide prevention and preparedness strategies, and programs with either high public good or market failure characteristics. Industry sectors and individual landholders will have to take increased responsibility for either funding or implementing pest and disease control measures where they are in a position to directly capture the benefits of such investment, or to effectively manage the biosecurity risks.

### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Agriculture Resource Protection .....	18,152	18,841	20,629	20,320			
<b>Total Cost of Services</b> .....	18,152	18,841	20,629	20,320	20,133	19,695	19,750
<i>Less Income</i> .....	7,162	5,772	5,272	5,356	5,385	6,015	6,296
<b>Net Cost of Services</b> .....	10,990	13,069	15,357	14,964	14,748	13,680	13,454
Adjustments <sup>(a)</sup> .....	(8,556)	(10,656)	(12,763)	(11,873)	(11,873)	(11,273)	(11,023)
<b>Appropriation provided to deliver Services.</b>	2,434	2,413	2,594	3,091	2,875	2,407	2,431
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	2,434	2,413	2,594	3,091	2,875	2,407	2,431

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer, Chairperson and the Treasurer.

### OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

#### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To ensure that regional Western Australia is strong and vibrant.	Protection of the productive resource base.	1. Agriculture Resource Protection



**Outcomes and Key Effectiveness Indicators** <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Protection of the productive resource base.</b>					
Number of inspected properties.....	6,666	n/a	5,750	7,000	
Number of inspected properties with infestations:					
Declared animals.....	1,154	n/a	900	1,000	
Declared plants .....	3,969	n/a	3,500	3,500	
Total .....	5,123	n/a	4,400	4,500	
Proportion of inspected properties with infestations:					
Declared animals.....	17.3%	n/a	15.7%	14.3%	
Declared plants .....	59.5%	n/a	60.9%	50.0%	
Total .....	76.9%	n/a	76.5%	64.3%	

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

**Service 1: Agriculture Resource Protection**

Providing protection for agriculture and related resources through the prevention, eradication and control of specified plant and animal pests.

This output contributes to the protection of our productive resource base through:

- maintenance of effective barrier quarantine and protection requirements to minimise the risk of introducing new pests and diseases and to maintain market access;
- operation of effective surveillance programs to ensure early detection and diagnosis of incursions, define the status for market access and justify quarantine barriers;
- ongoing capability to undertake emergency responses to incursions and outbreaks of high priority animal and plant pests and diseases;
- delivery of effective management programs that target specified pests and diseases; and
- achievement of a high level of awareness of key threats to agricultural industries and an increased participation by industry members in the management of risk.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	18,152	18,841	20,629	20,320	
Less Income .....	7,162	5,772	5,272	5,356	
Net Cost of Service.....	10,990	13,069	15,357	14,964	
Adjustments <sup>(a)</sup> .....	(8,556)	(10,656)	(12,763)	(11,873)	
<b>Appropriation for delivery of Service .....</b>	<b>2,434</b>	<b>2,413</b>	<b>2,594</b>	<b>3,091</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Total cost of property contacts .....	\$15,065,000	n/a	\$17,086,000	\$16,956,000	
Number of property contacts .....	33,387	n/a	31,000	34,000	
Cost/property contact for Declared pests and diseases.....	\$451	n/a	\$551	\$499	

**Major Achievements For 2004-05**

- A moderate outbreak of Australian Plague Locusts was successfully predicted and controlled in the South coastal area and in the eastern part of the Central Agricultural Region. Approximately 30,000 hectares was treated during a coordinated control program between October and November 2004.
- Development of a whole-of-State management strategy to minimize the impact of wild dogs on livestock enterprises continued in conjunction with a wide range of industry and community stakeholders. The strategy was expected to be completed by the end of 2004-05.
- Revised searching protocols and the provision of funding to assist landholders to complete their searching obligations resulted in the detection of Skeleton weed infestations on 47 new properties over the 2004-05 summer period.
- A new Industry Committee was formed to advise the Agriculture Protection Board (APB) on the future of the State Barrier Fence network and is currently considering a number of proposals for re-alignment, upgrade and possible extension of the existing structures.
- State-wide area freedom was maintained for a number of exotic pests such as Queensland fruit fly, codling moth and Asian Gypsy moth. Mediterranean fruit fly area freedom was maintained for the Ord River Irrigation Area. On an average basis, 240 traps per working day were checked for key pests by the surveillance team. Surveillance for white blister rust of broccoli and cauliflower was completed. The disease is widespread in all brassica production areas in Western Australia. Surveillance for olive knot continued. Olive knot has not been detected in Western Australia. Surveillance for Red Imported Fire Ants was completed with no detection at any of the surveillance points.
- Several sites where Paterson's curse biological control agents have been released have been assessed as being ready for the harvest of insects to seed more sites and accelerate the spread of the agents. In addition, biological control agents for blackberry have been released in parts of the Southwest Region. Monitoring of the effects of these agents will continue into 2005-06.
- The Agriculture Management Bill was prepared for drafting and is awaiting parliamentary counsel to complete the drafting process before it can be tabled in Parliament.
- Biosecurity plans have been developed and progressively updated for grains, horticulture, livestock and bees. Industry and Government utilise these plans to determine priorities and funding for biosecurity issues.
- Work continues on the harmonisation of international and domestic quarantine policy and regulation issues to protect the State's area freedom status. Biosecurity Australia has worked closely with Western Australia to progress this critical area.
- Negotiations continued with industry on the introduction of the National Livestock Identification Scheme (NLIS). When fully implemented the State's ability to both respond to emergency animal diseases and demonstrate to premium export markets will be greatly improved.

**Major Initiatives For 2005-06**

- In conjunction with the Department of Fisheries and the Department of Conservation and Land Management, progress an audit of Western Australia's present biosecurity measures with a view to identifying gaps in coverage and any present duplication or overlap. The audit will assist in implementing more rigorous and all-encompassing arrangements to maintain the State's biosecurity.
- Continued surveillance, and development of a whole-of-State / whole-of-community strategy for the management of the Cane toad threat.
- Increase focus/effort on the local eradication of starlings in the areas of Munghlinup and Condingup.
- Subject to approval by the State Government, undertake further community consultation and development of the proposed Regional Model, to improve the management of established pest plants and animals throughout rural landscapes.
- Continue to develop, in close collaboration with industry, self-funding legislation to raise industry funds to meet the cost of providing pest surveillance/eradication services, and associated payment of compensation to affected producers.
- Undertake various cost/benefit analyses to support decisions on a range of proposed changes to the existing State Barrier Fence network.
- Further engage and advance with Biosecurity Australia, a process that ensures that regional differences in pest status and risk are satisfactorily addressed in national risk analysis, policy decision making and in developing national policy.
- Initiate work on development of pest prediction tools to enhance placement of surveillance and monitoring trapping arrays for agricultural plant pests not found in Western Australia.
- Implement risk reducing strategies for Western Australia and Eastern States commercial enterprises that have been identified as sources of ongoing risk of introduction of European Wasps into Western Australia.
- Coordinate the development and implementation of pest management training modules for shires and local communities.
- Improve capacity to carry out surveillance for new weed incursions throughout Western Australia through improved networks and community education as well as improving access to expertise in the area of weed surveillance in remote areas. Enhance the capacity to map weed infestations and contribute to National weed mapping strategy.
- Cost-effective industry biosecurity measures will be implemented in partnership with all major industries under the GrainGuard, HortGuard, StockGuard and BeeGuard initiatives with costs borne appropriately by Government and Industry. Industry consultation on biosecurity matters will be based around the biosecurity plans and biosecurity plans will be integrated into broader industry development plans as they are developed.
- A key initiative in the integrated pest management area is to address the issue of pesticide use especially in relation to pesticide resistance. Production of a decision support system is proposed that will assess integrated pest management for all major weed, disease and insect pests. The system will allow farmers to balance competing pest control priorities, to make management decisions based on their combined effects on all pests, and to examine the economics of pest control options. It is proposed to review a number of areas of pest resistance to pesticides, with insecticide resistance in grain production, handling and storage being a key focus in the initial work.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	208	179	200	179	179	-	-
Superannuation .....	17	36	36	36	36	-	-
Supplies and services .....	10,884	11,047	11,563	11,047	11,047	11,047	11,047
Capital User Charge .....	1,120	1,101	1,282	1,185	1,119	1,077	1,069
Depreciation and amortisation .....	507	468	468	468	258	258	258
Service Delivery Agreement .....	5,416	5,991	6,761	7,144	7,202	7,262	7,324
Other expenses .....	-	19	319	261	292	51	52
<b>TOTAL COST OF SERVICES</b> .....	<b>18,152</b>	<b>18,841</b>	<b>20,629</b>	<b>20,320</b>	<b>20,133</b>	<b>19,695</b>	<b>19,750</b>
<b>Income</b>							
User charges and fees .....	78	-	-	-	-	-	-
Regulatory Fees and Fines .....	5,994	5,706	5,206	5,290	5,319	5,949	6,230
Grants and subsidies .....	510	-	-	-	-	-	-
Interest revenue .....	67	66	66	66	66	66	66
Service Delivery Agreement .....	73	-	-	-	-	-	-
Proceeds from disposal of non-current assets ..	1	-	-	-	-	-	-
Other Revenue .....	439	-	-	-	-	-	-
<b>Total Income</b> .....	<b>7,162</b>	<b>5,772</b>	<b>5,272</b>	<b>5,356</b>	<b>5,385</b>	<b>6,015</b>	<b>6,296</b>
<b>NET COST OF SERVICES</b> .....	<b>10,990</b>	<b>13,069</b>	<b>15,357</b>	<b>14,964</b>	<b>14,748</b>	<b>13,680</b>	<b>13,454</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,434	2,413	2,594	3,091	2,875	2,407	2,431
Resources received free of charge .....	10,884	11,047	11,563	11,047	11,047	11,047	11,047
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>13,318</b>	<b>13,460</b>	<b>14,157</b>	<b>14,138</b>	<b>13,922</b>	<b>13,454</b>	<b>13,478</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>2,328</b>	<b>391</b>	<b>(1,200)</b>	<b>(826)</b>	<b>(826)</b>	<b>(226)</b>	<b>24</b>
Extraordinary items .....	1	-	-	-	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>2,329</b>	<b>391</b>	<b>(1,200)</b>	<b>(826)</b>	<b>(826)</b>	<b>(226)</b>	<b>24</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Staffing resources are provided through the Department of Agriculture.

**BALANCE SHEET**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	768	2,029	231	-	5	5	5
Restricted cash .....	3,269	-	2,413	1,555	697	439	432
Receivables .....	171	116	171	171	171	171	171
Inventories.....	1,066	790	1,066	1,066	1,066	1,066	1,066
Interest receivable .....	13	7	13	13	13	13	13
Non Current Assets Held for Sale .....	-	-	-	155	155	155	155
<b>Total current assets .....</b>	<b>5,287</b>	<b>2,942</b>	<b>3,894</b>	<b>2,960</b>	<b>2,107</b>	<b>1,849</b>	<b>1,842</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	1,561	2,004	2,029	2,497	2,755	3,013	3,271
Land and Buildings.....	6,224	5,782	6,074	5,769	5,769	5,769	5,769
Plant and equipment.....	427	192	272	117	46	46	46
Other.....	3,500	3,465	3,337	3,174	2,987	2,729	2,471
<b>Total non-current assets.....</b>	<b>11,712</b>	<b>11,443</b>	<b>11,712</b>	<b>11,557</b>	<b>11,557</b>	<b>11,557</b>	<b>11,557</b>
<b>TOTAL ASSETS.....</b>	<b>16,999</b>	<b>14,385</b>	<b>15,606</b>	<b>14,517</b>	<b>13,664</b>	<b>13,406</b>	<b>13,399</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	507	402	314	51	24	24	-
Provision for employee entitlements .....	26	25	26	26	26	26	26
Other.....	39	2	39	39	39	7	-
<b>Total current liabilities.....</b>	<b>572</b>	<b>429</b>	<b>379</b>	<b>116</b>	<b>89</b>	<b>57</b>	<b>26</b>
<b>TOTAL LIABILITIES.....</b>	<b>572</b>	<b>429</b>	<b>379</b>	<b>116</b>	<b>89</b>	<b>57</b>	<b>26</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	10,721	7,921	9,521	8,695	7,869	7,643	7,667
Reserves .....	5,706	6,035	5,706	5,706	5,706	5,706	5,706
<b>Total equity.....</b>	<b>16,427</b>	<b>13,956</b>	<b>15,227</b>	<b>14,401</b>	<b>13,575</b>	<b>13,349</b>	<b>13,373</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>16,999</b>	<b>14,385</b>	<b>15,606</b>	<b>14,517</b>	<b>13,664</b>	<b>13,406</b>	<b>13,399</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,921	1,945	2,126	2,623	2,617	2,149	2,173
<b>Net cash provided by State government .....</b>	<b>1,921</b>	<b>1,945</b>	<b>2,126</b>	<b>2,623</b>	<b>2,617</b>	<b>2,149</b>	<b>2,173</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(190)	(179)	(200)	(179)	(179)	-	-
Superannuation .....	(17)	(36)	(36)	(36)	(36)	-	-
Capital User Charge.....	(1,120)	(1,101)	(1,282)	(1,185)	(1,119)	(1,077)	(1,069)
Service delivery agreement.....	(5,788)	(5,991)	(6,761)	(7,144)	(7,202)	(7,262)	(7,324)
Other.....	-	(19)	(512)	(524)	(319)	(83)	(83)
<b>Receipts</b>							
User charges and fees.....	958	-	-	-	-	-	-
Regulatory fees and fines.....	5,884	5,706	5,206	5,290	5,319	5,949	6,230
Grants and subsidies .....	390	-	-	-	-	-	-
Interest received .....	61	66	66	66	66	66	66
<b>Net cash from operating activities.....</b>	<b>178</b>	<b>(1,554)</b>	<b>(3,519)</b>	<b>(3,712)</b>	<b>(3,470)</b>	<b>(2,407)</b>	<b>(2,180)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(564)	-	-	-	-	-	-
Proceeds from sale of non-current assets .....	1	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(563)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,536</b>	<b>391</b>	<b>(1,393)</b>	<b>(1,089)</b>	<b>(853)</b>	<b>(258)</b>	<b>(7)</b>
Cash assets at the beginning of the reporting period .....	2,501	1,638	4,037	2,644	1,555	702	444
<b>Cash assets at the end of the reporting period.....</b>	<b>4,037</b>	<b>2,029</b>	<b>2,644</b>	<b>1,555</b>	<b>702</b>	<b>444</b>	<b>437</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.







## RURAL BUSINESS DEVELOPMENT CORPORATION

### PART 4 - MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT

#### DIVISION 13

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 45 Net amount appropriated to deliver services .....</b>	158	181	8,931	<b>182</b>	1,685	1,689	192
<b>Total appropriations provided to deliver services .....</b>	158	181	8,931	<b>182</b>	1,685	1,689	192

#### MISSION

*Develop and administer innovative and cost effective assistance measures to benefit Western Australian rural industries.*

#### SIGNIFICANT ISSUES AND TRENDS

- Parts of agricultural and pastoral districts in Western Australia have been affected by adverse seasons since 1998. The 2004 season in most agricultural areas has been good, however dry conditions have continued in the North Eastern Wheatbelt and Southern Rangelands region (for some pastoralists their fifth consecutive year). In response to the adverse seasons, there have been four specific State assistance programs commenced in 2000, 2003, 2004 and 2005 and six separate exceptional circumstance declarations for the period, plus one extension into a third year.
- The appropriateness of Commonwealth and State Government drought assistance measures provided during the drought was reviewed by the National Drought Review Panel that was established by the Australian Government. State and Australian Government Ministers have broadly agreed to a plan to reform the Exceptional Circumstances support including further development of a computerised National Monitoring System and better weather prediction models.
- A new joint Commonwealth/State Government FarmBis scheme commenced in January 2005 for a three year period to June 2008. The new FarmBis will build on the success of earlier programs (1997-2004) in lifting the business management skills of primary producers and land managers. The adoption of a continuous learning culture, innovation and improved business management skills are key drivers in building the self reliance, competitiveness and capacity of Australia's primary producers to meet the challenge of global change.
- The Rural Business Development Corporation (RBDC) has a service agreement with the Department of Agriculture for the delivery of outputs.

#### MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decision taken since State Election</b>				
FarmBis 3 .....	-	1,500	1,500	-

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Farm business development.....	9,667	3,858	17,260	3,902			
<b>Total Cost of Services .....</b>	9,667	3,858	17,260	3,902	5,266	5,087	683
<i>Less Income.....</i>	9,636	2,132	4,947	1,603	2,944	3,129	277
<b>Net Cost of Services .....</b>	31	1,726	12,313	2,299	2,322	1,958	406
Adjustments <sup>(a)</sup> .....	127	(1,545)	(3,382)	(2,117)	(637)	(269)	(214)
<b>Appropriation provided to deliver Services.</b>	158	181	8,931	182	1,685	1,689	192
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	158	181	8,931	182	1,685	1,689	192

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer, Chairperson and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Improved ecologically sustainable development of agri-industry.	1. Farm business development

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Improved ecologically sustainable development of agri-industry.</b>					
The extent to which recipients were satisfied with the way schemes are administered .....	91.4%	90%	90%	90%	

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

**Service 1: Farm Business Development**

Assist farmers to enhance their skills, leading to improved sustainable long term profitability and better capacity to deal with risks inherent in farming and to provide financial support to assist farmers significantly impacted by exceptional seasonal events which are outside the normal capacity of farmers to control.

This output contributes to the ecological sustainable development of agri-industry in a number of ways, but essentially the RBDC aims to manage the risks to production by preventing the decline in the productive capacity of our natural resources and minimising offsite impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables. This can only be achieved under a situation where industry profitability is at least maintained. Therefore, a key focus is to assist farmers significantly impacted by exceptional seasonal events, which are outside the normal capacity of farmers to control. Another key focus is to enhance their skills through training, which will lead to sustainable long-term profitability and a better capacity to deal with risks.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	9,667	3,858	17,260	3,902	Marketing of Eggs Adjustment Assistance Scheme and additional Exceptional Circumstances payments in 2004-05.
Less Income .....	9,636	2,132	4,947	1,603	
Net Cost of Service .....	31	1,726	12,313	2,299	
Adjustments <sup>(a)</sup> .....	127	(1,545)	(3,382)	(2,117)	
<b>Appropriation for delivery of Service .....</b>	<b>158</b>	<b>181</b>	<b>8,931</b>	<b>182</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Proportion of expenditure as administrative expenditure .....	8.6%	12.5%	5.2%	18.3%	The New FarmBis scheme provides for up to 21% of total expenditure to be on coordination, communication and administration. The Marketing of Eggs Adjustment Assistance Scheme (\$8.7 million) in 2004-05 had large payments with minimal administration required.

**Major Achievements For 2004-05**

- The Exceptional Circumstances (EC) interest rate subsidy program continued to provide support to farmers in declared areas. There have been six EC declarations, and one extension to an existing declaration, since the commencement of adverse seasons in 1998. Year One of the Southern Rangelands (2 July 2003) declared area and for Year One of the Central Wheatbelt (24 July 2003) declared area concluded during early 2004-05. Year Two applications for these two areas commenced on 2 July 2004 and 24 July 2004 respectively. A new EC declaration commenced for the North Eastern Wheatbelt on 7 April 2005, and a further (third) year was granted for the Southern Rangelands declared area.
- EC Relief Payment 'Certificates of Farm Location' forms were issued in each half of the year to eligible farmers in EC areas.

- During 2004-05, an estimated 220 applications for EC support were processed and it is anticipated that total interest rate subsidy expenditure for the year will be \$5 million with grants to 155 farm and pastoral businesses.
- Establishment of the Dry Season 2004 Assistance Scheme for farmers in the North Eastern Wheatbelt areas severely affected by continuing drought with an estimated 50 farmers being provided with grants up to \$6,000 each for drought impact or preparedness measures and professional advice.
- Establishment of the 2005 Pastoral Dry Seasons Assistance Scheme for pastoralists severely affected by continuing drought with an estimated 60 pastoralists being provided with grants totalling \$120,000 to reimburse expenditure on their annual Agriculture Protection rates for the 2004-05 financial year.
- Establishment of the 2005 Great Southern Flood Assistance Scheme for farmers adversely affected by the exceptional storm event on 1 April 2005, with an estimated 100 farming businesses being provided with grants totalling \$150,000 to engage a professional consultant who can assist them to prepare a business recovery strategy.
- A new FarmBis program administered by the RBDC, with planned expenditure of \$10 million over four years to 30 June 2008, commenced in January 2005. Grants estimated to total \$750,000 were provided to an estimated 2,000 training participants during 2004-05.
- The Farmer Training Assistance Scheme ceased at 31 December 2004 with the commencement of the RBDC administered FarmBis program on 1 January 2005. During July to December 2004 grants totalling \$1.3 million were approved to 2,870 participants under the Farmer Training Assistance Scheme.
- Directors of the RBDC held two strategic planning workshops to explore possible new initiatives for the RBDC to get involved in, which would promote and assist Western Australian farm businesses.
- The Gascoyne Murchison Strategy (GMS) Structural Adjustment Agreement which concluded in August 2004 provided \$7.8 million of funding to a range of measures during its six years of operation.

#### ***Major Initiatives For 2005-06***

- Interest Rate Subsidy Support under existing EC declarations (Southern Rangelands, Central Wheatbelt and North Eastern Wheatbelt) will continue.
- EC Relief Payment 'Certificates of Farm Location' forms will continue to be issued in each half of the year to eligible farmers in EC areas.
- Continuing support under the new FarmBis program to provide grants to reimburse up to 50% of the cost of eligible learning activities focusing on enhancing the capability and skills of eligible primary producers/rural land managers manage their business, natural and human resources.
- As part of the transition to a deregulated egg industry in Western Australia, an adjustment package of \$8.7 million has been established for egg producers whose licences are to be cancelled as part of the industry deregulation. The RBDC is administering the Marketing of Eggs Adjustment Assistance Scheme to pay \$8.5 million to affected egg producers and \$250,000 for producers to obtain business options advice, address other adjustment impacts and administration costs of the scheme.
- As required, develop and implement new schemes to support farmers and pastoralists affected by adverse conditions.
- Development of new initiatives for the RBDC to get involved in following strategic planning workshops held in the past year.

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Superannuation .....	-	3	3	3	3	3	3
Grants and subsidies <sup>(b)</sup> .....	-	-	8,750	-	1,500	1,500	-
Supplies and services .....	30	31	34	38	38	38	38
Costs of disposal of non-current assets.....	25	-	-	-	-	-	-
Service Delivery Agreement <sup>(b)</sup> .....	9,612	3,801	8,450	3,837	3,701	3,521	614
Other expenses .....	-	23	23	24	24	25	28
<b>TOTAL COST OF SERVICES</b> .....	<b>9,667</b>	<b>3,858</b>	<b>17,260</b>	<b>3,902</b>	<b>5,266</b>	<b>5,087</b>	<b>683</b>
<b>Income</b>							
Grants and subsidies .....	9,304	1,932	4,742	1,473	2,869	3,104	262
Interest revenue .....	305	200	200	130	75	25	15
Proceeds from disposal of non-current assets ..	25	-	-	-	-	-	-
Other Revenue.....	2	-	5	-	-	-	-
<b>Total Income</b> .....	<b>9,636</b>	<b>2,132</b>	<b>4,947</b>	<b>1,603</b>	<b>2,944</b>	<b>3,129</b>	<b>277</b>
<b>NET COST OF SERVICES</b> .....	<b>31</b>	<b>1,726</b>	<b>12,313</b>	<b>2,299</b>	<b>2,322</b>	<b>1,958</b>	<b>406</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	158	181	8,931	182	1,685	1,689	192
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>158</b>	<b>181</b>	<b>8,931</b>	<b>182</b>	<b>1,685</b>	<b>1,689</b>	<b>192</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>127</b>	<b>(1,545)</b>	<b>(3,382)</b>	<b>(2,117)</b>	<b>(637)</b>	<b>(269)</b>	<b>(214)</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>127</b>	<b>(1,545)</b>	<b>(3,382)</b>	<b>(2,117)</b>	<b>(637)</b>	<b>(269)</b>	<b>(214)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Refer Details of Controlled Grants and Subsidies table for further information. Note that some of the Grants and Subsidies displayed in the Controlled Grants and Subsidies table are included under the Service Delivery Agreement amount as part of the service delivery arrangement with the Department of Agriculture.

**BALANCE SHEET**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	6,495	4,306	3,113	996	359	90	-
Investments .....	75	-	75	75	75	75	-
Receivables .....	27	25	27	27	27	27	-
Interest receivable .....	185	198	185	185	185	185	-
<b>Total current assets .....</b>	<b>6,782</b>	<b>4,529</b>	<b>3,400</b>	<b>1,283</b>	<b>646</b>	<b>377</b>	<b>-</b>
<b>TOTAL ASSETS .....</b>	<b>6,782</b>	<b>4,529</b>	<b>3,400</b>	<b>1,283</b>	<b>646</b>	<b>377</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	163	298	163	163	163	163	-
<b>Total current liabilities .....</b>	<b>163</b>	<b>298</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>-</b>
<b>TOTAL LIABILITIES .....</b>	<b>163</b>	<b>298</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>-</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	6,572	4,205	3,190	1,073	436	167	(47)
Reserves .....	47	26	47	47	47	47	47
<b>Total equity .....</b>	<b>6,619</b>	<b>4,231</b>	<b>3,237</b>	<b>1,120</b>	<b>483</b>	<b>214</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>6,782</b>	<b>4,529</b>	<b>3,400</b>	<b>1,283</b>	<b>646</b>	<b>377</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	158	181	8,931	182	1,685	1,689	192
<b>Net cash provided by State government .....</b>	<b>158</b>	<b>181</b>	<b>8,931</b>	<b>182</b>	<b>1,685</b>	<b>1,689</b>	<b>192</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Superannuation .....	-	(3)	(3)	(3)	(3)	(3)	(3)
Grants and subsidies .....	-	-	(8,750)	-	(1,500)	(1,500)	-
Supplies and services .....	-	(31)	-	-	-	-	-
Service delivery agreement .....	(9,904)	(3,801)	(8,450)	(3,837)	(3,701)	(3,521)	(563)
Other .....	(30)	(23)	(57)	(62)	(62)	(63)	(280)
<b>Receipts</b>							
Grants and subsidies .....	9,404	1,932	4,742	1,473	2,869	3,104	262
Interest received .....	311	200	200	130	75	25	200
Other receipts .....	-	-	5	-	-	-	102
<b>Net cash from operating activities .....</b>	<b>(219)</b>	<b>(1,726)</b>	<b>(12,313)</b>	<b>(2,299)</b>	<b>(2,322)</b>	<b>(1,958)</b>	<b>(282)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sale of investments .....	26	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	(35)	(1,545)	(3,382)	(2,117)	(637)	(269)	(90)
Cash assets at the beginning of the reporting period .....	6,530	5,851	6,495	3,113	996	359	90
<b>Cash assets at the end of the reporting period .....</b>	<b>6,495</b>	<b>4,306</b>	<b>3,113</b>	<b>996</b>	<b>359</b>	<b>90</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES <sup>(a)</sup>**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Dry Season Assistance Scheme .....	736	-	200	100	-	-	-
Farmer Training Assistance Scheme .....	999	-	680	-	-	-	-
2005 Pastoral Dry Season Assistance Scheme .....	-	-	120	-	-	-	-
2005 Great Southern Flood Assistance Scheme .....	-	-	150	-	-	-	-
Gascoyne Murchison Strategy .....	1,116	417	755	-	-	-	-
Exceptional Circumstances .....	5,838	1,620	4,675	1,046	1,500	1,500	-
Natural Resource Adjustment Scheme .....	99	-	-	-	-	-	-
Future Rural Support Schemes .....	-	1,300	-	-	360	198	141
FarmBis 3 .....	-	-	1,000	2,000	2,750	2,750	-
Grants to Rural Counselling Services .....	28	38	38	38	38	38	38
Marketing of Egg Adjustment Assistance Scheme .....	-	-	8,550	-	-	-	-
<b>TOTAL</b>	<b>8,816</b>	<b>3,375</b>	<b>16,168</b>	<b>3,184</b>	<b>4,648</b>	<b>4,486</b>	<b>179</b>

(a) The Grants and Subsidies displayed in the Controlled Grants and Subsidies table are reflected in the Income Statement as either Grants and Subsidies or as part of the Service Delivery Agreement in accord with the service delivery arrangement with the Department of Agriculture.





## MID-WEST DEVELOPMENT COMMISSION

### PART 4 - MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT

#### DIVISION 14

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 46 Net amount appropriated to deliver services .....</b>	1,922	1,549	3,542	<b>4,001</b>	3,492	3,317	2,912
Total appropriations provided to deliver services .....	1,922	1,549	3,542	<b>4,001</b>	3,492	3,317	2,912
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	-	-	-	-	229	-	-
<b>GRAND TOTAL .....</b>	1,922	1,549	3,542	<b>4,001</b>	3,721	3,317	2,912

#### MISSION

*To have the Mid West recognised as a preferred region in which to live, work and invest.*

#### SIGNIFICANT ISSUES AND TRENDS

- Being a major exporter of primary products, the Mid West's growth prospects are affected by world commodity prices and seasonal conditions. A continued focus on innovation and value adding across all industry sectors will assist economic diversification.
- The cyclical nature of the agricultural/pastoral sectors, combined with sustained and severe drought in some areas, continues to have an impact on regional prosperity. Significant work continues to be undertaken to identify and support the establishment of new enterprise opportunities throughout the region. Information technology presents both challenges and opportunities.
- The population of many inland agricultural communities is declining and ageing while those in the mining/pastoral area tend to fluctuate in line with commodity prices and mining activity. The lack of opportunities has contributed to the relatively high unemployment rate amongst youth and the Indigenous community.
- The mining industry continues to make a strong contribution to regional growth, employment and export income. The timely provision of strategic infrastructure will facilitate new resource projects driven by the continued strong growth of China and other Asian economies. The region needs to ensure it captures local community benefit from this sector by developing alternative strategies to overcome the impacts of fly in/fly out operations and to better service and supply mining operations from local and regional businesses.
- The Mid West region continues to realise its tourism potential on the back of major tourism related infrastructure projects and a more coordinated and effective marketing campaign. With continued development and strategic support, this sector will play an increasingly important role in the region's future growth.
- The continued development of the region's strategic infrastructure including transport, telecommunications, education, training and research facilities is vital to build on the region's competitive advantages, develop and attract new enterprise opportunities and support sustainable regional development.
- Of the region, 83% is classified as remote. This generates a demand for community capacity building programs and supportive social infrastructure.

- Agricultural and pastoral land in the region suffers from high levels of landscape stress. The completion and implementation of accredited natural resource management strategies will play an integral role in addressing this issue and encourage responsible land use practices, land care and eco-efficiency.
- The Geraldton Universities Centre, together with the Separation Point Marine Precinct will establish Geraldton as the regional education and 'smart' centre for the Mid West.

### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Information and Advice.....	844	799	851	950			
<i>Service 2:</i>							
Investment Facilitation .....	883	774	878	580			
<i>Service 3:</i>							
Infrastructure and Services Development in the Mid West.....	1,312	1,134	2,923	3,473			
<b>Total Cost of Services .....</b>	<b>3,039</b>	<b>2,707</b>	<b>4,652</b>	<b>5,003</b>	<b>4,412</b>	<b>4,048</b>	<b>3,600</b>
<i>Less Income.....</i>	<i>994</i>	<i>682</i>	<i>861</i>	<i>748</i>	<i>1,210</i>	<i>712</i>	<i>672</i>
<b>Net Cost of Services .....</b>	<b>2,045</b>	<b>2,025</b>	<b>3,791</b>	<b>4,255</b>	<b>3,202</b>	<b>3,336</b>	<b>2,928</b>
Adjustments <sup>(a)</sup> .....	(123)	(476)	(249)	(254)	290	(19)	(16)
<b>Appropriation provided to deliver Services.</b>	<b>1,922</b>	<b>1,549</b>	<b>3,542</b>	<b>4,001</b>	<b>3,492</b>	<b>3,317</b>	<b>2,912</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>1,922</b>	<b>1,549</b>	<b>3,542</b>	<b>4,001</b>	<b>3,721</b>	<b>3,317</b>	<b>2,912</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer, Chairperson and the Treasurer.

### OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

#### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	An environment conducive to the balanced economic and social development of the Mid West region.	1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: An environment conducive to the balanced economic and social development of the Mid West region.</b>					
Clients agreeing that the Commission reduced obstacles to economic growth and employment <sup>(b)</sup> .....	22%	40%	40%	40%	
Clients agreeing that the Commission contributed to the development of a new business opportunity <sup>(b)</sup> .....	32%	50%	50%	50%	
Clients agreeing that the Commission contributed to more trade activity <sup>(b)</sup> .....	15%	27%	27%	27%	
Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities <sup>(b)</sup> .....	12%	22%	22%	22%	

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

(b) Collected by survey.

**Service 1: Information and Advice**

To contribute to economic growth and employment by developing strategic partnerships between government, business, and the community, providing a central point of coordination and contact and by raising awareness of the Mid West region.

	2003-04 Actual	2004-05 Budget	2004-05 Estimated Actual	2005-06 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service .....	844	799	851	950	Increase in Regional Development Scheme (RDS) grants expenditure in 2005-06.
Less Income .....	281	242	249	381	
Net Cost of Service .....	563	557	602	569	Greater use of brought forward cash to cover costs in 2004-05.
Adjustments <sup>(a)</sup> .....	(31)	(26)	(76)	(14)	
<b>Appropriation for delivery of Service .....</b>	<b>532</b>	<b>531</b>	<b>526</b>	<b>555</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per client visit .....	\$2,234	\$1,816	\$1,493	\$1,667	Increased RDS grants expenditure in 2005-06 flows through to higher unit values.
Cost per client inquiry .....	\$115	\$133	\$142	\$158	
<b>Full Time Equivalents (FTEs)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	

### **Major Achievements For 2004-05**

- Administered the fourth round of the State Government's RDS and allocated grants totalling \$469,000 across 34 projects, including \$69,000 returned from previous rounds, to projects that will contribute to the sustainable development of the Mid West.
- Facilitated Indigenous economic development by:
  - assisting the Geraldton Aboriginal Reference Group to review its business plan;
  - developing the Commission's Focus Plan for Indigenous Enterprise Development 2005-2008;
  - assisting a local artist to secure funding through 'Country Arts West Australian' for costs associated with exhibitions;
  - assisting the Mid West Employment and Economic Development Aboriginal Corporation to secure a \$115,000 Indigenous Infrastructure Projects Program grant to expand its horticulture enterprise;
  - assisting several Indigenous organisations to secure RDS funding;
  - undertaking a tourism research expedition, where participants studied successful Indigenous tourism enterprises in the South West region, with the aim of stimulating the start-up of similar Indigenous businesses in the Mid West;
  - conducting a 'Go Networking' workshop to give participants the confidence and skills required for establishing and using networks with the non Indigenous community; and
  - providing economic development assistance to five tourism businesses in the region.
- Worked in partnership with the Northern Agricultural Catchments Council (NACC) to:
  - support the preparation of an accredited Natural Resource Management Strategy for the Northern Agricultural Region (NAR);
  - provide input and support to the preparation of a Natural Resource Management Investment Plan for the NAR; and
  - host the NACC Indigenous Support Officer position within the Commission. The aim of this position is to develop strategies and protocols to increase Indigenous participation in Natural Resource Management.
- Worked in partnership with the Shire of Murchison and Commonwealth Scientific Industrial Research Organisation (CSIRO) to identify sustainable diversification options for the Murchison community.
- Published a hands on guide for community groups titled 'How to Coordinate a Network Gathering'.
- Facilitated the merger of the Western Wise Network with the Western Australian Community Builders to enhance the Network's prospects for sustainability.
- Reviewed qualitative and quantitative information on aquifers located in the Mid West to identify potential new and intensive economic development opportunities.
- Worked in partnership with the Shire of Mullewa and the Department of Agriculture (DOA) to secure \$360,000 (State and Commonwealth funding) to address issues associated with a series of dry seasons in the North East Agricultural Region of the Mid West. This included the preparation of eight feasibility studies highlighting potential diversification opportunities.
- With the Department of Local Government and Regional Development (DLGRD), prepared the biennial update of the 'Mid West Economic Perspective' booklet, which contains up to date information on the region's economic and demographic base.
- Identified skill shortages in the region for inclusion in the Skilled Independent Regional's (SIR) visa program.
- Prepared the Commission's 'Strategic Directions 2005-07' to guide the Commission's operations over the next three years and ensure its alignment with relevant State Government policies including the Regional Development Policy and the State Sustainability Strategy.
- Worked with Mid West shires on a range of economic and community development projects including:
  - Chapman Valley's feasibility study into its proposed lifestyle village and community farm;
  - Carnamah's 'Eneabba Life After the Mine' project;
  - Irwin's study into the socio-economic impacts from major planned projects;
  - coastal development options for Coorow and Carnamah; and
  - Meekatharra's 'Connected Families, Connected Communities' project.
- Partnered the Shire of Wiluna, the Department of Indigenous Affairs (DIA) and the DLGRD to develop a Wiluna support package aimed at improving the community's amenities, services and employment opportunities.

- Secured funding from the Gascoyne Murchison Strategy to undertake the Murchison Information Technology Training and Support project. The project aims to increase the understanding and usage of computers, the internet, and other associated technologies by residents in the Murchison.
- Established the Community Development Practitioners Support Group, a support mechanism for community and youth development professionals in remote and rural areas of the Mid West.
- Provided a local support role and \$20,000 of RDS funding for the staging of a Croc Festival in Geraldton.
- The Commission received recognition:
  - as a finalist in the regional category of the 2004 Premier's Awards for Excellence in Public Sector Management for its work on the development of the Gascoyne Murchison Outback Pathways self drive tourist trails; and
  - with an incentive award at the prestigious Australia New Zealand Regional Science Association International Practitioner Awards of Excellence in Regional Development for the Commission's work to establish the Geraldton Universities Centre.

### ***Major Initiatives For 2005-06***

- Continue to work with the Shire of Mullewa, the DOA and other relevant stakeholders to develop strategic opportunities for addressing dry seasons and structural adjustment in the north east agricultural region of the Mid West.
- Coordinate a Murchison summit to facilitate a whole-of-government approach to the provision of services and to address socio-economic issues in the Murchison.
- Undertake the Murchison Information Technology Training and Support project.
- Complete the development and implementation of a database of government agency initiatives in the Mid West.
- Provide a local support role and RDS funding for the staging of a second Croc Festival in Geraldton.
- Support the Shire of Carnamah's implementation of the recommendations from the 'Eneabba Life after the Mine' study.
- Conduct a feasibility study to develop a Mid West community foundation.
- Promote strategies and protocols to increase Indigenous participation in natural resource management.
- Assist with the preparation of a Natural Resource Management Investment Plan for the Gascoyne Murchison Rangelands.
- Prepare an updated 'Mid West People and Population' booklet containing an outline of the region's major demographic trends.
- Investigate recommendations from the Murchison Path-Maker Project, including assessing the feasibility of establishing a rangeland research centre, and formulate an action plan.
- In partnership with the Shire of Wiluna, the DIA and the DLGRD, secure funding to implement the proposed Wiluna support package.
- Improve access to, and participation in, arts and cultural activities by collaborating with arts organisations and lobbying for the development of a dedicated arts development officer position for the region.

## Service 2: Investment Facilitation

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	883	774	878	580	Completion of Outback Pathways (major project) at the end of 2004-05. External funding for Outback Pathways project ceases in 2004-05.
Less Income .....	485	337	370	205	
Net Cost of Service .....	398	437	508	375	Greater use of brought forward cash to cover costs in 2004-05.
Adjustments <sup>(a)</sup> .....	(31)	(26)	(76)	(14)	
<b>Appropriation for delivery of Service .....</b>	<b>367</b>	<b>411</b>	<b>432</b>	<b>361</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per project .....	\$55,186	\$51,600	\$58,533	\$38,667	Completion of a major project in 2004-05, reduces the average value of projects in 2005-06.
<b>Full Time Equivalents (FTEs)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	

### Major Achievements For 2004-05

- Secured more than \$250,000 of funding from a variety of sources to implement stage two of the Gascoyne Murchison Outback Pathways in partnership with the Gascoyne Development Commission. Major achievements to date include:
  - since their launch in April 2004 there has been significant interest generated in the Pathways, which has resulted in increased tourist numbers visiting the Murchison and Gascoyne regions;
  - supported the Shires of Murchison and Upper Gascoyne to secure Reconciliation Grants to develop additional interpretative signage at selected Stage One sites to tell Indigenous stories;
  - significantly advanced the design, manufacture and installation of 25 interpretive panels along the three Pathways which will take the total to 68; and
  - substantially completed the research and writing of a promotional guidebook. Sales of the guidebook are expected to stimulate interest in travelling the Pathways as well as provide funds for their ongoing maintenance, development and promotion.
- In partnership with the Office of Science and Innovation, successfully nominated the Murchison region as the 'National Candidate Site' for Australia's bid for the international US\$1 billion Square Kilometre Array (SKA) radio telescope project.
- Progressed the development of the Separation Point Marine Precinct by:
  - working in conjunction with the Central West College of TAFE, the Department of Education and Training, the Department of Fisheries (DOF) and the City of Geraldton to secure a lease for the Separation Point Marine Precinct;
  - partnering the DOF to secure funding to construct the Abrolhos Islands Research Institute; and
  - developing tender documentation to undertake a feasibility study into the proposed Geraldton Marine Interpretive Centre.

- Through the provision of Austrade's TradeStart services by the Commission, promoted exporting by:
  - assisting three local businesses to export for the first time;
  - coaching eight local businesses in preparation to export their produce and/or services; and
  - hosting three international buyers to the Mid West.
- With funding secured from the Gascoyne Murchison Strategy, and in partnership with the West Australian Tourism Commission, conducted a Murchison and Gascoyne 'Tourism Road Show' to raise awareness of outback tourism challenges and opportunities.
- Assisted eight local businesses to overcome their specific labour market shortages through the Regionally Sponsored Migration Scheme and Long Stay working visas.
- Through the Commission's Mid West Investment Group prepared 'An Assessment of Wheaten Straw Availability in the Mid West'.
- In conjunction with the Department of Premier and Cabinet and the DLGRD coordinated a second Mid West Investment Tour to broker local investment proponents with institutional investors and venture capitalists.
- In partnership with the Botanic Gardens and Parks Authority and the Gascoyne and Goldfields Esperance Development Commissions, promoted tourism and investment opportunities in regional Western Australia through participation at the international horticulture expo 'Pacific Flora 2004' in Japan.
- As a member of the Cruising Geraldton Steering Committee, worked to ensure the successful visit of the German cruise ship Maxim Gorkiy in February 2005.
- Prepared and distributed a promotional computer disc to major in-bound operators and cruise ships visiting Australia with the intent of attracting further cruise ships to Geraldton.
- Conducted a successful Indigenous Art Exporting workshop in Geraldton resulting in the Commission working closely with Austrade, the Department of Industry and Resources and ArtSource to assist Indigenous artists market their products for the domestic and export markets.

#### ***Major Initiatives For 2005-06***

- Work with the CSIRO, the Office of Science and Innovation and other stakeholders to prepare Australia's submission to the International Site Selection Committee for the SKA radio telescope project.
- Complete stage two of the Gascoyne Murchison Outback Pathways by:
  - launching and promoting stage two of the Pathways;
  - printing, distributing and launching the Pathways guidebook;
  - managing the transition of the ongoing responsibility for the Pathways to Gascoyne Murchison Tourism Inc; and
  - continuing to work with Murchison communities to develop their local tourism product and diversify their local economies.
- As part of investigating value adding investment opportunities in the Mid West:
  - evaluate the viability of a cotton linters plant for straw pulp processing in the Mid West;
  - evaluate the viability of local canola growers producing biodiesel for use in their own businesses;
  - design and cost a laboratory scale (one to ten kilograms per hour) continuous flow protein and fibre isolate plant; and
  - work with the Mingenew-Irwin Group to secure funding for the market assessments for straw pulp and lupin products.
- Secure a new contract with Austrade to enable the Commission to continue to provide expanded TradeStart program (export development) services to local businesses.
- Work with stakeholders to maximise opportunities provided by the development of the Separation Point Marine Precinct by:
  - establishing a suitable Precinct governance structure;
  - attracting further private and public sector use of the Precinct's research and development facilities; and
  - preparing a feasibility study for the proposed Geraldton Marine Interpretive Centre component.

- Review the potential to establish a horticultural precinct in the Walkaway area.
- Secure funding to enhance and promote the region's capability to host conferences, conventions and exhibitions.
- Work with the Cruising Geraldton Steering Committee to plan for future cruise ship visits including the 'Europa', which is due for a return visit to Geraldton in 2007.
- Work with other Geraldton Economic Alliance members to host the third biennial Mid West Economic Summit in September 2005.
- Investigate the viability of establishing a Mid West Indigenous Arts Development Fund for Aboriginal artists in the Mid West.

### Service 3: Infrastructure and Services Development in the Mid West

To facilitate the development of infrastructure and services based on long term economic development strategies, to support communities and businesses in the Mid West.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,312	1,134	2,923	3,473	Funding for Geraldton Foreshore Redevelopment project peaks in 2005-06. 2004-05 has a higher allocation of RDS grant funding.
Less Income .....	228	103	242	162	
Net Cost of Service .....	1,084	1,031	2,681	3,311	Using opening cash balances for Batavia Coast Marina project in 2005-06.
Adjustments <sup>(a)</sup> .....	(61)	(424)	(97)	(226)	
<b>Appropriation for delivery of Service .....</b>	<b>1,023</b>	<b>607</b>	<b>2,584</b>	<b>3,085</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per project .....	\$77,179	\$75,600	\$194,867	\$231,533	2005-06 reflects increased expenditure on the Geraldton Foreshore Redevelopment project.
<b>Full Time Equivalents (FTEs)</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	

### Major Achievements For 2004-05

- Supported the development of the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project by:
  - providing \$1.4 million to the City of Geraldton for stage three of the project as part of the State Government's overall commitment via the Commission of \$9.9 million over six years; and
  - facilitating the establishment of the Foreshore Redevelopment Advisory Committee to ensure coordinated state agency support for the project and maximise the project's outcomes for Geraldton and the Mid West.



- Progressed the Geraldton Marine Services Precinct, which incorporates a 200 tonne heavy boat lifter by:
  - commissioning an economic impact study into the establishment of a heavy boat lifting and marine servicing facility at the Port of Geraldton;
  - working with industry and other groups to prepare a business plan for the Precinct;
  - establishing an industry based Consortium to own the boat lifter and oversee the Precinct's operations;
  - preparing submissions to State and Federal funding programs; and
  - securing in-principle agreement for a long-term lease for the Precinct with the Geraldton Port Authority.
- Supported the Geraldton Universities Centre (GUC) through:
  - provision of a \$201,000 grant as part of \$592,000 being provided over four years to support its operations and establishment;
  - allocating \$80,000 from the RDS to assist the GUC with the construction and fit-out of its new purpose-built facility; and
  - provision of a scholarship to a Mid West resident to undertake undergraduate studies at GUC.
- The Commission was allocated funding in 2004-05 to provide the following grants:
  - \$400,000 to fund extensions to Geraldton's Queen Elizabeth II Centre which will provide additional space to enable an expansion of activities for seniors including the provision of new activities and health oriented initiatives; and
  - \$50,000 to fund a full time coordinator position based at the Queen Elizabeth II Centre for a further 12 months.
- The Commission was allocated \$150,000 from the City Parks Improvement Program for improvements to parks with funding of \$140,000 to the City of Geraldton and \$10,000 to the Shire of Greenough.
- Commissioned the preparation of a scoping study for Stage Two of the redevelopment of the Batavia Coast Marina.
- Held a Mid West Strategic Infrastructure Forum in conjunction with the Department for Planning and Infrastructure (DPI) to raise awareness of the plans of resource proponents, improve understanding of existing infrastructure capability, identify potential infrastructure gaps and explore options to address them.
- Established the Mid West Strategic Infrastructure Group to prepare a Mid West Strategic Infrastructure Plan to ensure a coordinated and holistic approach to strategic infrastructure development within the region.
- Worked with the DPI and the Kalbarri Marine Advisory Committee to review Kalbarri's commercial fishing and marine industry needs including the enhancement of the existing jetty to improve access and safety.
- Worked with the Mid West Chamber of Industry to facilitate local business involvement in a number of major regional construction projects, including the Alinta (Walkaway) Wind Farm, Geraldton Universities Centre purpose-built facilities and the Separation Point Marine Precinct.
- Worked with the DIR to improve the awareness and provision of high speed internet access (broadband) for Mid West residents.
- Supported the DPI to complete a cost benefit study into an alternative industrial estate in the greater Geraldton area.

#### ***Major Initiatives For 2005-06***

- Work with the City of Geraldton and the Foreshore Redevelopment Advisory Committee on stage four of the development of the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project. This will include the management and disbursement of \$2.63 million of State Government funding for the project.
- Work with Geraldton Boat Lifters Inc. to secure funding to establish a marine services precinct and associated heavy boat lifter facility in Geraldton.
- Commission the production of a detailed proposal for stage two of the redevelopment of the Batavia Coast Marina.
- Complete a Strategic Infrastructure Plan to identify likely resource sector strategic infrastructure needs and investigate alternative funding models including those involving multi-users.
- Support the shires of Perenjori and Irwin to undertake socio-economic impact studies of proposed major resource projects within their shires.

- Continue to work with the DIR to improve provision of high speed internet access (broadband) in the Mid West.
- Investigate options for collocation of the Commission with synergistic organisations including the Mid West Chamber of Commerce and Business Enterprise Centre.
- Continue to work with relevant groups to establish a component of the proposed Integrated Agricultural Research Institute in the Mid West.

### CAPITAL WORKS PROGRAM

The major item of the Commission's capital works program for 2005-06 is the provision of \$2.63 million of State Government funding to the City of Geraldton for stage four of its Foreshore Redevelopment and Central Business District Revitalisation project. The Commission will also spend \$31,000 to continue its asset replacement program for computers and office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Geraldton Foreshore Redevelopment and CBD Revitalisation Project .....	9,580	1,390	1,390	2,630
<b>COMPLETED WORKS</b>				
City Parks Improvement Program .....	150	150	150	-
Computer and Office Equipment Replacement 2002-03 Program .....	35	35	20	-
2003-04 Program .....	30	30	30	-
<b>NEW WORKS</b>				
Computer and Office Equipment Replacement 2005-06 Program .....	31	-	-	31
	<u>9,826</u>	<u>1,605</u>	<u>1,590</u>	<u>2,661</u>

### CAPITAL CONTRIBUTION

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	<u>412</u>	<u>30</u>	<u>1,590</u>	<u>2,661</u>	<u>2,879</u>	<u>1,963</u>	<u>1,533</u>
LESS	412	30	1,590	2,661	2,879	1,963	1,533
Commonwealth Grants .....	-	-	-	-	229	-	-
Drawdowns from the Holding Account .....	30	30	-	31	62	33	33
Funding Included in Service Appropriations <sup>(a)</sup> .....	400	-	1,540	2,630	2,130	1,930	1,500
Internal Funds and Balances .....	(18)	-	50	-	-	-	-
Other .....	-	-	-	-	229	-	-
<b>Capital Contribution .....</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>-</u>	<u>-</u>

(a) Capital works expensed through the Income Statement.

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	856	885	920	923	945	942	936
Superannuation .....	82	84	88	90	92	92	92
Grants and subsidies <sup>(c)</sup> .....	1,039	586	2,634	3,204	2,625	2,430	2,000
Supplies and services .....	870	988	832	614	578	412	400
Accommodation .....	130	120	123	117	117	118	118
Capital User Charge .....	1	-	-	-	-	-	-
Depreciation and amortisation .....	17	30	30	30	30	30	30
Other expenses .....	44	14	25	25	25	24	24
<b>TOTAL COST OF SERVICES</b> .....	<b>3,039</b>	<b>2,707</b>	<b>4,652</b>	<b>5,003</b>	<b>4,412</b>	<b>4,048</b>	<b>3,600</b>
<b>Income</b>							
Grants and subsidies .....	852	602	764	657	1,118	620	580
Rent .....	11	6	5	5	5	5	5
Other Revenue .....	131	74	92	86	87	87	87
<b>Total Income</b> .....	<b>994</b>	<b>682</b>	<b>861</b>	<b>748</b>	<b>1,210</b>	<b>712</b>	<b>672</b>
<b>NET COST OF SERVICES</b> .....	<b>2,045</b>	<b>2,025</b>	<b>3,791</b>	<b>4,255</b>	<b>3,202</b>	<b>3,336</b>	<b>2,928</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,922	1,549	3,542	4,001	3,492	3,317	2,912
Resources received free of charge .....	3	-	-	-	-	-	-
Liabilities assumed by the Treasurer .....	-	-	5	5	5	5	5
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>1,925</b>	<b>1,549</b>	<b>3,547</b>	<b>4,006</b>	<b>3,497</b>	<b>3,322</b>	<b>2,917</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>(120)</b>	<b>(476)</b>	<b>(244)</b>	<b>(249)</b>	<b>295</b>	<b>(14)</b>	<b>(11)</b>
Change in Equity arising from transfer of assets/liabilities .....	-	-	-	-	-	(687)	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(120)</b>	<b>(476)</b>	<b>(244)</b>	<b>(249)</b>	<b>295</b>	<b>(701)</b>	<b>(11)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 14, 13 and 14 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	563	71	566	325	162	152	144
Restricted cash .....	630	250	405	-	-	-	-
Receivables .....	188	15	15	15	15	15	15
Amounts receivable for services.....	30	31	31	62	33	33	33
Prepayments.....	3	49	-	-	-	-	-
<b>Total current assets .....</b>	<b>1,414</b>	<b>416</b>	<b>1,017</b>	<b>402</b>	<b>210</b>	<b>200</b>	<b>192</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	46	85	115	93	98	103	108
Plant and equipment.....	32	72	52	53	85	88	91
Inventories.....	520	530	520	520	520	520	520
Other.....	-	-	-	-	687	-	-
<b>Total non-current assets .....</b>	<b>598</b>	<b>687</b>	<b>687</b>	<b>666</b>	<b>1,390</b>	<b>711</b>	<b>719</b>
<b>TOTAL ASSETS.....</b>	<b>2,012</b>	<b>1,103</b>	<b>1,704</b>	<b>1,068</b>	<b>1,600</b>	<b>911</b>	<b>911</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	3	-	-	-	-	-	-
Payables .....	228	71	100	100	100	100	100
Provision for employee entitlements .....	106	96	108	112	115	118	121
Accrued Salaries .....	13	-	-	3	3	7	10
Other.....	360	257	400	-	-	-	-
<b>Total current liabilities.....</b>	<b>710</b>	<b>424</b>	<b>608</b>	<b>215</b>	<b>218</b>	<b>225</b>	<b>231</b>
<b>NON-CURRENT LIABILITIES</b>							
Superannuation .....	-	72	-	-	-	-	-
Provision for employee entitlements .....	73	130	111	117	122	127	132
Borrowings.....	960	960	960	960	960	960	960
<b>Total non-current liabilities .....</b>	<b>1,033</b>	<b>1,162</b>	<b>1,071</b>	<b>1,077</b>	<b>1,082</b>	<b>1,087</b>	<b>1,092</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,743</b>	<b>1,586</b>	<b>1,679</b>	<b>1,292</b>	<b>1,300</b>	<b>1,312</b>	<b>1,323</b>
<b>EQUITY</b>							
Contributed Equity.....	127	60	127	127	356	356	356
Accumulated surplus/(deficit) .....	142	(543)	(102)	(351)	(56)	(757)	(768)
<b>Total equity.....</b>	<b>269</b>	<b>(483)</b>	<b>25</b>	<b>(224)</b>	<b>300</b>	<b>(401)</b>	<b>(412)</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>2,012</b>	<b>1,103</b>	<b>1,704</b>	<b>1,068</b>	<b>1,600</b>	<b>911</b>	<b>911</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,876	1,479	3,472	3,961	3,454	3,279	2,874
Capital Contribution.....	-	-	-	-	229	-	-
Holding Account Drawdowns .....	75	30	-	31	62	33	33
<b>Net cash provided by State government .....</b>	<b>1,951</b>	<b>1,509</b>	<b>3,472</b>	<b>3,992</b>	<b>3,745</b>	<b>3,312</b>	<b>2,907</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(896)	(874)	(890)	(910)	(937)	(930)	(925)
Superannuation .....	(77)	(81)	(83)	(85)	(87)	(87)	(87)
Grants and subsidies .....	(948)	(566)	(2,596)	(3,604)	(2,625)	(2,430)	(2,000)
Supplies and services .....	(832)	(986)	(960)	(614)	(578)	(412)	(400)
Accommodation .....	(130)	(120)	(123)	(117)	(117)	(118)	(118)
Goods and Services Tax .....	(195)	(185)	(419)	(400)	(419)	(264)	(216)
Other.....	(34)	(14)	(26)	(25)	(25)	(24)	(24)
<b>Receipts</b>							
Grants and subsidies .....	774	602	862	657	1,118	620	580
Rent receipts.....	11	6	5	5	5	5	5
Goods and Services Tax .....	156	185	462	400	419	264	216
Other receipts .....	529	74	124	86	87	87	87
<b>Net cash from operating activities .....</b>	<b>(1,642)</b>	<b>(1,959)</b>	<b>(3,644)</b>	<b>(4,607)</b>	<b>(3,159)</b>	<b>(3,289)</b>	<b>(2,882)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(12)	(30)	(50)	(31)	(749)	(33)	(33)
<b>Net cash from investing activities .....</b>	<b>(12)</b>	<b>(30)</b>	<b>(50)</b>	<b>(31)</b>	<b>(749)</b>	<b>(33)</b>	<b>(33)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	297	(480)	(222)	(646)	(163)	(10)	(8)
Cash assets at the beginning of the reporting period .....	896	801	1,193	971	325	162	152
<b>Cash assets at the end of the reporting period.....</b>	<b>1,193</b>	<b>321</b>	<b>971</b>	<b>325</b>	<b>162</b>	<b>152</b>	<b>144</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
City of Geraldton - Foreshore Redevelopment	400	-	1,395	2,630	2,125	1,930	1,500
City of Geraldton - Queen Elizabeth II Centre extension .....	-	-	450	-	-	-	-
Geraldton Universities Centre .....	280	201	201	34	-	-	-
Regional Development Scheme grants.....	348	380	420	540	500	500	500
City Parks Improvement Program .....	-	-	150	-	-	-	-
Regional Co-operative Research projects .....	-	5	18	-	-	-	-
Department of Local Government and Regional Development.....	6	-	-	-	-	-	-
Shire of Perenjori – Very Large Scale PhotoVoltaic power generation .....	5	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,039</b>	<b>586</b>	<b>2,634</b>	<b>3,204</b>	<b>2,625</b>	<b>2,430</b>	<b>2,000</b>

## WHEATBELT DEVELOPMENT COMMISSION

### PART 4 - MINISTER FOR AGRICULTURE AND FORESTRY; THE MID-WEST AND WHEATBELT

#### DIVISION 15

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 47 Net amount appropriated to deliver services .....</b>	1,440	1,783	1,879	<b>1,431</b>	1,449	1,485	1,510
Total appropriations provided to deliver services .....	1,440	1,783	1,879	<b>1,431</b>	1,449	1,485	1,510
<b>GRAND TOTAL .....</b>	<b>1,440</b>	<b>1,783</b>	<b>1,879</b>	<b>1,431</b>	<b>1,449</b>	<b>1,485</b>	<b>1,510</b>

#### MISSION

*To promote, plan, facilitate and support development for the wellbeing of our community.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Wheatbelt region continues to support the third largest regional population in Western Australia, and is likely to remain so for decades. The trend for growth to be at medium to high levels along the central coast and in the Avon Arc is offset by slow decline in the Wheatbelt south and more rapid decline in the central east. The region's regional centres and sub-regional centres are generally stable, promoting services over greater distances, as services disappear from small towns.
- Agriculture, particularly grain production, remains the dominant industry in the region. Following a record season there has been a very modest season and the reappearance of the trend to farm consolidation and an increase in absentee landowners. This also increases pressure on regional and sub-regional centres to deliver services and places pressure on infrastructure upgrades and redistribution.
- Livestock numbers in the region are continuing to increase as a result of industry identifying the Wheatbelt region as an economically viable location for livestock production.
- Opportunities for horticulture, and various forms of intensive production continue, influenced by availability of and access to water. Interstate and overseas markets continue to dominate future strategies.
- Infrastructure and service delivery remain a continuing and major issue in the Wheatbelt. Ageing electricity infrastructure has become a serious impediment to progress, especially at the Avon Industrial Park, changing road use patterns, influenced heavily by the Co-operative Bulk Handling's changes to grain receival points, is highlighting the challenge to plan for and upgrade the road network in a cost effective manner.
- Despite the fact that 44 local governments make working regionally difficult in the Wheatbelt, the Commission continues to work with local government on a sub-regional basis to develop a cohesive approach to the triple bottom line development of the region.
- Service delivery remains a constant concern as the Wheatbelt region, the third most populous in Western Australia, has dispersed population centres.
- The establishment of regional natural resource management councils is providing a framework for dealing with the impacts being experienced through salinity, soil acidification and loss of biodiversity.

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Information and Promotion Services .....	1,114	1,263	1,279	1,060			
<i>Service 2:</i>							
Facilitation Services .....	810	1,055	1,269	978			
<b>Total Cost of Services .....</b>	<b>1,924</b>	<b>2,318</b>	<b>2,548</b>	<b>2,038</b>	<b>2,071</b>	<b>2,110</b>	<b>2,124</b>
<i>Less Income .....</i>	<i>606</i>	<i>490</i>	<i>545</i>	<i>675</i>	<i>675</i>	<i>675</i>	<i>675</i>
<b>Net Cost of Services .....</b>	<b>1,318</b>	<b>1,828</b>	<b>2,003</b>	<b>1,363</b>	<b>1,396</b>	<b>1,435</b>	<b>1,449</b>
Adjustments <sup>(a)</sup> .....	122	(45)	(124)	68	53	50	61
<b>Appropriation provided to deliver Services.</b>	<b>1,440</b>	<b>1,783</b>	<b>1,879</b>	<b>1,431</b>	<b>1,449</b>	<b>1,485</b>	<b>1,510</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS .....</b>	<b>1,440</b>	<b>1,783</b>	<b>1,879</b>	<b>1,431</b>	<b>1,449</b>	<b>1,485</b>	<b>1,510</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer, Chairperson and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To ensure that regional Western Australia is strong and vibrant.	The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.	1. Information and Promotion Services 2. Facilitation Services

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.</b>					
Satisfaction survey that the Commission is achieving its outcome - sample size .....	151	160	150	150	
Strongly Agree .....	15%	21%	21%	21%	
Agree .....	43%	59%	59%	59%	
Neither Agree or Disagree .....	21%	8%	8%	8%	
Strongly Disagree .....	12%	2%	2%	2%	
Don't Know .....	9%	10%	10%	10%	

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

**Service 1: Information and Promotion Services**

The provision of timely and accurate information to meet client need in developing the Wheatbelt region through the identification and promotion of the comparative advantages of the region, the diversification of industry and businesses, and by providing a central point for information and assistance.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,114	1,263	1,279	1,060	2004-05 includes one-off grant funding for the Town of Northam CBD project of \$400,000.
Less Income .....	355	267	274	360	
Net Cost of Service .....	759	996	1,005	700	
Adjustments <sup>(a)</sup> .....	75	(24)	(62)	44	
<b>Appropriation for delivery of Service .....</b>	<b>834</b>	<b>972</b>	<b>943</b>	<b>744</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per hour of regional development service.....	\$79.16	\$130.96	\$92.63	\$94.71	
Average cost per program of grants conveyed.	\$6,483	\$16,423	\$12,482	\$19,760	
<b>Full Time Equivalent (FTEs)</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	



**Major Achievements For 2004-05**

- Developed and rolled out the ‘Winning Hearts and Minds’ marketing project of the Wheatbelt region.
- The fourth round of the Wheatbelt Regional Development Scheme, which provided \$400,000 grant funding for regional development projects was administered. The scheme is part of the Government’s Regional Investment Fund.
- Worked in conjunction with other government organisations, to develop regionally based initiatives to attract and retain professional staff in the Wheatbelt.
- Worked in conjunction with key stakeholders to commence development of a Wheatbelt Futures Cooperative Research Centre (CRC), proposed to be based at the Muresk Institute.
- Developed a Memorandum of Understanding (MOU) with the Western Australian Country Health Services to deliver health reforms in consultation with the Commission.

**Major Initiatives For 2005-06**

- Develop a corporate model for marketing the region with a structure that provides an intensive, sustainable and coordinated approach to marketing and promotion of the region. This may involve the development of a separate body capable of attracting external funding from major private companies in the region.
- The Commission will continue to support Heartlands Country (a regional branding group that promotes value added agriculture in the Wheatbelt) as part of its communications strategy.
- Work within the Western Australian Country Health Services MOU to implement creative health delivery options in the Wheatbelt.
- Continue to develop the possibility of basing a Wheatbelt Futures CRC in the region to provide a focal point for economic and social research.

**Service 2: Facilitation Services**

The provision of assistance, support and encouragement to clients, based around identified regional opportunities. Central to this output are activities that relate to the facilitation of the upgrading of infrastructure, provide encouragement and support to the development of new industries and facilitate the intensification, expansion and diversification of existing industries.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	810	1,055	1,269	978	2004-05 includes one-off grant funding for the Town of Northam CBD project of \$400,000.
Less Income .....	251	223	271	315	
Net Cost of Service .....	559	832	998	663	
Adjustments <sup>(a)</sup> .....	47	(21)	(62)	24	
<b>Appropriation for delivery of Service .....</b>	<b>606</b>	<b>811</b>	<b>936</b>	<b>687</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per hour of regional development service.....	\$77.14	\$131.13	\$86.30	\$100.52	
Average cost per program of grants conveyed.	\$13,094	\$19,576	\$46,009	\$34,200	
<b>Full Time Equivalents (FTEs)</b>	6	6	6	6	

**Major Achievements For 2004-05**

- Implemented part of the Wheatbelt South Action Plan, specifically targeting improvement in the understanding of agency requirements for quality Government Employees Housing Authority accommodation in the Wheatbelt.
- Highlighted and encouraged the upgrading of the electricity network in the region including the development of embedded generation in the Wheatbelt to improve electricity reliability and quality.
- Continued to support the upgrading and completion of key strategic regional roads.
- Scoped and applied for external funding for a Central Midlands Sub-regional Strategy to guide the sustainable development of the Central Midlands. This is one part of the Wheatbelt under pressure from urbanisation and industry.

**Major Initiatives For 2005-06**

- Under the Wheatbelt South Action Plan, encourage Wheatbelt South local governments to work together to develop a cross shire waste management strategy, including combining resources to promote recycling.
- Increase the focus on education and training, and related services, in the Wheatbelt. This will include the Commission working with service providers and communities to pursue creative service delivery options.
- Work with the Avon Industrial Park Board to see improved infrastructure to this park. One of the main aims is to see the power supply to the Avon Industrial Park upgraded to meet the needs of current and future proponents.
- Continue to support the successful Regional Skilled Migration Scheme as part of the ongoing effort to attract skilled workers to the Wheatbelt.
- Continue to work with locally based Indigenous groups to develop and implement new economic development opportunities.

**CAPITAL WORKS PROGRAM**

The Commission continues a rolling program of asset replacement and enhancement to improve service delivery through the use of efficient technologies.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
CBD Redevelopment - Northam .....	400	400	400	-
Computer and Office Replacement 2003-05 Program .....	144	144	96	-
Experience IT .....	218	218	39	-
<b>NEW WORKS</b>				
Computer and Office Replacement 2005-06 Program .....	73	-	-	73
	835	762	535	73

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	72	445	535	73	47	20	55
	72	445	535	73	47	20	55
<b>LESS</b>							
Asset Sales .....	-	-	10	-	-	-	-
Drawdowns from the Holding Account .....	48	45	86	73	47	20	55
Funding Included in Service Appropriations <sup>(a)</sup> .....	-	400	400	-	-	-	-
Internal Funds and Balances .....	24	-	39	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

(a) Capital works expensed through the Income Statement.

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	997	754	822	810	810	824	838
Superannuation .....	86	68	78	81	84	87	89
Grants and subsidies <sup>(c)</sup> .....	280	870	1,045	570	570	570	570
Consultancies expense .....	5	12	12	14	14	15	15
Supplies and services .....	382	465	399	409	430	438	436
Accommodation .....	86	74	71	67	67	68	68
Capital User Charge .....	28	23	23	25	31	37	37
Depreciation and amortisation .....	48	40	40	50	53	59	59
Costs of disposal of non-current assets .....	-	-	34	-	-	-	-
Other expenses .....	12	12	24	12	12	12	12
<b>TOTAL COST OF SERVICES .....</b>	1,924	2,318	2,548	2,038	2,071	2,110	2,124
<b>Income</b>							
Grants and subsidies .....	506	470	510	650	650	650	650
Proceeds from disposal of non-current assets ..	-	-	10	-	-	-	-
Other Revenue .....	100	20	25	25	25	25	25
<b>Total Income .....</b>	606	490	545	675	675	675	675
<b>NET COST OF SERVICES .....</b>	1,318	1,828	2,003	1,363	1,396	1,435	1,449
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,440	1,783	1,879	1,431	1,449	1,485	1,510
Resources received free of charge .....	6	5	17	17	17	17	17
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	1,446	1,788	1,896	1,448	1,466	1,502	1,527
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD .....</b>	128	(40)	(107)	85	70	67	78
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS .....</b>	128	(40)	(107)	85	70	67	78

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are all 13.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	39	201	232	264	312	372	436
Restricted cash .....	393	39	73	73	73	73	73
Receivables .....	34	18	20	20	20	20	32
Amounts receivable for services.....	86	63	73	47	20	117	62
Prepayments.....	25	9	18	16	15	12	12
<b>Total current assets .....</b>	<b>577</b>	<b>330</b>	<b>416</b>	<b>420</b>	<b>440</b>	<b>594</b>	<b>615</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	58	76	25	60	128	90	169
Plant and equipment.....	119	113	87	127	137	109	126
Prepayments.....	4	-	1	1	1	1	1
Other.....	-	-	54	37	21	10	(11)
<b>Total non-current assets.....</b>	<b>181</b>	<b>189</b>	<b>167</b>	<b>225</b>	<b>287</b>	<b>210</b>	<b>285</b>
<b>TOTAL ASSETS.....</b>	<b>758</b>	<b>519</b>	<b>583</b>	<b>645</b>	<b>727</b>	<b>804</b>	<b>900</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	-	7	1	2	3	-	-
Payables .....	70	58	50	39	31	26	25
Provision for employee entitlements .....	136	122	117	102	123	144	165
Accrued Salaries .....	13	18	13	13	13	13	13
Other.....	56	16	27	30	29	27	26
<b>Total current liabilities.....</b>	<b>275</b>	<b>221</b>	<b>208</b>	<b>186</b>	<b>199</b>	<b>210</b>	<b>229</b>
<b>NON-CURRENT LIABILITIES</b>							
Superannuation .....	-	1	-	-	-	-	-
Provision for employee entitlements .....	15	19	14	13	12	11	10
<b>Total non-current liabilities .....</b>	<b>15</b>	<b>20</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>11</b>	<b>10</b>
<b>TOTAL LIABILITIES.....</b>	<b>290</b>	<b>241</b>	<b>222</b>	<b>199</b>	<b>211</b>	<b>221</b>	<b>239</b>
<b>EQUITY</b>							
Contributed Equity.....	75	75	75	75	75	75	75
Accumulated surplus/(deficit) .....	393	203	286	371	441	508	586
<b>Total equity.....</b>	<b>468</b>	<b>278</b>	<b>361</b>	<b>446</b>	<b>516</b>	<b>583</b>	<b>661</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>758</b>	<b>519</b>	<b>583</b>	<b>645</b>	<b>727</b>	<b>804</b>	<b>900</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	1,354	1,743	1,839	1,349	1,361	1,406	1,431
Holding Account Drawdowns .....	48	45	86	73	47	20	55
<b>Net cash provided by State government .....</b>	<b>1,402</b>	<b>1,788</b>	<b>1,925</b>	<b>1,422</b>	<b>1,408</b>	<b>1,426</b>	<b>1,486</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(984)	(791)	(867)	(828)	(791)	(804)	(818)
Superannuation .....	(77)	(67)	(80)	(73)	(84)	(92)	(90)
Grants and subsidies .....	(293)	(870)	(1,049)	(570)	(570)	(570)	(570)
Consultancies payments.....	(5)	(12)	(12)	(13)	(14)	(15)	(15)
Supplies and services .....	(384)	(459)	(427)	(407)	(412)	(415)	(423)
Accommodation.....	(72)	(59)	(57)	(64)	(74)	(76)	(77)
Capital User Charge.....	(19)	(23)	(23)	(25)	(31)	(37)	(37)
Goods and Services Tax .....	(77)	(65)	(68)	(65)	(65)	(65)	(65)
Other.....	(12)	(12)	-	(12)	(12)	(12)	(12)
<b>Receipts</b>							
Grants and subsidies .....	495	470	510	650	650	650	650
Goods and Services Tax .....	114	65	65	65	65	65	65
Other receipts .....	83	8	42	25	25	25	25
<b>Net cash from operating activities.....</b>	<b>(1,231)</b>	<b>(1,815)</b>	<b>(1,966)</b>	<b>(1,317)</b>	<b>(1,313)</b>	<b>(1,346)</b>	<b>(1,367)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(56)	(45)	(96)	(73)	(47)	(20)	(55)
Proceeds from sale of non-current assets .....	-	-	10	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(56)</b>	<b>(45)</b>	<b>(86)</b>	<b>(73)</b>	<b>(47)</b>	<b>(20)</b>	<b>(55)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Net cash from financing activities.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
Cash assets at the beginning of the reporting period .....	317	311	432	305	337	385	445
<b>Cash assets at the end of the reporting period.....</b>	<b>432</b>	<b>239</b>	<b>305</b>	<b>337</b>	<b>385</b>	<b>445</b>	<b>509</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Avon Community Development Foundation ...	-	50	50	50	50	50	50
Regional Development Scheme.....	280	400	400	500	500	500	500
Other.....	-	420	595	20	20	20	20
<b>TOTAL</b>	<b>280</b>	<b>870</b>	<b>1,045</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>570</b>



## Part 5

### Minister for Education and Training

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
275	Education and Training			
	– Delivery of Services .....	2,520,642	2,603,424	<b>2,729,827</b>
	– Capital Contribution .....	101,451	122,131	<b>160,738</b>
	Total .....	2,622,093	2,725,555	<b>2,890,565</b>
298	Country High School Hostels Authority			
	– Delivery of Services .....	5,402	5,435	<b>5,963</b>
	– Capital Contribution .....	542	542	<b>5,629</b>
	Total .....	5,944	5,977	<b>11,592</b>
306	Curriculum Council			
	– Delivery of Services .....	10,974	10,996	<b>14,318</b>
	– Capital Contribution .....	79	79	<b>1,579</b>
	Total .....	11,053	11,075	<b>15,897</b>
318	Education Services			
	– Delivery of Services .....	13,608	10,595	<b>13,340</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	201,214	258,941	<b>216,427</b>
	Total .....	214,822	269,536	<b>229,767</b>
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	2,550,626	2,630,450	<b>2,763,448</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	201,214	258,941	<b>216,427</b>
	– Capital Contribution .....	102,072	122,752	<b>167,946</b>
	Total .....	2,853,912	3,012,143	<b>3,147,821</b>





## EDUCATION AND TRAINING

### PART 5 - MINISTER FOR EDUCATION AND TRAINING

#### DIVISION 16

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 48 Net amount appropriated to deliver services</b> <sup>(a) (b)</sup> .....	2,407,260	2,520,113	2,602,895	<b>2,729,282</b>	2,807,444	2,894,151	2,956,735
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975</b> .....	225	529	529	<b>545</b>	561	578	595
Total appropriations provided to deliver services .....	2,407,485	2,520,642	2,603,424	<b>2,729,827</b>	2,808,005	2,894,729	2,957,330
<b>CAPITAL</b>							
<b>Item 137 Capital Contribution</b> .....	94,823	101,451	122,131	<b>160,738</b>	202,710	148,610	112,310
<b>GRAND TOTAL</b> .....	2,502,308	2,622,093	2,725,555	<b>2,890,565</b>	3,010,715	3,043,339	3,069,640

- (a) \$119 million of the total 2005-06 Budget Estimate is to be appropriated to government schools as School Grants (\$82 million), School Utilities Grants (\$34 million) and Foundation Grants (\$3 million).
- (b) The appropriation of funds for the delivery of vocation and education training services by TAFE Colleges, Curtin University Kalgoorlie, Vocational Training and Education Centre and the Western Australian Academy of Performing Arts is provided in the Details of Controlled Grants and Subsidies table.

#### 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

- Community expectations of public education continue to rise, generating a demand for high standards of academic excellence and quality in teaching, particularly in literacy and numeracy. In particular, the outcomes for Aboriginal learners must be improved.
- 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 competencies that are recognised in the workplace.
- Skill shortages have developed in a number of industries, brought about by the strong State economy. A key issue for the vocational education and training (VET) sector is its ability to meet the growing demand for skilled workers and increase participation in the labour market.
- The development of more flexible and improved pathways between schools, apprenticeships and traineeships, VET, universities and the community sector is essential to support the growing demand for more diverse and varied learning opportunities for school leavers.
- Significant changes in demographic and social structures are creating the need for a greater emphasis in public schools on behaviour management, values education, pastoral care and citizenship.

- The rapid changes in, and widespread use of information and communication technologies in the workplace requires students to be technology-smart, teachers and lecturers to be skilled in the use of technology in teaching and schools and TAFE colleges to have state-of-the-art infrastructure.
- Together with major demographic changes and ageing facilities driving the construction of new schools and rationalisation and/or maintenance of existing facilities, changes in pedagogy, especially the introduction of new technologies for teaching and learning and approaches to behaviour management and pastoral care, are placing significant pressure on the need to upgrade or refurbish existing facilities.
- The ageing population will impact on the staffing at schools and TAFE colleges with potential for shortages emerging as the retirement rate accelerates.
- There is unprecedented pressure on Western Australia and other States and Territories to conform to a national agenda that is driven by current Australian Government policy.

### **Major Achievements 2004-05**

- Government schooling was provided to 250,712 students (February 2005 census figures excluding part-time secondary students). Kindergarten education was provided to 16,600 students (excluding students enrolled in kindergarten programs at community kindergartens); and pre-primary education to 19,471 students.
- Twenty public consultation forums were conducted in 2004 confirming widespread community support for raising the school leaving age to 16 in 2006 and 17 in 2008.
- Better information and more rigorous accountability measures and processes for government school performance were introduced.
- The Academic Performance Improvement Team was established and commenced work with 42 high schools and expanded its support to include all senior high schools with a Tertiary Entrance Examinations (TEE) program. The number of government school students in the top 5% increased from four in 2003 to 10 in 2004, and the number of government school students achieving TEE Subject Exhibitions increased from 10 in 2003 to 17 in 2004.
- In 2004 more than 77,000 government school students in Years 3, 5 and 7 were assessed in aspects of literacy and numeracy as part of the Western Australian Literacy and Numeracy Assessment.
- A strategy to improve the literacy outcomes of students in remote community schools commenced.
- In 2004, 16,188 Year 9 students in government schools were assessed in aspects of English and Mathematics as part of the inaugural Monitoring Standards in Education or MSE 9 program.
- To support the introduction of the new academic standards known as Achievement Targets, professional development was provided for 5,000 Year 3 teachers and Year 9 teachers in English and Mathematics.
- The Behaviour Management and Discipline initiative delivered an additional \$7 million to 44 targeted secondary schools, teacher training and support for students with challenging behaviour. An additional \$8 million was allocated to the program late in 2004.
- For the first time schools were provided with access to instruments to assess the personal and social development of students.
- The Department commenced implementation of the major recommendations of the Review of Education Services for Students with Disabilities in Government Schools as part of its compliance with the Australian Government's *Disability Discrimination Act* Standards for Education.
- An additional 30 schools were made eligible to access the rural incentives scheme to recruit and retain quality teachers in country locations.
- An additional 165 teachers accessed Level 3 classroom teacher status in 2004.

- For the first time teachers in 29 metropolitan schools had access to an allowance recognising the complexity of the social and economic environments in which they teach.
- 2,722 new computer work stations were purchased and more than 17,000 new student accounts were created under the 100 Schools Project.
- The rollout of the Department of Education and Training (DET) central broadband Internet Service was provided to 767 schools. A high quality computer and satellite based service was implemented for Schools of the Air and distance education students to replace the outdated radio system.
- \$151.8 million was allocated to ensuring adequate infrastructure for schools across the State including building nine new primary schools, upgrading primary and secondary schools, and finalising the Secondary Schools Refurbishment Program.
- Cross-cultural awareness training for teachers and the teaching of Aboriginal studies was mandated for all government schools. Staff in schools with high Aboriginal populations were provided with professional development in a range of programs to develop their capacity to deliver curriculum to Aboriginal students.
- The number of apprenticeships and traineeships increased by 6.5% to 26,300, exceeding the original 2006 target of 25,000 apprentices and trainees in training.
- The number of school-based trainees increased to more than 1,100. Of these, more than 550 were Aboriginal school-based trainees, exceeding the target of 350 set for Indigenous young people by 2006.
- TAFEWA PLUS, a job preparation and placement service, was established across the TAFE College network, facilitating the placement of TAFEWA graduates into jobs, and improving access to career advice for all students.
- The Western Australian Strategy for Adult Community Education was implemented, providing a focal point to promote and develop Adult Community Education in Western Australia.
- The TAFEWA jobs board was established to promote and provide secondment opportunities to TAFEWA staff, enabling them to enhance their skills and experience across the TAFEWA network.
- The First Click program funded almost 90 programs for the provision of basic computer literacy courses for almost 5,000 Western Australians.
- Over \$700,000 was allocated to the Small Business Smart Business program, with approximately 4,000 vouchers allocated to small businesses across Western Australia.
- Articulation arrangements between TAFEWA Colleges and Western Australian universities were expanded, and a set of consistent business practices developed to assist TAFEWA colleges manage and promote the articulation process.
- The TAFEWA Lecturers Qualifications Framework was developed and negotiated as part of the certified agreement with the Australian Education Union. The framework aims to encourage TAFE practitioners to gain teaching qualifications to complement their qualifications in their area of delivery.
- The School Apprenticeship Link initiative was developed in 2004. The initiative aims to make the trades more attractive to students, and increase the number of young people entering into apprenticeships.
- The Fast Track Apprenticeship Program was developed, providing mature aged and semi-skilled workers an express route through an apprenticeship, while meeting industry skill shortages in the process.

**Major Initiatives 2005-06**

- Commence planning and trialing of programs for students in anticipation of the change to the school leaving age to 16 in 2006 and to 17 in 2008.
- Provide an annual payment of up to \$400 to parents of TAFE students and \$200 to parents of public and private school students to help meet the cost of education and training in Years 11 and 12. This payment is over and above the \$100 government subsidy to students in public schools in Years 8 to 12.
- Commence planning to re-establish Perth Modern School as a select school for academically talented children with a particular focus on providing places for students from rural areas.
- Commence development of a residential college in Perth to accommodate outstanding regional students who gain entry to specialist education programs.
- Allocate an extra \$445,000 to improve services to gifted and talented students at all public schools and for scholarships to encourage and reward outstanding academic achievement by students in public schools.
- Following full implementation of the Getting it Right Literacy and Numeracy program in primary schools, appoint an additional 25 teachers to targeted high schools where students need extra assistance in literacy and numeracy.
- Support secondary schools in their implementation of changes in post compulsory education.
- Phase in the requirement that all public primary school students undertake at least two hours of physical exercise every week. This will be supported with an extra \$100,000 per annum from 2005-06 onwards for professional development for teachers.
- Upgrade playground equipment at existing primary schools at a cost of \$2 million over 2005-06 and 2006-07 and provide all new public primary schools with playground equipment.
- Commence upgrading computer resources and provide extra teacher training at regional and metropolitan schools.
- Commence a four year program to build 39 new schools at an estimated cost of \$400 million, undertake improvements at existing schools at an estimated cost of more than \$300 million and undertake school maintenance at a cost of \$300 million.
- Upgrade science buildings and facilities at selected public high schools at a cost of \$9 million.
- Introduce a compulsory community service obligation for students in Years 10 and 11 requiring students to undertake a minimum of twenty hours community service over two years.
- Continue with the \$64.5 million four year program to support teachers in addressing student behaviour and discipline problems.
- Commence the establishment of new football academies at selected regional and/or metropolitan locations, building on the success of academies at Clontarf, Geraldton, Balga and Kalgoorlie.
- Increase funding to the Churches Commission for Education (Youth Care) from \$350,000 to \$700,000 per annum for administration and support to the school chaplaincy service.
- Commence a four year program to expand the school volunteer program at a cost of \$270,000 per annum.
- Strengthen support for the anti-suicide agency Youth Focus by providing for the appointment of two full time staff so that this expertise is more readily available to schools.
- Introduce five year site tenure for all newly appointed principals.
- From 2006, provide 173 additional schools access to local selection for vacancies for teaching staff.

- Achieve a target of 26,700 apprentices and trainees in training that includes 300 additional places towards the four year goal of 30,000 by 2009.
- Engage 500 students in the School Apprenticeship Link program.
- Expand the Fast Track Apprenticeship Program to phase in programs involving automotive, hospitality, and building and construction industries.
- Extend the Youth Skills Investment Initiative by 200 funded training places for young people who have no formally recognised qualifications.
- Develop a volunteer mentoring program to enable experienced trades people to pass on their knowledge to younger workers.
- Establish the Second Click program to enable people who have a basic understanding of computers or the Internet to increase their skills and knowledge.
- Consult with major stakeholders with the aim of introducing more flexible arrangements for apprenticeships and traineeships with a reduction in the time served for apprenticeships.
- Provide opportunities, through the creation of a master class of trades, for trade persons to enhance their skills, especially in areas of skill shortages.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken prior to State Election</b>				
School building maintenance .....	20,000	14,000	15,000	-
TAFE Lecturers' Certified Agreement .....	8,838	11,643	12,076	12,439
Vacation Swimming .....	1,800	1,800	1,800	1,800
Criminal Records Screening .....	-	103	-	-
Literacy and Numeracy .....	1,313	2,300	2,358	2,418
Skills and Training .....	2,725	4,475	6,225	7,975
<b>Decisions taken since State Election</b>				
Academic Excellence .....	445	1,320	1,320	1,320
Behaviour Management .....	1,520	1,820	1,970	2,270
Computers in Schools .....	4,161	6,446	7,761	11,133
Learning and Training Guarantee .....	19,962	26,576	38,028	51,393
Physical Activity .....	100	100	100	100
Skills Centre in Kalgoorlie .....	250	-	-	-
Skills Initiative (Fast Track) .....	750	500	500	500
Student Community Service .....	210	300	340	350

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Primary education .....	1,446,328	1,491,771	1,569,517	1,609,343			
<i>Service 2:</i>							
Secondary education .....	990,565	1,003,198	1,063,423	1,089,720			
<i>Service 3:</i>							
Vocational education and training services .....	453,699	460,819	463,405	476,911			
<b>Total Cost of Services .....</b>	<b>2,890,592</b>	<b>2,955,788</b>	<b>3,096,345</b>	<b>3,175,974</b>	<b>3,293,440</b>	<b>3,395,182</b>	<b>3,487,580</b>
<i>Less Income .....</i>	<i>481,078</i>	<i>443,486</i>	<i>504,139</i>	<i>505,091</i>	<i>517,597</i>	<i>525,709</i>	<i>545,844</i>
<b>Net Cost of Services .....</b>	<b>2,409,514</b>	<b>2,512,302</b>	<b>2,592,206</b>	<b>2,670,883</b>	<b>2,775,843</b>	<b>2,869,473</b>	<b>2,941,736</b>
Adjustments <sup>(a)</sup> .....	(2,029)	8,340	11,218	58,944	32,162	25,256	15,594
<b>Appropriation provided to deliver Services.</b>	<b>2,407,485</b>	<b>2,520,642</b>	<b>2,603,424</b>	<b>2,729,827</b>	<b>2,808,005</b>	<b>2,894,729</b>	<b>2,957,330</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>94,823</b>	<b>101,451</b>	<b>122,131</b>	<b>160,738</b>	<b>202,710</b>	<b>148,610</b>	<b>112,310</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS .....</b>	<b>2,502,308</b>	<b>2,622,093</b>	<b>2,725,555</b>	<b>2,890,565</b>	<b>3,010,715</b>	<b>3,043,339</b>	<b>3,069,640</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, the Director General and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcomes	Services
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
	A responsive vocational education and training sector which meets the needs of Western Australian students and employers.	3. Vocational education and training services

**Outcomes and Key Effectiveness Indicators** <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Quality education for all Western Australians who choose government schooling.</b>					
Secondary graduation rate (proportion of Year 8 cohort achieving Secondary Graduation in Year 12) .....	53%	53%	54%	54%	
Apparent retention rate (proportion of Year 8 cohort studying in Year 12) .....	63%	63%	63%	63%	
Benchmark performance in literacy and numeracy					
Year 3 students achieving national benchmarks:					
Reading .....	94%	94%	94%	94%	
Numeracy .....	87%	87%	87%	87%	
Year 7 students achieving national benchmarks:					
Reading .....	81%	83%	81%	81%	
Numeracy .....	77%	79%	77%	77%	
<b>Outcome: A responsive vocational education and training sector which meets the needs of Western Australian students and employers.</b>					
Graduate achieved or partly achieved main reason for undertaking the course.....	77%	80%	78%	78%	
Successful training completions - Module Load Completion Rate (MLCR) (proportion of Student Curriculum Hours (SCH) successfully completed).....	73%	74%	74%	74%	
Student satisfaction <sup>(b)</sup> .....	84%	84%	84%	84%	

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

(b) The proportion of respondents to the student satisfaction survey undertaken across the State responding 'satisfied/very satisfied' to the question 'how satisfied are you overall with your course of study'.

**Service 1: Primary Education**

This service provides access to education in government schools for eligible persons aged generally from 4 years and 6 months to 12 years.

Primary education includes pre-compulsory and is structured in terms of primary, district high and remote community schools, as well as the Schools of Isolated and Distance Education, and education support centres and schools.

The intellectual, moral, social and physical development of students is encouraged in inclusive, safe and stimulating environments. Activities in the primary years are integrated across eight learning areas and schools have the capacity to offer specialist programs to cater for the needs of a diverse range of students including students with disabilities, students from language backgrounds other than English, and gifted and talented students.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,446,328	1,491,771	1,569,517	1,609,343	
Less Income .....	188,863	172,730	199,936	202,824	
Net Cost of Service .....	1,257,465	1,319,041	1,369,581	1,406,519	
Adjustments <sup>(a)</sup> .....	(52,886)	738	(49,922)	(23,250)	
<b>Appropriation for delivery of Service .....</b>	<b>1,204,579</b>	<b>1,319,779</b>	<b>1,319,659</b>	<b>1,383,269</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per student FTE .....	\$9,199	\$9,552	\$9,979	\$10,269	
<b>Full Time Equivalents (FTEs)</b>	<b>16,838</b>	<b>17,237</b>	<b>17,478</b>	<b>17,807</b>	

### Service 2: Secondary Education

This service provides access to education in government schools for eligible persons aged generally 12 years and over.

Historically, government secondary education was provided by senior high schools (Years 8 to 12), high schools (Years 8 to 10) and district high schools (Years K to 10); a small number of primary schools and the Schools of Isolated and Distance Education. Since the 1980s, different forms of secondary education have been developed providing more flexibility to better cater for the diverse needs of students.

In the middle years, within the context of the eight learning areas, the educational focus is on the development of learning process skills such as investigating, planning, producing, evaluating and communicating.

In the senior years, the aim is to provide students with a wide range of programs to continue their schooling to the end of Year 12 and to gain TAFE or university entry, traineeships, apprenticeships or full-time employment.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	990,565	1,003,198	1,063,423	1,089,720	
Less Income .....	160,741	143,232	167,737	170,039	
Net Cost of Service .....	829,824	859,966	895,686	919,681	
Adjustments <sup>(a)</sup> .....	(5,279)	8,399	(1,554)	16,960	
<b>Appropriation for delivery of Service .....</b>	<b>824,545</b>	<b>868,365</b>	<b>894,132</b>	<b>936,641</b>	

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



**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Cost per student FTE .....	\$11,993	\$12,033	\$12,975	\$13,405	
<b>Full Time Equivalents (FTEs)</b>	10,332	10,320	10,564	10,701	

**Service 3: Vocational Education and Training Services**

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

The objective of the Department is to identify and meet industry, regional and community training needs and priorities.

In line with the strategic directions and policies of the State and Commonwealth governments, and through extensive consultative processes and targeted research studies, an Annual State Training Profile is developed to ensure that the needs of Western Australian clients, employers and students, are met.

The Department funds training delivered by Registered Training Organisations (RTOs), which are monitored for quality, compliance and agreed outcomes. The quality of training services and outcomes is monitored through client surveys and other means to identify strategic areas for improvement and trends over time.

The role of the Department is to ensure that training services are efficiently and effectively deployed to provide appropriate training and skills for all clients within the State.

	2003-04 Actual	2004-05 Budget	2004-05 Estimated Actual	2005-06 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service .....	453,699	460,819	463,405	476,911	
Less Income .....	131,474	127,524	136,466	132,228	
Net Cost of Service .....	322,225	333,295	326,939	344,683	
Adjustments <sup>(a)</sup> .....	56,136	(797)	62,694	65,234	
<b>Appropriation for delivery of Service .....</b>	<b>378,361</b>	<b>332,498</b>	<b>389,633</b>	<b>409,917</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per Student Curriculum Hour (SCH) <sup>(a)(b)</sup> .....	\$14.20	\$15.38	\$15.38	\$15.38	
Average cost per successful SCH <sup>(b)(c)</sup> .....	\$19.24	\$20.80	\$20.80	\$20.80	
<b>Full Time Equivalents (FTEs)</b>	528	473	584	589	

(a) The average cost per SCH is calculated by dividing the expenditure for publicly funded VET by the total SCH.

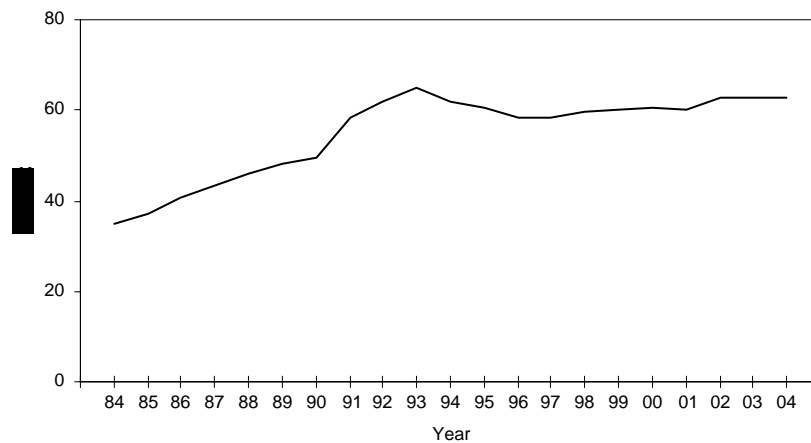
(b) This indicator is different from the measure reported in previous budgets.

(c) The average cost per successful SCH is calculated by dividing the expenditure for publicly funded VET by the total successful SCH.

## Supplementary performance information

	2003-04 Actual	2004-05 Estimated
<b>Student FTE<sup>(a)</sup></b>		
Primary.....	157,219	157,278
Secondary.....	82,594	81,958
<b>Secondary graduation rates</b> (proportion of Year 8 cohort achieving secondary graduation in Year 12):		
Female students.....	58.5	59.3
Male students.....	48.6	48.8
<b>Apparent retention rates</b> (proportion of Year 8 cohort studying in Year 12):		
Female students.....	66.6	67.1
Male students.....	59.4	58.4
Aboriginal.....	21.6	23.7
Non-Aboriginal.....	65.6	65.5
Metropolitan.....	68.6	68.7
Non-Metropolitan.....	51.9	50.8

Apparent retention rate trends, 1984-2004 (proportion of Year 8 cohort studying in Year 12)



Student-teacher ratio, secondary.....	12.4	11.9
<b>Benchmark performance in literacy and numeracy</b>		
<b>Year 3 students achieving the national benchmark in Reading:</b>		
All students.....	94%	94%
Female students.....	95%	95%
Male students.....	93%	93%
Aboriginal students.....	78%	79%
Students from a language background other than English (LBOTE).....	92%	93%
<b>Year 3 students achieving the national benchmark in Writing:</b>		
All students.....	84%	85%
Female students.....	89%	89%
Male students.....	79%	80%
Aboriginal students.....	57%	55%
Students from a language background other than English students (LOTE).....	83%	83%
<b>Year 3 students achieving the national benchmark in Spelling<sup>(b)</sup>:</b>		
All students.....	78%	79%
Female students.....	83%	84%
Male students.....	74%	75%
Aboriginal students.....	47%	47%
Students from a language background other than English (LOTE).....	78%	80%
<b>Year 3 students achieving the national benchmark in Numeracy:</b>		
All students.....	87%	87%
Female students.....	87%	88%
Male students.....	88%	86%
Aboriginal students.....	61%	61%
Students from a language background other than English (LBOTE).....	84%	85%

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

	2003-04 Actual	2004-05 Estimated
<b>Year 7 students achieving the national benchmark in Reading:</b>		
All students .....	81%	81%
Female students .....	84%	85%
Male students .....	79%	77%
Aboriginal students .....	45%	43%
Students from a language background other than English (LBOTE) .....	72%	73%
<b>Year 7 students achieving the national benchmark in Writing:</b>		
All students .....	75%	73%
Female students .....	82%	82%
Male students .....	67%	65%
Aboriginal students .....	41%	39%
Students from a language background other than English (LOTE) .....	69%	70%
<b>Year 7 students achieving the national benchmark in Spelling<sup>(b)</sup>:</b>		
All students .....	78%	74%
Female students .....	84%	80%
Male students .....	73%	69%
Aboriginal students .....	50%	43%
Students from a language background other than English (LOTE) .....	75%	72%
<b>Year 7 students achieving the national benchmark in Numeracy:</b>		
All students .....	77%	77%
Female students .....	77%	78%
Male students .....	77%	76%
Aboriginal students .....	39%	38%
Students from a language background other than English (LBOTE) .....	70%	70%
Student-teacher ratio, primary .....	15.8	15.3
<b>Successful training completions – Module Load Completion Rate (MLCR)</b>		
Apprentices/Trainees .....	88%	88%
Other students .....	71%	71%
<b>Student satisfaction</b>		
Apprentices/Trainees .....	88%	85%
Other students .....	85%	84%

(a) The actual student FTE value for 2003-04 is the average of semester two, 2003 actual and semester one, 2004 actual. The estimated student FTE value for 2004-05 is the average of semester two, 2004 actual and semester one, 2005 estimate.

(b) The data for Spelling are based on provisional benchmarks because national agreement has not been reached on their locations on the measuring scales.

## **CAPITAL WORKS PROGRAM**

The Department of Education and Training's planned capital works expenditure in 2005-06 is \$226.9 million and relates primarily to the provision of adequate infrastructure for government schools and training throughout the State. The program includes:

### **New Primary Schools**

Construction will continue on three replacement primary schools at Coolbellup (Koorilla), Manjimup and Shark Bay. Three new primary schools will be completed at Baldivis, Secret Harbour and Two Rocks. These six primary schools will be completed at a total cost of \$42.7 million during the 2006 school year.

The 2005-06 Budget provides funding to commence the construction of six new primary schools and one replacement primary school. The six new schools will be constructed at Hopetoun, Bertram, Canning Vale (Bushy Grove), East Butler, Neerabup and Tapping. The replacement school will be constructed at Mount Barker. The seven primary schools, which will be constructed at a total cost of \$44.5 million, will open in 2007.

In addition, the second stage of the new school in Settlers Hill (Baldivis) will be completed at a cost of \$5.6 million. In a unique arrangement with the State Government, the developer of the estate contributed towards the cost of this new school to ensure that Phase One of the school was completed for Term 1, 2005. The State Government will reimburse the capital cost to the developer with no interest.

Funding has also been provided to commence the phased replacement of Kim Beazley School to Beeliar Primary School.

### **New Secondary Schools**

The 2005-06 Budget provides funding to continue the construction of the \$35 million replacement of Kwinana Senior High School. The existing school, built in 1956, will be replaced with a middle school and a senior school linked to TAFEWA and Murdoch University. Completion is expected in early 2008.

Funding has also been provided to continue the construction of the new \$28 million Comet Bay College at Secret Harbour. The school will commence in January 2006 with Year 8 students coming from the five feeder primary schools of Baldivis, Endeavour, Secret Harbour, Singleton and Settlers Hill (Baldivis). In the first instance, the students will be accommodated at the new primary school at Secret Harbour (South). The students will move to the completed new Comet Bay College buildings in January 2007.

The 2005-06 Budget also provides funding to commence four new high schools at Ellenbrook (to open in 2007), Vasse (to open in 2007), Dalyellup (to open in 2008) and Atwell (to open in 2008) and the new senior college (Manea College) on South West Regional College of TAFE site in Bunbury (to open in 2008). These five secondary schools will be completed at a total cost of \$126 million.

### **Additional Stages to High Schools**

The 2005-06 Budget also provides funding to complete the second stage of Kinross College to cater for increasing enrolments at a cost of \$4 million.

Additional permanent classrooms to cater for increasing enrolments will also be provided at Canning Vale College and Mindarie Senior College at a total cost of \$24 million.

In addition, the redevelopment of Karratha Senior High School on two sites (Pilbara College of TAFE and Pegs Creek Primary School) will be commenced at a cost of \$27 million.

Major redevelopment work at a cost of \$15 million will also be commenced at Geraldton Secondary College and John Willcock College.

**Major Additions and Improvements**

The redevelopment of Mount Lawley Senior High School will continue with an allocation of \$4.5 million in 2005-06 for Stage Three.

An allocation of \$28.7 million will fund the completion of major additions and improvements at Bunbury, Carnarvon, Cecil Andrews, Eastern Hills, Gosnells, Hedland, Kelmscott, Melville, Newton Moore, Pinjarra, Rossmoyne, Willetton and Woodvale Senior High Schools, and at Bullsbrook, Exmouth and Kununurra District High Schools.

An allocation of \$3.7 million will fund the completion of additions and improvements at Bunbury, Darlington, Mount Helena, Roebuck and Upper Swan Primary Schools.

New works include additions and improvements at Carnarvon (\$1 million), Collie (\$2 million), Esperance (\$7.2 million), Kelmscott (\$1 million), Lynwood (\$1 million), Mirrabooka (\$1 million), Narrogin (\$2 million) and Wanneroo (\$1 million) Senior High Schools, Kalbarri (\$8 million) and Ravensthorpe (\$500,000) District High Schools, College Row School (\$1.5 million) and Pinjarra Primary School (\$2.5 million).

In addition, Perth Modern School will be transformed into a School for Academic Excellence at a cost of \$16.9 million. Residential accommodation will also be provided at a total cost of \$8 million.

**Other School Facilities**

The 2005-06 Budget provides \$5.7 million to complete the provision of administration upgrades, covered assembly areas, library/resource centres and toilet upgrades at various schools.

\$550,000 will be committed to improve traffic management and parking around schools.

\$8.5 million new works commitment to provide upgraded administration and staff facilities, covered assembly areas, library/resource centres, toilet upgrades and improvements at those schools which cater for students with high support needs.

\$2 million will be allocated to provide early childhood education facilities and improvements for rural integration classes in schools.

\$1.2 million will be allocated to upgrade the power supply in schools.

A \$2 million commitment will fund the provision of playground equipment as part of the Government's plan for healthy kids and a \$7.2 million commitment to purchase additional transportable classrooms will support the Government's plan to increase the school leaving age and cater for increasing enrolments at schools.

\$14.4 million will be committed to purchase and develop land for the construction of new schools.

**New Buildings and Additions at TAFE Colleges and Centres**

Several projects will be completed in 2006 and these are Batavia Coast Marine Centre in Geraldton, Fremantle Marine Operations Centre, Fremantle Stage 1 Maritime, Bentley (air conditioning upgrade) and 'Window in the Burrup' at the Pilbara College of TAFE in Karratha. \$7.5 million will be spent on these five projects in 2005-06.

Construction will continue on the \$7.3 million Technology Centre for Printing, Art Design and Media at Central TAFE Northbridge at a cost of \$4.3 million in 2005-06. An allocation of \$5.2 million will be provided to continue the construction of the new \$13 million Australian Centre for Energy and Process Training at Henderson, and \$3.3 million will fund the continued construction of Broome Campus Stage 2B of the Kimberley College of TAFE.

In addition Skill Centres development will receive \$2 million.

	Estimated Total Cost	Estimated Expenditure to 30-6-05	Estimated Expenditure 2004-05	Estimated Expenditure 2005-06
	\$'000	\$'000	\$'000	\$'000
<b>WORKS IN PROGRESS</b>				
Additional Stages at High Schools				
Kinross College Stage 2.....	4,000	100	100	3,400
Additions and Improvements to District High Schools				
Bullsbrook.....	7,000	100	100	2,000
Exmouth.....	3,000	100	100	2,500
Kununurra.....	2,375	1,275	1,239	1,100
Additions and Improvements to High Schools				
Bunbury.....	1,500	100	100	1,400
Carnarvon.....	1,500	100	100	1,400
Cecil Andrews.....	3,000	1,000	1,000	2,000
Eastern Hills.....	2,000	100	100	1,900
Gosnells.....	5,970	4,970	4,611	1,000
Hedland.....	6,000	100	100	1,500
Kelmscott.....	1,000	100	100	900
Melville.....	1,000	500	500	500
Mount Lawley - Stage 3.....	8,644	4,144	3,956	4,500
Newton Moore.....	9,500	100	100	4,000
Pinjarra.....	5,000	100	100	3,000
Rossmoyne.....	6,400	100	100	3,200
Willetton.....	4,400	100	100	2,100
Woodvale (Music).....	300	100	100	200
Additions and Improvements to Primary Schools				
Bunbury.....	500	50	50	450
Darlington.....	2,000	100	100	1,900
Mt Helena.....	250	50	50	200
Roebuck.....	3,500	2,500	2,500	1,000
Upper Swan.....	250	50	50	200
Miscellaneous				
Power Supply Upgrade 2004-05 Program.....	1,460	1,360	1,160	100
New High Schools				
Comet Bay College.....	28,000	1,530	1,440	12,000
Kwinana Senior High School replacement.....	35,000	1,140	1,050	10,014
New Primary Schools				
Koorilla replacement.....	9,300	2,127	2,106	4,000
Manjimup replacement.....	9,300	2,250	2,159	5,250
Secret Harbour (South).....	6,500	1,074	1,074	5,426
Settlers Hill (Baldivis).....	4,125	3,400	3,368	725
Shark Bay Replacement.....	7,500	1,922	1,922	5,578
Two Rocks.....	6,000	500	500	5,500
Other School Facilities				
Administration Upgrade 2004-05 Program.....	2,000	200	200	1,800
Covered Assembly Areas				
2001-02 Program.....	8,000	7,018	2,421	982
2004-05 Program.....	350	50	50	300
Ground Developments				
2004-05 Program.....	685	585	585	100
Library Resource Centres				
2004-05 Program.....	2,500	863	863	1,637
Student Services - Improvements				
2004-05 Program.....	1,000	100	100	900
Toilet Replacement Program 2004-05 Program.....	1,100	150	150	950
Training				
New Buildings and Additions at TAFE Colleges and Centres				
Central TAFE - Perth Campus - Redevelopment Stage 1.....	7,300	2,450	2,439	4,300
Central West College - Geraldton - Batavia Coast Marine Centre.....	9,019	4,819	3,977	4,200
Challenger TAFE - Fremantle - Marine Operations Centre.....	250	20	20	230
Challenger TAFE - Fremantle Stage 1 - Maritime.....	8,149	6,146	5,182	2,003
Challenger TAFE - Henderson Oil and Gas.....	13,046	1,996	1,928	5,200
Kimberley College - Broome Stage 2B.....	6,000	250	250	3,350
Pilbara College - Burrup.....	2,200	1,950	1,950	250
Swan College - Bentley - Air Conditioning Upgrade.....	1,200	400	400	800
Other Projects				
Minor Works - 2004-05 to 2006-07 Program.....	520	170	170	250
Project Initiation Planning - 2004-05 to 2006-07 Program.....	1,020	400	400	300
Skills Centres - 2004-05 to 2006-07 Program.....	6,000	2,000	2,000	2,000
System-wide Upgrades of Roofing and Plant - 2004-05 to 2006-07 Program.....	2,200	860	860	650

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Additional Stages at High Schools				
Warnbro .....	4,000	4,000	3,703	-
Additions and Improvements to High Schools				
Albany - Additions.....	6,675	6,675	35	-
City Beach.....	381	381	331	-
Mandurah .....	3,248	3,248	584	-
Melville .....	3,600	3,600	3,466	-
Mount Lawley - Sports Hall and Performing Arts facilities .....	9,441	9,441	1,232	-
Mount Lawley - Stage 2.....	13,464	13,464	4,744	-
South Fremantle - Music Centre.....	1,570	1,570	1,348	-
Thornlie .....	3,548	3,548	1,019	-
Tom Price - Sports Hall .....	4,553	4,553	3,298	-
Additions and Improvements to Primary Schools				
Brookman.....	1,026	1,026	982	-
Moorine Rock .....	86	86	86	-
Roebuck .....	4,466	4,466	220	-
South Kalgoorlie .....	2,000	2,000	1,795	-
Upgrade Program .....	12,689	12,689	1,948	-
Miscellaneous				
Automatic Reticulation				
2002-03 Program.....	5,000	5,000	4,024	-
2004-05 Program.....	100	100	100	-
Consultants Fees				
2004-05 Program.....	700	700	700	-
Contaminated Sites Investigation				
2004-05 Program.....	400	400	400	-
Contingencies				
2004-05 Program.....	549	549	549	-
Fire Compliance Upgrade				
2003-04 Program.....	273	273	192	-
Land Acquisition				
2004-05 Program.....	7,838	7,838	7,838	-
Motor Vehicles				
2004-05 Program.....	250	250	250	-
Office Refurbishment				
2004-05 Program.....	500	500	500	-
Physical Activity				
Koondoola and Burbridge Primary Schools – Environmental Walk .....	10	10	10	-
Waroon Primary School – Playground Equipment .....	15	15	15	-
Security Alarm Systems				
2003-04 Program.....	570	570	26	-
2004-05 Program.....	500	500	500	-
Sewer Connections				
2004-05 Program.....	500	500	500	-
Traffic Management				
2004-05 Program.....	500	500	500	-
Transportable Classrooms				
2004-05 Program.....	3,700	3,700	3,700	-
Transportable Relocation				
2003-04 Program.....	5,486	5,486	400	-
2004-05 Program.....	5,500	5,500	5,500	-
New High Schools				
Canning Vale College.....	14,814	14,814	225	-
New Primary Schools				
Arbor Grove (Ellenbrook) .....	5,269	5,269	110	-
Brighton (Butler).....	5,423	5,423	72	-
Canning Vale (North) .....	6,566	6,566	5,487	-
Carramar.....	5,678	5,678	4,221	-
Clayton View .....	4,784	4,784	13	-
Dalyellup .....	5,801	5,801	61	-
Djidi Djidi .....	4,705	4,705	48	-
East Marangaroo .....	5,330	5,330	3,413	-
Harmony (South Atwell) .....	8,597	8,597	165	-
Interim schools				
2004-05 Program.....	500	500	500	-
Landsdale (Ashdale Gardens).....	5,659	5,659	5,131	-
Maylands Peninsula .....	5,086	5,086	47	-
Melville replacement .....	6,520	6,520	6,194	-
Onslow replacement.....	7,300	7,300	6,847	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>Remote Community Schools</b>				
2004-05 Program.....	1,400	1,400	1,400	-
Wanneroo replacement .....	7,463	7,463	7,083	-
Willagee replacement.....	6,682	6,682	6,284	-
Woodbridge.....	5,145	5,145	70	-
<b>Other School Facilities</b>				
<b>Administration Upgrade</b>				
2002-03 Program.....	1,055	1,055	71	-
2003-04 Program.....	1,900	1,900	1,679	-
<b>Art/Craft and Music Facilities</b>				
2003-04 Program.....	1,000	1,000	1,000	-
<b>Canteens</b>				
2003-04 Program.....	170	170	104	-
2004-05 Program.....	159	159	159	-
<b>Central Reserve Schools</b>				
2004-05 Program.....	400	400	400	-
<b>Communication Upgrades</b>				
2004-05 Program.....	700	700	700	-
<b>Early Childhood Program</b>				
2004-05 Program.....	1,500	1,500	1,500	-
<b>Library Resource Centres</b>				
2002-03 Program.....	2,386	2,386	214	-
2003-04 Program.....	2,178	2,178	1,667	-
<b>Rural Integration Program</b>				
2003-04 Program.....	137	137	41	-
2004-05 Program.....	300	300	300	-
<b>Student Services - Improvements</b>				
2002-03 Program.....	1,717	1,717	315	-
2003-04 Program.....	1,000	1,000	891	-
<b>Toilet Replacement Program</b>				
2002-03 Program.....	1,179	1,179	214	-
2003-04 Program.....	2,400	2,400	2,301	-
<b>Secondary School Refurbishment Program</b>				
Bullsbrook DHS.....	500	500	500	-
Esperance SHS.....	1,500	1,500	1,180	-
Geraldton Secondary College.....	2,611	2,611	30	-
Girrawheen SHS.....	1,006	1,006	51	-
Hamilton Hill SHS.....	1,384	1,384	24	-
Hampton SHS.....	1,110	1,110	111	-
Hedland SHS.....	500	500	492	-
John Curtin College of the Arts.....	2,662	2,662	15	-
Kalamunda SHS.....	1,250	1,250	1,250	-
Karratha SHS.....	500	500	471	-
Kent St SHS.....	1,080	1,080	986	-
Mirrabooka SHS.....	1,000	1,000	1,000	-
Mount Lawley SHS.....	5,000	5,000	2,000	-
Rossmoynne SHS.....	2,174	2,174	13	-
Safety Bay SHS.....	1,000	1,000	501	-
Thornlie SHS.....	1,000	1,000	1,000	-
Wanneroo SHS.....	1,000	1,000	1,000	-
<b>Training</b>				
<b>New Buildings and Additions at TAFE Colleges and Centres</b>				
Central TAFE - Internal Shared Services.....	964	964	76	-
Central West College - Geraldton - Sea Water Intake.....	500	500	500	-
Great Southern Regional College - Canteen - Student Services.....	1,830	1,830	36	-
<b>Kalgoorlie College - Esperance - Vocational Training and Education Centre (VTEC)</b>				
Kimberley College - Derby - Campus Refurbishment.....	2,246	2,246	2,246	-
Kimberley College - Kununurra - Campus Upgrade.....	725	725	725	-
Kimberley College - Kununurra - Campus Upgrade.....	481	481	481	-
Pilbara College - Pundulmurra - Upgrade existing facilities.....	690	690	168	-
Pilbara College - Roebourne - Workshop Building.....	450	450	54	-
South West Regional College - Margaret River Campus.....	9,255	9,255	503	-
West Coast College - Decant Carine Campus to Joondalup.....	1,160	1,160	204	-
West Coast College - Hospitality Centre.....	8,158	8,158	7,045	-



	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>Other Projects</b>				
Land Acquisition - Central Stage 1 .....	2,000	2,000	2,000	-
Land Acquisition - Henderson .....	1,400	1,400	1,400	-
Land Acquisition - Mandurah .....	323	323	35	-
Minor Works - 2003-04 Program .....	1,523	1,523	70	-
Plant and Equipment - 2003-04 Program .....	2,288	2,288	689	-
Plant and Equipment - 2004-05 Program .....	4,398	4,398	4,398	-
Skills Centres - 2003-04 Program .....	1,347	1,347	107	-
System-wide Upgrades of Roofing and Plant - 2003-04 Program .....	620	620	131	-
Universal Access Program - 2003-04 Program .....	2,100	2,100	898	-
Universal Access Program - 2004-05 Program .....	836	836	836	-
<b>NEW WORKS</b>				
<b>Additional Stages at High Schools</b>				
Canning Vale College - Stage 2 .....	20,000	-	-	6,000
Geraldton Secondary College - Redevelopment .....	15,000	-	-	4,000
Karratha - Redevelopment .....	27,000	-	-	3,000
Mindarie Secondary College - Stage 2 .....	4,000	-	-	500
<b>Additions and Improvements to District High Schools</b>				
Kalbarri .....	8,000	-	-	2,600
Ravensthorpe .....	500	-	-	500
<b>Additions and Improvements to High Schools</b>				
Carnarvon - Science Upgrade .....	1,000	-	-	1,000
Collie .....	1,000	-	-	1,000
Collie - Science Upgrade .....	1,000	-	-	1,000
Esperance .....	7,200	-	-	7,200
Kelmscott - Science Upgrade .....	1,000	-	-	1,000
Lynwood - Science Upgrade .....	1,000	-	-	1,000
Mirrabooka - Science Upgrade .....	1,000	-	-	1,000
Narrogin .....	2,000	-	-	2,000
Perth Modern School .....	16,900	-	-	2,000
Perth Modern School - Residential College .....	8,000	-	-	500
Wanneroo .....	1,000	-	-	1,000
<b>Additions and Improvements to Primary Schools</b>				
College Row Bunbury - Hydrotherapy Pool .....	1,500	-	-	1,500
Pinjarra .....	2,500	-	-	2,500
<b>Miscellaneous</b>				
<b>Automatic Reticulation</b>				
2005-06 Program .....	100	-	-	100
<b>Consultants Fees</b>				
2005-06 Program .....	700	-	-	700
<b>Contaminated Sites Investigation</b>				
2005-06 Program .....	500	-	-	500
<b>Contingencies</b>				
2005-06 .....	850	-	-	850
<b>Fire Compliance Upgrade</b>				
2005-06 Program .....	500	-	-	500
<b>Land Acquisition</b>				
2005-06 Program .....	14,370	-	-	14,370
<b>Motor Vehicles</b>				
2005-06 Program .....	250	-	-	250
<b>Office Refurbishment</b>				
2005-06 Program .....	500	-	-	500
<b>Physical Activity - Playground Equipment</b>				
2005-06 Election Commitment .....	2,000	-	-	1,000
<b>Power Supply Upgrade</b>				
2005-06 Program .....	1,200	-	-	1,200
<b>Security Alarm Systems</b>				
2005-06 Program .....	500	-	-	500
<b>Sewer Connections</b>				
2005-06 Program .....	500	-	-	500
<b>Traffic Management</b>				
2005-06 Program .....	500	-	-	500
East Victoria Park PS .....	50	-	-	50
<b>Transportable Classrooms</b>				
2005-06 Program .....	3,000	-	-	3,000
2005-06 Program - Election Commitment .....	4,200	-	-	1,000
<b>Transportable Relocation</b>				
2005-06 Program .....	6,177	-	-	6,177

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>New High Schools</b>				
Atwell .....	29,000	-	-	1,000
Dalyellup Middle School .....	30,000	-	-	2,000
Ellenbrook .....	26,000	-	-	12,000
Manea Senior College.....	14,000	-	-	100
Vasse Middle School .....	27,000	-	-	6,000
<b>New Primary Schools</b>				
Beazley/Buckland replacement .....	3,500	-	-	1,000
Bertram .....	7,000	-	-	600
Bushy Grove (Canning Vale) .....	6,500	-	-	1,000
East Butler.....	6,500	-	-	1,000
Hopetoun.....	4,000	-	-	1,000
<b>Interim schools</b>				
2005-06 Program.....	500	-	-	500
Mt Barker (replacement).....	7,000	-	-	700
Neerabup .....	6,500	-	-	1,000
<b>Remote Community Schools</b>				
2005-06 Program.....	900	-	-	900
Settlers Hill (Baldivis) - Phase 2 .....	5,575	-	-	275
Tapping .....	7,000	-	-	700
<b>Other School Facilities</b>				
<b>Administration Upgrade</b>				
2005-06 Program.....	2,000	-	-	550
<b>Canteens</b>				
2005-06 Program.....	100	-	-	100
<b>Central Reserve Schools</b>				
2005-06 Program.....	400	-	-	400
<b>Communication Upgrades</b>				
2005-06 Program.....	700	-	-	700
<b>Covered Assembly Areas</b>				
2005-06 Program.....	1,500	-	-	500
<b>Early Childhood Program</b>				
2005-06 Program.....	1,500	-	-	1,500
<b>Ground Developments</b>				
2005-06 Program.....	260	-	-	260
<b>Library Resource Centres</b>				
2005-06 Program.....	1,500	-	-	500
<b>Rural Integration Program</b>				
2005-06 Program.....	500	-	-	500
<b>Student Services - Improvements</b>				
2005-06 Program.....	1,000	-	-	300
<b>Toilet Replacement Program</b>				
2005-06 Program.....	1,000	-	-	400
<b>Training</b>				
<b>Other Projects</b>				
Plant and Equipment - 2005-06 to 2006-07 Program.....	5,767	-	-	772
Universal Access Program - 2005-06 – 2006-07 Program.....	780	-	-	480
	914,904	364,281	196,728	226,879

## CAPITAL CONTRIBUTION

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	165,943	189,902	196,728	226,879	267,505	206,960	176,285
	165,943	189,902	196,728	226,879	267,505	206,960	176,285
<b>LESS</b>							
Asset Sales .....	122	8,300	-	-	-	-	-
Commonwealth Grants .....	39,725	47,954	47,101	44,202	43,795	40,350	45,975
Drawdowns from the Holding Account .....	17,540	18,905	17,761	18,000	18,000	18,000	18,000
Funding Included in Service Appropriations <sup>(a)</sup> .....	-	3,804	-	-	-	-	-
Other.....	13,733	9,488	9,735	3,939	3,000	-	-
<b>Capital Contribution .....</b>	94,823	101,451	122,131	160,738	202,710	148,610	112,310

(a) Capital works expensed through the Income Statement.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	1,453,808	1,518,258	1,539,332	1,601,465	1,657,220	1,698,253	1,743,178
Superannuation .....	138,185	150,452	151,663	155,749	163,173	164,377	165,699
Grants and subsidies <sup>(c)</sup> .....	365,500	364,232	377,463	392,455	404,640	410,212	417,537
Capital User Charge .....	310,254	317,988	315,436	326,177	342,154	358,786	371,598
Depreciation and amortisation <sup>(d)</sup> .....	82,351	83,656	137,942	110,708	122,326	125,359	117,542
Direct schools expenses .....	205,274	192,535	197,313	213,637	223,450	222,659	224,121
School Support Services .....	128,735	145,766	129,552	149,185	127,552	125,596	110,495
Other supplies and services .....	201,623	181,564	244,229	223,843	249,241	285,268	332,567
Finance lease charges .....	-	-	2,078	1,766	1,569	1,493	1,425
Other expenses .....	4,862	1,337	1,337	989	2,115	3,179	3,418
<b>TOTAL COST OF SERVICES</b> .....	<b>2,890,592</b>	<b>2,955,788</b>	<b>3,096,345</b>	<b>3,175,974</b>	<b>3,293,440</b>	<b>3,395,182</b>	<b>3,487,580</b>
<b>Income</b>							
User charges and fees .....	23,083	20,999	25,589	27,058	27,680	28,271	28,811
Grants and subsidies .....	339,472	340,806	363,266	369,187	380,997	391,074	409,663
School contributions, charges, fees and recoveries .....	84,057	67,544	89,755	90,653	91,559	92,003	92,923
Other Revenue .....	34,466	14,137	25,529	18,193	17,361	14,361	14,447
<b>Total Income</b> .....	<b>481,078</b>	<b>443,486</b>	<b>504,139</b>	<b>505,091</b>	<b>517,597</b>	<b>525,709</b>	<b>545,844</b>
<b>NET COST OF SERVICES</b> .....	<b>2,409,514</b>	<b>2,512,302</b>	<b>2,592,206</b>	<b>2,670,883</b>	<b>2,775,843</b>	<b>2,869,473</b>	<b>2,941,736</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,407,485	2,520,642	2,603,424	2,729,827	2,808,005	2,894,729	2,957,330
Resources received free of charge .....	547	633	633	633	633	633	633
Liabilities assumed by the Treasurer .....	4,461	4,341	4,341	4,412	4,485	4,600	5,228
Initial recognition of assets not previously included .....	3,415	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,415,908</b>	<b>2,525,616</b>	<b>2,608,398</b>	<b>2,734,872</b>	<b>2,813,123</b>	<b>2,899,962</b>	<b>2,963,191</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>6,394</b>	<b>13,314</b>	<b>16,192</b>	<b>63,989</b>	<b>37,280</b>	<b>30,489</b>	<b>21,455</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 27,698, 28,626 and 29,097 respectively.

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

(d) The depreciation policy for school buildings was changed during 2004-05, on the recommendation of the Office of the Auditor General, from being over 80 years to 40 years.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	234,090	229,153	248,873	289,434	301,992	305,839	313,533
Restricted cash .....	55,514	324	337	337	337	337	337
Receivables .....	20,441	20,758	19,766	18,946	18,129	17,202	16,275
Inventories .....	2,380	3,241	2,380	2,380	2,380	2,380	2,380
Amounts receivable for services .....	18,905	19,144	19,144	19,144	19,144	19,144	19,144
Other .....	2,126	9,321	2,323	2,440	2,484	2,484	2,484
<b>Total current assets .....</b>	<b>333,456</b>	<b>281,941</b>	<b>292,823</b>	<b>332,681</b>	<b>344,466</b>	<b>347,386</b>	<b>354,153</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	197,305	270,524	324,604	425,065	537,842	653,652	761,645
Land and Buildings .....	3,718,409	3,823,442	3,729,367	3,755,684	3,826,377	3,935,866	3,978,137
Plant and equipment .....	65,266	50,919	77,188	50,798	53,845	49,199	46,888
Intangibles .....	-	-	-	46	46	46	46
Restricted cash .....	-	-	-	5,500	11,300	17,400	23,500
Other .....	57,392	18,035	46,277	78,913	123,408	83,502	68,820
<b>Total non-current assets .....</b>	<b>4,038,372</b>	<b>4,162,920</b>	<b>4,177,436</b>	<b>4,316,006</b>	<b>4,552,818</b>	<b>4,739,665</b>	<b>4,879,036</b>
<b>TOTAL ASSETS .....</b>	<b>4,371,828</b>	<b>4,444,861</b>	<b>4,470,259</b>	<b>4,648,687</b>	<b>4,897,284</b>	<b>5,087,051</b>	<b>5,233,189</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	16,741	43,739	54,180	55,192	56,145	56,563	56,987
Provision for employee entitlements .....	205,406	213,734	218,740	224,709	230,851	234,689	239,427
Finance leases .....	-	-	22,112	19,704	19,453	18,211	17,768
Accrued Salaries .....	59,947	56	-	6,015	6,320	6,620	6,920
Other .....	23,653	9,881	4,493	4,493	4,493	4,493	4,493
<b>Total current liabilities .....</b>	<b>305,747</b>	<b>267,410</b>	<b>299,525</b>	<b>310,113</b>	<b>317,262</b>	<b>320,576</b>	<b>325,595</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	175,893	170,007	174,549	179,661	184,406	191,760	199,114
Other .....	136	-	337	337	337	337	337
<b>Total non-current liabilities .....</b>	<b>176,029</b>	<b>170,007</b>	<b>174,886</b>	<b>179,998</b>	<b>184,743</b>	<b>192,097</b>	<b>199,451</b>
<b>TOTAL LIABILITIES .....</b>	<b>481,776</b>	<b>437,417</b>	<b>474,411</b>	<b>490,111</b>	<b>502,005</b>	<b>512,673</b>	<b>525,046</b>
<b>EQUITY</b>							
Contributed Equity .....	226,721	330,821	316,326	447,326	646,749	795,359	907,669
Accumulated surplus/(deficit) .....	392,455	405,747	408,647	440,375	477,655	508,144	529,599
Reserves .....	3,270,876	3,270,876	3,270,875	3,270,875	3,270,875	3,270,875	3,270,875
<b>Total equity .....</b>	<b>3,890,052</b>	<b>4,007,444</b>	<b>3,995,848</b>	<b>4,158,576</b>	<b>4,395,279</b>	<b>4,574,378</b>	<b>4,708,143</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>4,371,828</b>	<b>4,444,861</b>	<b>4,470,259</b>	<b>4,648,687</b>	<b>4,897,284</b>	<b>5,087,051</b>	<b>5,233,189</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	2,318,369	2,428,485	2,456,981	2,610,222	2,676,084	2,759,775	2,830,193
Capital Contribution.....	94,823	101,451	122,131	160,738	202,710	148,610	112,310
Holding Account Drawdowns .....	17,540	18,905	18,905	19,144	19,144	19,144	19,144
<b>Net cash provided by State government .....</b>	<b>2,430,732</b>	<b>2,548,841</b>	<b>2,598,017</b>	<b>2,790,104</b>	<b>2,897,938</b>	<b>2,927,529</b>	<b>2,961,647</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,409,982)	(1,541,266)	(1,574,807)	(1,584,033)	(1,645,734)	(1,686,767)	(1,730,786)
Superannuation .....	(133,793)	(141,202)	(142,413)	(151,218)	(158,573)	(159,777)	(160,471)
Grants and subsidies .....	(365,500)	(364,232)	(377,463)	(392,455)	(404,640)	(410,212)	(417,537)
Capital User Charge.....	(310,254)	(317,988)	(315,436)	(326,177)	(342,154)	(358,786)	(371,598)
Direct schools payments .....	(206,554)	(192,535)	(197,313)	(213,637)	(223,450)	(222,735)	(224,197)
Schools Support Services.....	(127,851)	(145,686)	(129,472)	(149,139)	(127,533)	(125,577)	(110,476)
Other supplies and services.....	(184,476)	(180,118)	(239,697)	(222,864)	(248,127)	(284,116)	(331,453)
Goods and Services Tax .....	(52,561)	(62,023)	(62,023)	(62,405)	(63,150)	(63,150)	(63,150)
Finance Lease Charges .....	-	-	(2,078)	(1,766)	(1,569)	(1,493)	(1,425)
<b>Receipts</b>							
User charges and fees.....	24,485	20,957	25,547	27,034	27,646	28,271	28,811
Grants and subsidies .....	339,472	340,806	363,266	369,187	380,997	391,074	409,663
School contributions, charges, fees and recoveries .....	88,878	67,470	89,681	90,578	91,483	92,003	92,923
Goods and Services Tax .....	54,990	62,814	62,814	63,324	64,077	64,077	64,077
Other receipts .....	28,813	14,137	25,529	18,193	17,361	14,361	14,447
<b>Net cash from operating activities.....</b>	<b>(2,254,333)</b>	<b>(2,438,866)</b>	<b>(2,473,865)</b>	<b>(2,535,378)</b>	<b>(2,633,366)</b>	<b>(2,722,827)</b>	<b>(2,801,172)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(156,443)	(147,716)	(148,796)	(195,472)	(235,178)	(182,728)	(135,453)
Proceeds from sale of non-current assets .....	122	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(156,321)</b>	<b>(147,716)</b>	<b>(148,796)</b>	<b>(195,472)</b>	<b>(235,178)</b>	<b>(182,728)</b>	<b>(135,453)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Other payments for financing activities.....	-	-	(15,750)	(13,193)	(11,036)	(12,027)	(11,228)
<b>Net cash from financing activities.....</b>	<b>-</b>	<b>-</b>	<b>(15,750)</b>	<b>(13,193)</b>	<b>(11,036)</b>	<b>(12,027)</b>	<b>(11,228)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	20,078	(37,741)	(40,394)	46,061	18,358	9,947	13,794
Cash assets at the beginning of the reporting period .....	269,526	267,218	289,604	249,210	295,271	313,629	323,576
<b>Cash assets at the end of the reporting period.....</b>	<b>289,604</b>	<b>229,477</b>	<b>249,210</b>	<b>295,271</b>	<b>313,629</b>	<b>323,576</b>	<b>337,370</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Contracts and agreements for delivery of training and employment services: TAFE Colleges; Curtin University Kalgoorlie, Vocational Training and Education Centre; and the Western Australian Academy of Performing Arts.....	317,268	327,304	338,349	343,342	348,860	353,017	358,922
Other.....	48,232	36,928	39,114	49,113	55,780	57,195	58,615
<b>TOTAL</b>	<b>365,500</b>	<b>364,232</b>	<b>377,463</b>	<b>392,455</b>	<b>404,640</b>	<b>410,212</b>	<b>417,537</b>

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

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

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance.....	271	-	(622)	-
Receipts:				
Appropriations .....	3,794	10,066	10,066	-
Other.....	348	70	290	290
	4,413	10,136	9,734	290
Payments .....	5,035	10,136	9,734	290
<b>CLOSING BALANCE .....</b>	<b>(622)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Departmental				
Fees - Agricultural Colleges .....	2,778	2,731	2,731	2,927
Fees - Senior Colleges .....	3,542	3,292	3,292	3,350
Fees - Swimming Classes .....	1,000	1,167	490	490
Fees - Other .....	160	635	1,981	2,932
Farm School Revenue .....	2,512	3,200	880	880
Physical Education Camp Schools Revenue .....	1,591	1,508	1,691	1,589
Proceeds from Commercial Activities of Institutions .....	15,414	11,624	15,362	15,746
Recoveries and Refunds - Teachers Salaries and Other .....	4,655	4,970	2,961	2,902
Refunds - Workers Compensation .....	4,337	3,945	3,945	3,945
Revenue - Other .....	7,183	2,022	8,028	6,766
Revenue - Other Capital .....	10,126	-	9,715	3,700
Commonwealth Programs				
Aboriginal School Education .....	10,692	10,505	11,135	11,419
Aboriginal Training Programs .....	3,197	3,800	3,304	3,304
Indian Ocean Territories .....	7,430	8,166	7,560	7,938
Schools Assistance .....	180,135	184,695	193,900	201,367
Schools Capital Program .....	24,821	23,000	25,976	25,727
Special Projects .....	7,234	2,732	6,500	6,500
Vocational Education and Training .....	84,069	90,523	88,387	90,404
Vocational Education and Training - Capital Program .....	14,904	15,512	21,125	18,475
Vocational Education and Training - Other .....	6,990	1,873	5,379	4,053
GST input credits .....	51,174	60,850	60,850	61,488
GST receipts on sales .....	3,816	1,964	1,964	1,836
<b>TOTAL .....</b>	<b>447,760</b>	<b>438,714</b>	<b>477,156</b>	<b>477,738</b>

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

## COUNTRY HIGH SCHOOL HOSTELS AUTHORITY

### PART 5 - MINISTER FOR EDUCATION AND TRAINING

#### DIVISION 17

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 49 Net amount appropriated to deliver services .....</b>	4,980	5,402	5,435	<b>5,963</b>	7,041	7,453	7,590
Total appropriations provided to deliver services .....	4,980	5,402	5,435	<b>5,963</b>	7,041	7,453	7,590
<b>CAPITAL</b>							
<b>Item 138 Capital Contribution .....</b>	517	542	542	<b>5,629</b>	675	700	750
<b>GRAND TOTAL .....</b>	<b>5,497</b>	<b>5,944</b>	<b>5,977</b>	<b>11,592</b>	<b>7,716</b>	<b>8,153</b>	<b>8,340</b>

#### 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 increase in the school leaving age will mean that boarding services working in partnership with educational services, particularly secondary schools, will play an important role in meeting the education needs of country students needing to stay on at school or in vocational training until age 17.
- Improved boarding facilities for isolated students through collaboration between the public and private education sectors in the establishment of residential colleges in regional centres.

#### MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken prior to State Election</b>				
Broome Residential College - Subsidy .....	-	400	400	400
<b>Decisions taken since State Election</b>				
Perth Residential College - Subsidy .....	-	125	125	125



**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Establishment, operation and maintenance of residential colleges.....	9,349	10,608	10,646	12,092			
<b>Total Cost of Services</b> .....	9,349	10,608	10,646	12,092	13,595	14,233	14,672
<i>Less Income</i> .....	4,982	5,206	5,202	7,864	7,115	7,403	7,608
<b>Net Cost of Services</b> .....	4,367	5,402	5,444	4,228	6,480	6,830	7,064
Adjustments <sup>(a)</sup> .....	613	-	(9)	1,735	561	623	526
<b>Appropriation provided to deliver Services.</b>	4,980	5,402	5,435	5,963	7,041	7,453	7,590
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(b)</sup> .....	517	542	542	5,629	675	700	750
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	5,497	5,944	5,977	11,592	7,716	8,153	8,340

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chairperson, Chief Executive Officer and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(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 <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Quality accommodation, care and services for isolated students who have to board away from home to attend school.</b>					
Average Residential College Occupancy Rate.	77%	78%	81%	81%	

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

**Service 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.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	9,349	10,608	10,646	12,092	
Less Income .....	4,982	5,206	5,202	7,864	
Net Cost of Service .....	4,367	5,402	5,444	4,228	
Adjustments <sup>(a)</sup> .....	613	-	(9)	1,735	
<b>Appropriation for delivery of Service .....</b>	<b>4,980</b>	<b>5,402</b>	<b>5,435</b>	<b>5,963</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Quality - Families rating accommodation, care and services as good or better .....	87%	90%	90%	90%	
Quantity - Students .....	662	650	700	745	
Cost (Efficiency) Average cost per student.....	\$14,125	\$15,952	\$15,037	\$16,230	New boarding college in Broome.
<b>Full Time Equivalent (FTEs)</b>	<b>93</b>	<b>95</b>	<b>95</b>	<b>103</b>	

**Major Achievements For 2004-05**

- The overall boarding enrolment was up 2.8 per cent on the previous five year average.
- The Authority's care and supervision standards were reviewed and became fully operational in 2004.
- Residential college supervisory staff are progressively gaining formal residential care accreditation.

- The major upgrade to the Narrogin Residential College was completed, with the manager's residence to be completed in 2005-06.
- New staff accommodation and other minor improvements were constructed at St James Residential College in Moora.
- Re-roofing and an upgrade to the front entrance of the Esperance Residential College was completed for the commencement of 2005 at a cost of approximately \$750,000.

### Major Initiatives For 2005-06

- Development of a new residential college in 2006 in Broome at a cost of \$6.6 million. The Catholic Education Office is contributing \$2.2 million to this project which will provide a boarding service to Kimberley region students attending the Broome Senior High School and St Mary's College.
- Planning for the provision of a boarding service for talented country students offered places at Perth Modern School from the beginning of 2007.
- Design and pre tender documentation associated with the redevelopment of the Albany Residential College to ensure that the facility will meet current standards and adequately cater for an enrolment of 120 students.
- Implementation of the Authority's 2005-2007 strategic plan which is designed to support the achievement of the Government's priorities as set out in its 'Better Planning Better Services' public sector strategic planning framework.
- Minor improvements, including new student recreation facilities and new staff accommodation, at the Northam Residential College.
- Review the capacity of the Esperance Residential College to accommodate any increase in demand arising from families moving into the region to work at the new Ravensthorpe nickel mining operation.

### CAPITAL WORKS PROGRAM

The 2005-06 capital works program provides \$6.6 million for a new residential hostel to be built in Broome, and \$500,000 towards planning and tender work for the redevelopment of the Albany Residential College.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Family Accommodation for Residential Managers				
Adamson House - Northam .....	120	-	-	120
Maintenance Program - Residential Hostels				
2004-05 Program .....	400	235	235	165
Narrogin Residential College				
College Improvements - Stage 1 .....	7,499	7,192	15	307
Operational Equipment -				
Fire Safety Upgrade .....	822	759	20	63
<b>COMPLETED WORKS</b>				
Computing and Office Equipment Replacement				
2004-05 Program .....	24	24	24	-
Family Accommodation for Residential Managers				
Moora .....	300	300	256	-
Maintenance Program - Residential Hostels				
2003-04 Program .....	300	300	9	-
Esperance - upgrade of front entrance and re-roofing .....	750	750	750	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>NEW WORKS</b>				
Computing and Office Equipment Replacement 2005-06 Program .....	16	-	-	16
Maintenance Program - Residential Hostels 2005-06 Program .....	500	-	-	500
Merredin Residential College Planning, design and analysis .....	25	-	-	25
Motor Vehicles - Purchase of College Buses 2005-06 Program .....	45	-	-	45
Redevelopment Programs 2005-06 Program - Albany .....	500	-	-	500
Broome - Land acquisition and hostel establishment.....	6,600	-	-	6,600
	17,901	9,560	1,309	8,341

### CAPITAL CONTRIBUTION

The Authority's capital asset replacement program will be increased to \$500,000 in 2005-06 enabling ageing buildings to be restored.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	5,951	1,394	1,309	8,341	6,532	2,735	2,740
<b>Working capital requirement</b>							
Loan and Other Repayments .....	324	518	518	533	675	700	750
	6,275	1,912	1,827	8,874	7,207	3,435	3,490
<b>LESS</b>							
Asset Sales .....	-	870	120	-	-	-	-
Borrowings.....	5,900	-	50	500	5,920	2,000	2,000
Drawdowns from the Holding Account .....	240	320	320	400	400	400	424
Funding Included in Service Appropriations <sup>(a)</sup> .....	-	80	80	100	100	100	106
Internal Funds and Balances .....	(382)	100	715	45	112	235	210
Other.....	-	-	-	2,200	-	-	-
<b>Capital Contribution .....</b>	517	542	542	5,629	675	700	750

(a) Capital works expensed through the Income Statement.

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	3,875	4,023	4,060	4,425	5,293	5,400	5,547
Superannuation .....	338	325	327	355	423	429	434
Supplies and services .....	2,344	2,518	2,654	2,758	3,388	3,455	3,533
Accommodation .....	-	-	-	-	95	95	95
Finance costs .....	520	820	820	855	920	1,100	1,150
Capital User Charge .....	1,244	1,410	1,586	1,883	2,227	2,331	2,435
Depreciation and amortisation .....	857	1,070	841	866	937	1,111	1,160
Loss on disposal of non-current assets .....	-	-	-	680	-	-	-
Doubtful Debts .....	6	20	10	10	10	5	5
Other expenses .....	165	422	348	260	302	307	313
<b>TOTAL COST OF SERVICES</b> .....	<b>9,349</b>	<b>10,608</b>	<b>10,646</b>	<b>12,092</b>	<b>13,595</b>	<b>14,233</b>	<b>14,672</b>
<b>Income</b>							
User charges and fees .....	4,562	4,804	4,814	5,261	6,650	6,933	7,133
Interest revenue .....	46	22	48	48	49	49	49
Other Revenue .....	374	380	340	2,555	416	421	426
<b>Total Income</b> .....	<b>4,982</b>	<b>5,206</b>	<b>5,202</b>	<b>7,864</b>	<b>7,115</b>	<b>7,403</b>	<b>7,608</b>
<b>NET COST OF SERVICES</b> .....	<b>4,367</b>	<b>5,402</b>	<b>5,444</b>	<b>4,228</b>	<b>6,480</b>	<b>6,830</b>	<b>7,064</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	4,980	5,402	5,435	5,963	7,041	7,453	7,590
Resources received free of charge .....	9	-	10	10	10	10	10
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>4,989</b>	<b>5,402</b>	<b>5,445</b>	<b>5,973</b>	<b>7,051</b>	<b>7,463</b>	<b>7,600</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>622</b>	<b>-</b>	<b>1</b>	<b>1,745</b>	<b>571</b>	<b>633</b>	<b>536</b>
Extraordinary items .....	(162)	-	-	-	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>460</b>	<b>-</b>	<b>1</b>	<b>1,745</b>	<b>571</b>	<b>633</b>	<b>536</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 93, 95 and 103 respectively.

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	1,842	1,240	1,130	1,447	2,004	2,359	2,706
Restricted cash .....	41	-	43	44	45	46	47
Receivables .....	434	181	430	410	405	415	410
Amounts receivable for services.....	320	400	400	400	400	424	424
Prepayments.....	7	7	7	7	7	7	7
<b>Total current assets .....</b>	<b>2,644</b>	<b>1,828</b>	<b>2,010</b>	<b>2,308</b>	<b>2,861</b>	<b>3,251</b>	<b>3,594</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	2,388	3,065	2,843	3,328	3,884	4,590	5,346
Land and Buildings.....	28,394	26,721	28,659	35,314	40,707	42,064	43,418
Plant and equipment.....	454	600	458	498	600	767	887
<b>Total non-current assets.....</b>	<b>31,236</b>	<b>30,386</b>	<b>31,960</b>	<b>39,140</b>	<b>45,191</b>	<b>47,421</b>	<b>49,651</b>
<b>TOTAL ASSETS.....</b>	<b>33,880</b>	<b>32,214</b>	<b>33,970</b>	<b>41,448</b>	<b>48,052</b>	<b>50,672</b>	<b>53,245</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	226	286	265	289	306	263	239
Provision for employee entitlements .....	271	354	280	294	310	325	340
Borrowings.....	518	533	533	675	675	745	670
Interest payable .....	168	191	208	264	324	384	434
Accrued Salaries .....	149	96	-	15	32	32	48
Other.....	493	608	564	587	587	538	513
<b>Total current liabilities.....</b>	<b>1,825</b>	<b>2,068</b>	<b>1,850</b>	<b>2,124</b>	<b>2,234</b>	<b>2,287</b>	<b>2,244</b>
<b>NON-CURRENT LIABILITIES</b>							
Superannuation .....	-	184	-	-	-	-	-
Provision for employee entitlements .....	333	285	338	343	346	350	355
Borrowings.....	12,419	11,960	11,936	11,761	17,006	18,236	19,561
<b>Total non-current liabilities .....</b>	<b>12,752</b>	<b>12,429</b>	<b>12,274</b>	<b>12,104</b>	<b>17,352</b>	<b>18,586</b>	<b>19,916</b>
<b>TOTAL LIABILITIES.....</b>	<b>14,577</b>	<b>14,497</b>	<b>14,124</b>	<b>14,228</b>	<b>19,586</b>	<b>20,873</b>	<b>22,160</b>
<b>EQUITY</b>							
Contributed Equity.....	1,829	2,039	2,371	8,000	8,675	9,375	10,125
Accumulated surplus/(deficit) .....	7,250	6,911	7,251	8,996	9,567	10,200	10,736
Reserves .....	10,224	8,767	10,224	10,224	10,224	10,224	10,224
<b>Total equity.....</b>	<b>19,303</b>	<b>17,717</b>	<b>19,846</b>	<b>27,220</b>	<b>28,466</b>	<b>29,799</b>	<b>31,085</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>33,880</b>	<b>32,214</b>	<b>33,970</b>	<b>41,448</b>	<b>48,052</b>	<b>50,672</b>	<b>53,245</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	4,020	4,325	4,580	5,078	6,085	6,323	6,410
Capital Contribution.....	517	542	542	5,629	675	700	750
Holding Account Drawdowns .....	240	320	320	400	400	400	424
<b>Net cash provided by State government .....</b>	<b>4,777</b>	<b>5,187</b>	<b>5,442</b>	<b>11,107</b>	<b>7,160</b>	<b>7,423</b>	<b>7,584</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(3,831)	(4,012)	(4,195)	(4,391)	(5,257)	(5,381)	(5,511)
Superannuation .....	(326)	(322)	(332)	(358)	(431)	(442)	(453)
Supplies and services .....	(2,294)	(2,498)	(2,584)	(2,688)	(3,318)	(3,370)	(3,438)
Accommodation.....	-	-	-	-	(95)	(95)	(95)
Finance costs.....	(459)	(780)	(780)	(799)	(860)	(1,040)	(1,100)
Capital User Charge.....	(1,244)	(1,410)	(1,586)	(1,883)	(2,227)	(2,331)	(2,435)
Goods and Services Tax .....	(799)	(400)	(400)	(500)	(500)	(500)	(500)
Other.....	(216)	(405)	(368)	(285)	(332)	(342)	(353)
<b>Receipts</b>							
User charges and fees.....	4,513	4,824	4,842	5,241	6,590	6,854	7,068
Interest received .....	46	22	48	48	49	49	49
Goods and Services Tax .....	588	400	400	500	500	500	500
Other receipts .....	374	380	380	2,600	466	366	416
<b>Net cash from operating activities.....</b>	<b>(3,648)</b>	<b>(4,201)</b>	<b>(4,575)</b>	<b>(2,515)</b>	<b>(5,415)</b>	<b>(5,732)</b>	<b>(5,852)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(5,951)	(1,314)	(1,229)	(8,241)	(6,432)	(2,635)	(2,634)
Proceeds from sale of non-current assets .....	-	870	120	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(5,951)</b>	<b>(444)</b>	<b>(1,109)</b>	<b>(8,241)</b>	<b>(6,432)</b>	<b>(2,635)</b>	<b>(2,634)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(324)	(518)	(518)	(533)	(675)	(700)	(750)
Proceeds from borrowings.....	5,900	-	50	500	5,920	2,000	2,000
<b>Net cash from financing activities .....</b>	<b>5,576</b>	<b>(518)</b>	<b>(468)</b>	<b>(33)</b>	<b>5,245</b>	<b>1,300</b>	<b>1,250</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>754</b>	<b>24</b>	<b>(710)</b>	<b>318</b>	<b>558</b>	<b>356</b>	<b>348</b>
Cash assets at the beginning of the reporting period .....	1,129	1,216	1,883	1,173	1,491	2,049	2,405
<b>Cash assets at the end of the reporting period.....</b>	<b>1,883</b>	<b>1,240</b>	<b>1,173</b>	<b>1,491</b>	<b>2,049</b>	<b>2,405</b>	<b>2,753</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

## CURRICULUM COUNCIL

### PART 5 - MINISTER FOR EDUCATION AND TRAINING

#### DIVISION 18

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 50 Net amount appropriated to deliver services .....</b>	11,039	10,974	10,996	<b>14,318</b>	14,741	15,497	16,976
Total appropriations provided to deliver services .....	11,039	10,974	10,996	<b>14,318</b>	14,741	15,497	16,976
<b>CAPITAL</b>							
<b>Item 139 Capital Contribution .....</b>	79	79	79	<b>1,579</b>	9	11	611
<b>GRAND TOTAL .....</b>	11,118	11,053	11,075	<b>15,897</b>	14,750	15,508	17,587

#### 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 and there is a national trend towards greater consistency in these areas.
- Technology is increasingly being used to individualise learning and for online examinations, marking, recording and communication of student results.
- Schools are accountable for the implementation of the Curriculum Framework which shifts the emphasis in curriculum to include the learning outcomes that students are expected to achieve. This means that 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.
- The implementation of a new senior secondary schooling system, as outlined in the report *Our Youth, Our Future*, commenced in 2005. This is a major reform intended to address issues such as:
  - the provision of relevant and motivating programs to support retention and transition for students from school to further training and/or employment in line with community expectations;
  - the skills shortage and changing school-leaver labour market expectations and requirements;
  - more flexible university entrance requirements; and
  - the growth 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 Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken since State Election</b>				
Academic Excellence - Student Community Services	215	195	160	160
Learning and Training Guarantee.....	250	800	800	1,500

### SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Curriculum Implementation and Maintenance.	4,924	4,773	5,750	6,900			
<i>Service 2:</i>							
Course Development and Approval .....	1,816	1,477	1,980	2,000			
<i>Service 3:</i>							
Student Assessment and Certification .....	4,966	5,730	6,310	6,355			
<b>Total Cost of Services .....</b>	<b>11,706</b>	<b>11,980</b>	<b>14,040</b>	<b>15,255</b>	<b>15,704</b>	<b>16,518</b>	<b>18,443</b>
<i>Less Income.....</i>	<i>1,023</i>	<i>784</i>	<i>1,030</i>	<i>784</i>	<i>793</i>	<i>811</i>	<i>811</i>
<b>Net Cost of Services .....</b>	<b>10,683</b>	<b>11,196</b>	<b>13,010</b>	<b>14,471</b>	<b>14,911</b>	<b>15,707</b>	<b>17,632</b>
Adjustments <sup>(a)</sup> .....	356	(222)	(2,014)	(153)	(170)	(210)	(656)
<b>Appropriation provided to deliver Services.</b>	<b>11,039</b>	<b>10,974</b>	<b>10,996</b>	<b>14,318</b>	<b>14,741</b>	<b>15,497</b>	<b>16,976</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>1,579</b>	<b>9</b>	<b>11</b>	<b>611</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>11,118</b>	<b>11,053</b>	<b>11,075</b>	<b>15,897</b>	<b>14,750</b>	<b>15,508</b>	<b>17,587</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chairperson, Chief Executive Officer and the Treasurer.

## OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(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 <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Continuous development of student learning and curriculum for Western Australian schools.</b>					
Teachers who have commenced implementation of Curriculum Framework.....	100%	100%	100%	100%	
Acceptance by stakeholders that the courses developed or reviewed and approved were relevant to student learning needs .....	100%	100%	100%	100%	
<b>Outcome: An equitable student assessment system to ensure confidence is maintained in Western Australian education standards.</b>					
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.

**Service 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.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	4,924	4,773	5,750	6,900	Additional funding in 2005-06 for professional development. A one-off grant of \$250,000 was received from the Public Endowment Authority in 2004-05.
Less Income .....	63	53	270	20	
Net Cost of Service .....	4,861	4,720	5,480	6,880	
Adjustments <sup>(a)</sup> .....	537	722	(689)	249	
<b>Appropriation for delivery of Service .....</b>	<b>5,398</b>	<b>5,442</b>	<b>4,791</b>	<b>7,129</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per teacher for documents, advice, information, consultation and monitoring .....	\$112	\$112	\$143	\$116	Additional material for distribution produced in 2004-05.
Average cost per teacher for professional development .....	\$42	\$38	\$38	\$101	Additional funding for professional development in 2005-06.
<b>Full Time Equivalents (FTEs)</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>26</b>	

**Major Achievements For 2004-05**

- Publication and distribution of Curriculum Framework Progress Maps in print and electronic forms to all teachers to support teachers and schools with the implementation of the Curriculum Framework.
- Publication and distribution of Curriculum Guides K-12 in print and electronic forms to all teachers, support teachers and schools with the implementation of the Curriculum Framework.
- Reporting requirements on implementation of the Curriculum Framework for the 2004-05 Annual Report were completed based on the requirements, which have been negotiated with school sector/systems.

**Major Initiatives For 2005-06**

- Implementing and communicating reporting requirements for demonstrating implementation of the Curriculum Framework for the Curriculum Council Annual Report.
- Monitoring feedback from teachers on the use and validity of the content of the Curriculum Framework Progress Maps and Curriculum Guides and preparing a research design for gathering of data to inform future refinements to the Curriculum Framework including reviewing and revising existing surveys.

- Conducting a needs analysis of the materials that may be required to support teachers and schools implement the values and inclusivity principles of the Curriculum Framework.
- Producing a CD ROM for distribution to all teachers containing the Curriculum Framework Progress Maps (Outcomes and Standards Framework for the Department of Education and Training version) and the Curriculum Framework Curriculum Guides K-12, including further within phase sequencing of content for particular outcomes in all learning areas.
- Supporting the implementation of the Curriculum Framework in Years 11 and 12 through quality assurance of the outcomes and scales of achievement for the courses of study and the associated support materials.

### Service 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.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,816	1,477	1,980	2,000	
Less Income .....	22	20	14	14	
Net Cost of Service .....	1,794	1,457	1,966	1,986	
Adjustments <sup>(a)</sup> .....	(1,227)	(220)	(347)	(57)	
<b>Appropriation for delivery of Service .....</b>	<b>567</b>	<b>1,237</b>	<b>1,619</b>	<b>1,929</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per course developed or reviewed and approved .....	\$5,044	\$4,344	\$5,824	\$5,882	
<b>Full Time Equivalents (FTEs)</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>17</b>	

### Major Achievements For 2004-05

- All existing post-compulsory accredited subjects were reviewed and where necessary amended to make them more relevant to student learning needs.
- Consultation, evaluation and redrafting of the initial 11 post-compulsory courses of study were completed in preparation for accreditation.
- Wide consultation and action research on the remaining 39 post-compulsory courses of study was commenced in preparation for endorsement.
- Plans for the removal of existing subjects from the accredited list were finalised and communicated.
- Support materials were developed for the first four courses of study.

- Materials were developed to support school delivery of VET competencies in one of the new courses of study and work commenced for another 16 VET versions of courses of study.
- Professional development on the new post-compulsory system and courses of study for teachers and administrators commenced.

### **Major Initiatives For 2005-06**

- All existing post-compulsory accredited subjects will be reviewed and where necessary amended to make them more relevant to student learning needs.
- Implementation of the plan for removal of existing accredited subjects will commence.
- Consultation, evaluation and redrafting of the remaining 39 post-compulsory courses of study will be completed in preparation for accreditation.
- Development of support materials will continue for the remaining post-compulsory courses of study.
- Materials to support school delivery of VET competencies in new courses of study will be developed.
- Professional development on the new post-compulsory system and courses of study for teachers and administrators will continue.
- Development of a public information program for parents and the community.
- Guidelines and administrative processes are developed for the implementation of the community service initiative.

### **Service 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.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	4,966	5,730	6,310	6,355	
Less Income .....	938	711	746	750	
Net Cost of Service .....	4,028	5,019	5,564	5,605	
Adjustments <sup>(a)</sup> .....	1,046	(724)	(978)	(345)	
<b>Appropriation for delivery of Service .....</b>	<b>5,074</b>	<b>4,295</b>	<b>4,586</b>	<b>5,260</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per school subject combination ..	\$109	\$126	\$140	\$139	
Average cost per student receiving a Statement of Results .....	\$84	\$94	\$105	\$104	
<b>Full Time Equivalents (FTEs)</b>	43	43	43	43	

**Major Achievements For 2004-05**

- Moderation strategies were implemented for Year 11 and Year 12 to ensure 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'.
- Quality assurance arrangements for VET in Schools were re-negotiated.
- New Australian Vocational Education and Training Management Information System Standards (AVETMISS) compliant procedures were implemented for collecting data on VET achievement for national reporting purposes and new procedures for gathering AVETMISS compliant data on VET were implemented.
- New procedures for accrediting and moderating overseas Australian Matriculation (AUSMAT) programs were implemented and negotiations continued on procedures for registration of non-school providers of the Western Australian Certificate of Education.
- The English Language Competence standard for the new Western Australian Certificate of Education was negotiated.
- In 2004 20,517 Year 12 students received a Statement of Results, 17,671 full-time eligible students achieved a Western Australian Certificate of Education and 11,652 students sat for at least one TEE subject.
- Implemented a new process for the collection of student data and publishing of a data manual to assist with the transmission of this data.
- The development of the new student records management system was commenced with testing and trialing with the Aviation course of study.

**Major Initiatives For 2005-06**

- Continue to implement negotiated moderation strategies and at the same time adapt moderation procedures for the implementation of the new Aviation, English, Media and Engineering courses of study.
- Finalise the negotiated procedures for registering non-school 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.
- Develop processes for assessment and statistical monitoring of student achievement to meet tertiary admission requirements in the new post compulsory system.
- The design of the new student system is modified to keep the learning records to support the 'It Pays to Learn' policy and the community service obligation and trialing of the system is completed and implemented.

**CAPITAL WORKS PROGRAM**

The 2005-06 capital works program provides \$1.6 million towards the new Student Records System which has expanded to include specifications to meet the implementation of the recommendations of the Post-Compulsory Education Review.

In addition, the 2005-06 capital works program 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 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Post Compulsory Education Review				
Replacement of Student Records System.....	4,211	2,585	2,094	1,626
<b>COMPLETED WORKS</b>				
Computer Hardware and Software				
2004-05 Program .....	70	70	70	-
Information Technology Upgrade and Replacement				
2003-04 Program .....	80	80	9	-
2004-05 Program .....	80	80	80	-
<b>NEW WORKS</b>				
Computer Hardware and Software				
2005-06 Program .....	70	-	-	70
Information Technology Upgrade and Replacement				
2005-06 Program .....	80	-	-	80
	4,591	2,815	2,253	1,776

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	260	1,650	2,253	1,776	147	190	810
<b>Working capital requirement</b>							
Loan and Other Repayments .....	9	9	9	9	9	11	11
	269	1,659	2,262	1,785	156	201	821
<b>LESS</b>							
Drawdowns from the Holding Account .....	80	80	80	80	147	190	210
Internal Funds and Balances .....	110	1,500	2,103	126	-	-	-
<b>Capital Contribution .....</b>	79	79	79	1,579	9	11	611

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	4,843	4,541	5,372	5,571	5,716	6,093	6,492
Superannuation .....	681	473	706	693	767	835	889
Grants and subsidies <sup>(c)</sup> .....	1,355	1,210	1,510	3,510	2,510	1,510	1,510
Supplies and services .....	4,080	4,987	5,550	4,584	5,723	6,635	7,950
Accommodation .....	475	460	490	483	495	535	600
Finance costs .....	10	11	11	11	11	11	10
Capital User Charge .....	175	186	272	268	341	348	360
Depreciation and amortisation .....	87	89	89	94	100	509	590
Other expenses .....	-	23	40	41	41	42	42
<b>TOTAL COST OF SERVICES</b> .....	<b>11,706</b>	<b>11,980</b>	<b>14,040</b>	<b>15,255</b>	<b>15,704</b>	<b>16,518</b>	<b>18,443</b>
<b>Income</b>							
User charges and fees .....	963	744	744	744	753	771	771
Grants and subsidies .....	60	40	286	40	40	40	40
<b>Total Income</b> .....	<b>1,023</b>	<b>784</b>	<b>1,030</b>	<b>784</b>	<b>793</b>	<b>811</b>	<b>811</b>
<b>NET COST OF SERVICES</b> .....	<b>10,683</b>	<b>11,196</b>	<b>13,010</b>	<b>14,471</b>	<b>14,911</b>	<b>15,707</b>	<b>17,632</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	11,039	10,974	10,996	14,318	14,741	15,497	16,976
Resources received free of charge .....	274	222	274	274	274	274	274
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>11,313</b>	<b>11,196</b>	<b>11,270</b>	<b>14,592</b>	<b>15,015</b>	<b>15,771</b>	<b>17,250</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>630</b>	<b>-</b>	<b>(1,740)</b>	<b>121</b>	<b>104</b>	<b>64</b>	<b>(382)</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>630</b>	<b>-</b>	<b>(1,740)</b>	<b>121</b>	<b>104</b>	<b>64</b>	<b>(382)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 83, 86 and 86 respectively.

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



**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	4,306	641	243	255	385	466	101
Receivables .....	21	22	21	21	21	21	21
Inventories.....	214	244	214	214	214	214	214
Amounts receivable for services.....	80	80	80	147	190	210	210
Prepayments.....	94	92	94	94	85	85	85
<b>Total current assets .....</b>	<b>4,715</b>	<b>1,079</b>	<b>652</b>	<b>731</b>	<b>895</b>	<b>996</b>	<b>631</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	204	213	213	160	70	369	749
Plant and equipment.....	233	239	303	358	406	508	509
Intangibles.....	-	-	-	1	-	-	-
Other.....	491	2,174	2,585	4,211	4,211	3,790	4,009
<b>Total non-current assets .....</b>	<b>928</b>	<b>2,626</b>	<b>3,101</b>	<b>4,730</b>	<b>4,687</b>	<b>4,667</b>	<b>5,267</b>
<b>TOTAL ASSETS.....</b>	<b>5,643</b>	<b>3,705</b>	<b>3,753</b>	<b>5,461</b>	<b>5,582</b>	<b>5,663</b>	<b>5,898</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	40	90	40	40	40	40	40
Provision for employee entitlements .....	579	564	579	579	579	579	579
Borrowings.....	9	10	10	11	11	11	11
Accrued Salaries .....	132	96	132	132	132	132	132
Other.....	376	333	139	139	139	139	139
<b>Total current liabilities.....</b>	<b>1,136</b>	<b>1,093</b>	<b>900</b>	<b>901</b>	<b>901</b>	<b>901</b>	<b>901</b>
<b>NON-CURRENT LIABILITIES</b>							
Superannuation .....	-	750	-	-	-	-	-
Provision for employee entitlements .....	175	213	175	175	175	175	175
Borrowings.....	114	104	104	94	85	74	63
Other.....	-	-	17	34	51	68	85
<b>Total non-current liabilities .....</b>	<b>289</b>	<b>1,067</b>	<b>296</b>	<b>303</b>	<b>311</b>	<b>317</b>	<b>323</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,425</b>	<b>2,160</b>	<b>1,196</b>	<b>1,204</b>	<b>1,212</b>	<b>1,218</b>	<b>1,224</b>
<b>EQUITY</b>							
Contributed Equity.....	3,511	2,803	3,590	5,169	5,178	5,189	5,800
Accumulated surplus/(deficit) .....	707	(1,258)	(1,033)	(912)	(808)	(744)	(1,126)
<b>Total equity.....</b>	<b>4,218</b>	<b>1,545</b>	<b>2,557</b>	<b>4,257</b>	<b>4,370</b>	<b>4,445</b>	<b>4,674</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>5,643</b>	<b>3,705</b>	<b>3,753</b>	<b>5,461</b>	<b>5,582</b>	<b>5,663</b>	<b>5,898</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	10,900	10,885	10,907	14,224	14,641	14,988	16,386
Capital Contribution.....	79	79	79	1,579	9	11	611
Holding Account Drawdowns .....	80	80	80	80	147	190	210
<b>Net cash provided by State government .....</b>	<b>11,059</b>	<b>11,044</b>	<b>11,066</b>	<b>15,883</b>	<b>14,797</b>	<b>15,189</b>	<b>17,207</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(4,780)	(4,541)	(5,372)	(5,571)	(5,716)	(6,093)	(6,492)
Superannuation .....	(607)	(473)	(706)	(713)	(714)	(708)	(764)
Grants and subsidies .....	(1,355)	(1,210)	(1,510)	(3,510)	(2,510)	(1,510)	(1,510)
Supplies and services .....	(3,808)	(4,765)	(5,513)	(4,280)	(5,483)	(6,478)	(7,801)
Accommodation.....	(477)	(460)	(490)	(493)	(505)	(545)	(600)
Finance costs .....	(10)	(11)	(11)	(11)	(11)	(11)	(10)
Capital User Charge.....	(175)	(186)	(272)	(268)	(341)	(348)	(360)
Goods and Services Tax .....	(428)	(615)	(471)	(471)	(471)	(471)	(476)
Other.....	-	(23)	(23)	(24)	(24)	(25)	(25)
<b>Receipts</b>							
User charges and fees.....	961	744	744	744	753	771	771
Grants and subsidies .....	60	40	286	40	40	40	40
Goods and Services Tax .....	431	615	471	471	471	471	476
<b>Net cash from operating activities.....</b>	<b>(10,188)</b>	<b>(10,885)</b>	<b>(12,867)</b>	<b>(14,086)</b>	<b>(14,511)</b>	<b>(14,907)</b>	<b>(16,751)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(448)	(1,650)	(2,253)	(1,776)	(147)	(190)	(810)
<b>Net cash from investing activities.....</b>	<b>(448)</b>	<b>(1,650)</b>	<b>(2,253)</b>	<b>(1,776)</b>	<b>(147)</b>	<b>(190)</b>	<b>(810)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(9)	(9)	(9)	(9)	(9)	(11)	(11)
<b>Net cash from financing activities .....</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(11)</b>	<b>(11)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>414</b>	<b>(1,500)</b>	<b>(4,063)</b>	<b>12</b>	<b>130</b>	<b>81</b>	<b>(365)</b>
Cash assets at the beginning of the reporting period .....	3,892	2,141	4,306	243	255	385	466
<b>Cash assets at the end of the reporting period.....</b>	<b>4,306</b>	<b>641</b>	<b>243</b>	<b>255</b>	<b>385</b>	<b>466</b>	<b>101</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Professional Development Grants for Implementation of Curriculum Framework and Recommendations of the Post- Compulsory Education Review .....	1,345	1,200	1,500	3,500	2,500	1,500	1,500
Scholarships and other grants .....	10	10	10	10	10	10	10
<b>TOTAL</b>	<b>1,355</b>	<b>1,210</b>	<b>1,510</b>	<b>3,510</b>	<b>2,510</b>	<b>1,510</b>	<b>1,510</b>

## EDUCATION SERVICES

### PART 5 - MINISTER FOR EDUCATION AND TRAINING

#### DIVISION 19

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 51 Net amount appropriated to deliver services .....</b>	8,511	13,468	10,455	<b>13,172</b>	15,480	17,549	17,508
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	140	140	140	<b>168</b>	174	180	185
Total appropriations provided to deliver services .....	8,651	13,608	10,595	<b>13,340</b>	15,654	17,729	17,693
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 52 Amount provided for Administered Grants, Subsidies and Other Transfer Payments .....</b>	191,493	201,214	258,941	<b>216,427</b>	235,781	257,535	282,216
<b>GRAND TOTAL .....</b>	200,144	214,822	269,536	<b>229,767</b>	251,435	275,264	299,909

#### 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

- Western Australia's university Acts need to be amended by 31 August 2005 to comply with the National Governance Protocols that are part of the Commonwealth's *Higher Education Support Act 2003* otherwise the universities will forfeit 5 per cent of their 2006 operating grants.
- A series of new higher education papers released by the Commonwealth is foreshadowing further amendments to the university Acts and the *Higher Education Act 2004* in relation to the governance and commercial activities of the universities, the recognition of new universities, and the accreditation and delivery of higher education courses by non-university providers.
- There is an ongoing requirement to research, evaluate and document intersectoral issues in recognition of the increasing importance of seamless provision of services involving the higher, vocational education and training (VET), and secondary schooling sectors, particularly in regional Western Australia.
- Implications of enrolment trends in public and private schools, policies for approving the establishment of new private schools, levels of resourcing for all Australian schools to achieve the National Goals of Schooling, determining needs and levels of public funding to private schools, and accountability of private schools for public funding will remain as issues at State and national levels.
- The *School Education Act 1999* and the *Curriculum Council Act 1997* require amendments to implement the Government's 'It Pays to Learn' strategy to raise the school leaving age by two years.

**MAJOR POLICY DECISIONS**

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken since State Election</b>				
Curtin Indigenous Leaders Scholarship/Fellowship .....	70	70	70	70
Learning and Training School Guarantee.....	832	1,997	1,997	1,997

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Planning, Regulatory and Funding Services ....	13,549	19,214	16,601	19,000			
<b>Total Cost of Services .....</b>	13,549	19,214	16,601	19,000	21,653	24,227	24,628
<i>Less Income.....</i>	5,114	5,101	5,101	5,426	5,765	6,264	6,760
<b>Net Cost of Services .....</b>	8,435	14,113	11,500	13,574	15,888	17,963	17,868
Adjustments <sup>(a)</sup> .....	216	(505)	(905)	(234)	(234)	(234)	(175)
<b>Appropriation provided to deliver Services.</b>	8,651	13,608	10,595	13,340	15,654	17,729	17,693
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments .....</b>	191,493	201,214	258,941	216,427	235,781	257,535	282,216
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	200,144	214,822	269,536	229,767	251,435	275,264	299,909

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Acting Chief Executive Officer and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Regulation and development, as appropriate, of higher education, non-government school education and international education.	1. Planning, Regulatory and Funding Services

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Regulation and development, as appropriate, of higher education, non-government school education and international education.</b>					
Compliance with legislated registration requirements by non-university providers of higher education awards .....	0	10.5%	10.5%	8.5%	
Compliance with legislated registration requirements by non-government schools .....	99.7%	97%	97%	98%	
Compliance with legislated registration requirements by providers of education services to full fee international students .....	97%	97%	97%	98%	
Annual percentage increase in enrolments to public universities .....	5.6%	5.6%	5.6%	5.6%	
Annual percentage increase in Australian Government funded full-time equivalent undergraduate places in Western Australian universities .....	0.6%	4.7%	4.7%	4.3%	
Annual percentage increase in enrolments to non-government schools .....	2.7%	2.9%	2.9%	2.9%	
Annual percentage increase in enrolments to education services by full fee overseas students .....	10.3%	5.0%	5.0%	5.0%	

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

### Service 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.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	13,549	19,214	16,601	19,000	Variation is due to increased borrowing costs.
Less Income .....	5,114	5,101	5,101	5,426	
Net Cost of Service .....	8,435	14,113	11,500	13,574	
Adjustments <sup>(a)</sup> .....	216	(505)	(905)	(234)	
<b>Appropriation for delivery of Service .....</b>	<b>8,651</b>	<b>13,608</b>	<b>10,595</b>	<b>13,340</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost of planning services per higher education provider .....	\$113,072	\$309,524	\$305,534	\$308,506	
Average cost of regulatory services per registered institution.....	\$3,599	\$2,031	\$2,005	\$2,024	
Average cost of funding services per recipient and loan .....	\$89	\$130	\$110	\$128	
Average cost of project services per project.....	\$569,983	\$303,968	\$300,050	\$302,970	
<b>Full Time Equivalents (FTEs)</b>	26	26	24	24	

**Major Achievements For 2004-05**

- Participated in multilateral consultations on higher education policy issues through the Ministerial Council on Education, Employment, Training and Youth Affairs Joint Committee on Higher Education.
- Participated in multilateral consultations on higher education accreditation/authorisation and standards issues in relation to the National Protocols for Higher Education Processes and sat as a member of the national steering committee for a review of these protocols ('the Guthrie Report').
- Supported the passage of the *Higher Education Act 2004* and accredited and/or authorised 10 applications from non-university private providers of higher education.
- With the Department of Education and Training, developed strategies to improve articulation between the VET and higher education sectors, including the delivery by TAFEWA colleges of higher education awards. One TAFEWA College has applied to deliver Associate Degrees and other Colleges are expected to follow.
- Brokered the transfer of the freehold title of the Churchlands campus of Edith Cowan University (ECU) to the university, and the transfer of the Management Order for ECU's Claremont campus to the University of Western Australia.
- Developed an amending Bill for the university Acts to achieve compliance with the National Governance Protocols and drafting instructions for a Bill that will amend the *School Education Act 1999* and the *Curriculum Council Act 1997* to give effect to the Government's 'It Pays to Learn' strategy.
- Ministerial approval was obtained for applications to establish four new non-government schools and to provide an additional educational level at three existing schools including, at one of those schools, an application to operate campuses at three country locations.
- The development of new and/or amended regulations to give effect to the *School Education Act 1999* in relation to Ministerial approval of applications to establish new and significantly changing non-government schools, is being progressed, following review of the criteria for assessing applications.
- By July 2005 all independent non-government schools will have been inspected under the initial phase (commenced during 2004) of the cyclical re-registration of schools according to the standards and requirements of the *School Education Act 1999* and *School Education Regulations 2000*. As required by the Act, all schools have been or will be re-registered for periods of between one and seven years.
- Funding was allocated to non-government schools in 2005 consistent with principles agreed to in the 2004 review of the funding model and which maintained the Government's commitment to fund non-government schools to at least 25 per cent of the Average Government School Recurrent Cost.
- The *Western Australian College of Teaching Act 2004* was passed by Parliament and was effective from 15 September 2004. The Act established the College as an independent body for the recognition, promotion and regulation of the teaching profession in Western Australia.

**Major Initiatives For 2005-06**

- Support the passage of the Bill to amend the university Acts that is needed to ensure that the universities achieve compliance with the National Governance Protocols by 31 August 2005 at the latest.
- Participate in multilateral and bilateral consultations on higher education in order to put Western Australia's position to the Commonwealth's ongoing review of higher education.
- Undergo an audit by the Australian Universities Quality Agency of the Department's higher education accreditation and authorisation processes.
- Aim for further improvement of industry standards and quality of service for international students studying at institutions registered under the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*, through ongoing representation on the Australian Government's review of related Commonwealth legislation.
- Support the passage of a Bill to raise the school leaving age by two years.
- Progress amendments to the *School Education Act 1999* in relation to Ministerial approval of applications to establish new and significantly changing non-government schools which will clarify terminology and specify planning assessment criteria and improve related procedural matters.

**CAPITAL WORKS PROGRAM**

An amount of \$60,000 will be provided in 2005-06 to replace office furniture and computer equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Office Equipment and Computer Replacement Program.....	240	180	65	60
<b>COMPLETED WORKS</b>				
College of Teaching Database .....	400	400	400	-
	640	580	465	60

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	543	43	465	60	60	60	360
	543	43	465	60	60	60	360
<b>LESS</b>							
Drawdowns from the Holding Account .....	37	43	43	60	60	60	360
Internal Funds and Balances .....	506	-	422	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-



## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	1,869	2,205	2,231	2,196	2,131	2,176	2,111
Superannuation .....	277	300	303	303	303	303	248
Grants and subsidies <sup>(c)</sup> .....	216	225	950	585	213	213	215
Supplies and services .....	1,312	1,865	1,864	1,902	1,790	1,818	1,835
Finance costs .....	9,545	14,340	10,840	13,628	16,828	19,328	19,828
Capital User Charge .....	168	95	229	200	202	203	205
Depreciation and amortisation .....	127	130	130	130	130	130	130
Other expenses .....	35	54	54	56	56	56	56
<b>TOTAL COST OF SERVICES</b> .....	<b>13,549</b>	<b>19,214</b>	<b>16,601</b>	<b>19,000</b>	<b>21,653</b>	<b>24,227</b>	<b>24,628</b>
<b>Income</b>							
User charges and fees .....	27	85	85	82	81	80	84
Grants and subsidies .....	678	525	525	525	525	525	527
Interest revenue .....	4,230	4,401	4,401	4,729	5,069	5,569	6,069
Other Revenue .....	179	90	90	90	90	90	80
<b>Total Income</b> .....	<b>5,114</b>	<b>5,101</b>	<b>5,101</b>	<b>5,426</b>	<b>5,765</b>	<b>6,264</b>	<b>6,760</b>
<b>NET COST OF SERVICES</b> .....	<b>8,435</b>	<b>14,113</b>	<b>11,500</b>	<b>13,574</b>	<b>15,888</b>	<b>17,963</b>	<b>17,868</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	8,651	13,608	10,595	13,340	15,654	17,729	17,693
Resources received free of charge .....	143	82	82	180	180	180	130
Liabilities assumed by the Treasurer .....	65	54	54	54	54	54	45
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>8,859</b>	<b>13,744</b>	<b>10,731</b>	<b>13,574</b>	<b>15,888</b>	<b>17,963</b>	<b>17,868</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>424</b>	<b>(369)</b>	<b>(769)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>424</b>	<b>(369)</b>	<b>(769)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 26, 24 and 24 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	2,572	1,108	1,869	1,859	1,849	1,839	1,839
Restricted cash .....	88	-	-	10	20	30	30
Investments .....	13,406	15,275	15,512	16,302	17,560	18,816	20,081
Receivables .....	120	6	120	120	120	120	120
Interest receivable .....	686	512	686	686	686	686	686
Amounts receivable for services .....	43	60	60	60	60	360	60
Prepayments .....	19	-	19	19	19	19	19
<b>Total current assets .....</b>	<b>16,934</b>	<b>16,961</b>	<b>18,266</b>	<b>19,056</b>	<b>20,314</b>	<b>21,870</b>	<b>22,835</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	20	90	90	160	230	-	70
Land and Buildings .....	554	524	574	594	614	634	654
Plant and equipment .....	92	52	107	117	127	137	117
Loans and Advances .....	171,783	186,713	186,853	197,051	205,991	213,495	219,914
Other .....	395	567	315	235	155	75	325
<b>Total non-current assets .....</b>	<b>172,844</b>	<b>187,946</b>	<b>187,939</b>	<b>198,157</b>	<b>207,117</b>	<b>214,341</b>	<b>221,080</b>
<b>TOTAL ASSETS .....</b>	<b>189,778</b>	<b>204,907</b>	<b>206,205</b>	<b>217,213</b>	<b>227,431</b>	<b>236,211</b>	<b>243,915</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	62	22	62	62	62	62	62
Provision for employee entitlements .....	306	272	306	306	306	306	306
Borrowings .....	13,406	15,275	15,512	16,302	17,560	18,816	20,081
Interest payable .....	2,853	2,252	2,853	2,853	2,853	2,853	2,853
Accrued Salaries .....	71	44	71	71	71	71	71
<b>Total current liabilities .....</b>	<b>16,698</b>	<b>17,865</b>	<b>18,804</b>	<b>19,594</b>	<b>20,852</b>	<b>22,108</b>	<b>23,373</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	224	129	224	224	224	224	224
Borrowings .....	171,783	186,713	186,853	197,051	205,991	213,495	219,914
<b>Total non-current liabilities .....</b>	<b>172,007</b>	<b>186,842</b>	<b>187,077</b>	<b>197,275</b>	<b>206,215</b>	<b>213,719</b>	<b>220,138</b>
<b>TOTAL LIABILITIES .....</b>	<b>188,705</b>	<b>204,707</b>	<b>205,881</b>	<b>216,869</b>	<b>227,067</b>	<b>235,827</b>	<b>243,511</b>
<b>EQUITY</b>							
Contributed Equity .....	50	50	50	50	50	50	50
Accumulated surplus/(deficit) .....	899	56	130	130	130	130	130
Reserves .....	124	94	144	164	184	204	224
<b>Total equity .....</b>	<b>1,073</b>	<b>200</b>	<b>324</b>	<b>344</b>	<b>364</b>	<b>384</b>	<b>404</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>189,778</b>	<b>204,907</b>	<b>206,205</b>	<b>217,213</b>	<b>227,431</b>	<b>236,211</b>	<b>243,915</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	8,601	13,478	10,465	13,210	15,524	17,599	17,563
Holding Account Drawdowns .....	37	43	43	60	60	60	360
<b>Net cash provided by State government .....</b>	<b>8,638</b>	<b>13,521</b>	<b>10,508</b>	<b>13,270</b>	<b>15,584</b>	<b>17,659</b>	<b>17,923</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(1,802)	(2,205)	(2,231)	(2,196)	(2,131)	(2,176)	(2,111)
Superannuation .....	(196)	(246)	(249)	(249)	(249)	(249)	(203)
Grants and subsidies .....	(220)	(225)	(950)	(585)	(213)	(213)	(215)
Supplies and services .....	(1,181)	(1,783)	(1,782)	(1,722)	(1,610)	(1,638)	(1,705)
Finance costs .....	(8,944)	(14,340)	(10,840)	(13,628)	(16,828)	(19,328)	(19,828)
Capital User Charge .....	(191)	(95)	(229)	(200)	(202)	(203)	(205)
Goods and Services Tax .....	(248)	(156)	(156)	(158)	(158)	(158)	(170)
Other .....	(26)	(54)	(54)	(56)	(56)	(56)	(56)
<b>Receipts</b>							
User charges and fees .....	28	85	85	82	81	80	84
Grants and subsidies .....	678	525	525	525	525	525	527
Interest received .....	4,057	4,401	4,401	4,729	5,069	5,569	6,069
Goods and Services Tax .....	238	156	156	158	158	158	170
Other receipts .....	140	90	90	90	90	90	80
<b>Net cash from operating activities .....</b>	<b>(7,667)</b>	<b>(13,847)</b>	<b>(11,234)</b>	<b>(13,210)</b>	<b>(15,524)</b>	<b>(17,599)</b>	<b>(17,563)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(543)	(43)	(65)	(60)	(60)	(60)	(360)
<b>Net cash from investing activities .....</b>	<b>(543)</b>	<b>(43)</b>	<b>(65)</b>	<b>(60)</b>	<b>(60)</b>	<b>(60)</b>	<b>(360)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings .....	(15,452)	(14,778)	(13,406)	(15,512)	(16,302)	(17,740)	(18,816)
Other payments for financing activities .....	(28,980)	(26,500)	(30,581)	(26,500)	(26,500)	(26,500)	(26,500)
Proceeds from borrowings .....	28,980	26,500	30,581	26,500	26,500	26,500	26,500
Other proceeds from financing activities .....	15,452	14,778	13,406	15,512	16,302	17,740	18,816
<b>Net cash from financing activities .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>428</b>	<b>(369)</b>	<b>(791)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	2,232	1,477	2,660	1,869	1,869	1,869	1,869
<b>Cash assets at the end of the reporting period .....</b>	<b>2,660</b>	<b>1,108</b>	<b>1,869</b>	<b>1,869</b>	<b>1,869</b>	<b>1,869</b>	<b>1,869</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>EXPENSES</b>							
Grants and subsidies <sup>(b)</sup> .....	190,097	201,214	258,941	216,427	235,781	257,535	282,216
Finance costs .....	1,913	1,554	1,556	1,241	914	633	382
<b>TOTAL ADMINISTERED EXPENSES .....</b>	<b>192,010</b>	<b>202,768</b>	<b>260,497</b>	<b>217,668</b>	<b>236,695</b>	<b>258,168</b>	<b>282,598</b>
<b>INCOME</b>							
Interest revenue .....	1,913	1,554	1,556	1,241	914	633	382
Service Appropriations .....	191,493	201,214	258,941	216,427	235,781	257,535	282,216
<b>TOTAL ADMINISTERED INCOME .....</b>	<b>193,406</b>	<b>202,768</b>	<b>260,497</b>	<b>217,668</b>	<b>236,695</b>	<b>258,168</b>	<b>282,598</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Further information is provided in the table 'Details of the Administered Transactions Expenses'.

## SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	3,091	1,765	3,093	3,095	3,097	3,099	3,101
Investments .....	12,450	10,808	10,796	8,879	7,603	6,743	5,895
Receivables .....	62	9	62	62	62	62	62
Interest receivable .....	141	127	117	103	80	60	40
<b>Total Administered Current Assets .....</b>	<b>15,744</b>	<b>12,709</b>	<b>14,068</b>	<b>12,139</b>	<b>10,842</b>	<b>9,964</b>	<b>9,098</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Loans and Advances .....	44,286	33,717	33,490	24,611	17,008	10,265	4,370
<b>Total Administered Non-Current Assets .....</b>	<b>44,286</b>	<b>33,717</b>	<b>33,490</b>	<b>24,611</b>	<b>17,008</b>	<b>10,265</b>	<b>4,370</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>60,030</b>	<b>46,426</b>	<b>47,558</b>	<b>36,750</b>	<b>27,850</b>	<b>20,229</b>	<b>13,468</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Payables .....	-	15	-	-	-	-	-
Borrowings.....	12,450	10,808	10,796	8,879	7,603	6,743	5,895
Monies in trust .....	35	37	37	39	41	43	45
Interest payable .....	141	127	117	103	80	60	40
<b>Total Administered Current Liabilities.....</b>	<b>12,626</b>	<b>10,987</b>	<b>10,950</b>	<b>9,021</b>	<b>7,724</b>	<b>6,846</b>	<b>5,980</b>
<b>ADMINISTERED NON-CURRENT LIABILITIES</b>							
Borrowings.....	44,286	33,717	33,490	24,611	17,008	10,265	4,370
<b>Total Administered Non-Current Liabilities</b>	<b>44,286</b>	<b>33,717</b>	<b>33,490</b>	<b>24,611</b>	<b>17,008</b>	<b>10,265</b>	<b>4,370</b>
<b>TOTAL ADMINISTERED LIABILITIES..</b>	<b>56,912</b>	<b>44,704</b>	<b>44,440</b>	<b>33,632</b>	<b>24,732</b>	<b>17,111</b>	<b>10,350</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(190,113)	(201,214)	(258,941)	(216,427)	(235,781)	(257,535)	(282,216)
Finance costs .....	(1,946)	(1,578)	(1,578)	(1,253)	(935)	(651)	(400)
Goods and Services Tax .....	(18,487)	(20,941)	(26,714)	(23,242)	(23,242)	(25,346)	(26,890)
<b>Financing Activities</b>							
Repayment of borrowings.....	(14,698)	(12,462)	(12,450)	(10,796)	(8,879)	(7,603)	(6,743)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(225,244)</b>	<b>(236,195)</b>	<b>(299,683)</b>	<b>(251,718)</b>	<b>(268,837)</b>	<b>(291,135)</b>	<b>(316,249)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Interest received .....	1,946	1,578	1,578	1,253	935	651	400
Interest received .....	2	2	2	2	2	2	2
Goods and Services Tax .....	18,435	20,941	26,714	23,242	23,242	25,346	26,890
Service Appropriations .....	191,493	201,214	258,941	216,427	235,781	257,535	282,216
<b>Financing Activities</b>							
Other proceeds from financing activities.....	14,698	12,462	12,450	10,796	8,879	7,603	6,743
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>226,574</b>	<b>236,197</b>	<b>299,685</b>	<b>251,720</b>	<b>268,839</b>	<b>291,137</b>	<b>316,251</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>1,330</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Various Scholarships .....	216	225	225	225	213	213	215
College of Teaching Grant.....	-	-	400	360	-	-	-
Grant for Geraldton Universities Centre Building.....	-	-	325	-	-	-	-
<b>TOTAL</b>	<b>216</b>	<b>225</b>	<b>950</b>	<b>585</b>	<b>213</b>	<b>213</b>	<b>215</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES</b>							
Per Capita Grants to Non-Government Schools .....	179,985	190,074	189,357	202,640	220,310	241,248	265,469
Grants for Special Education Students .....	2,782	3,113	3,113	3,488	3,787	4,110	4,445
Psychology Services Grant .....	1,891	1,941	1,941	2,038	2,140	2,500	2,625
Australian Music Examinations Board.....	100	100	100	127	131	135	139
Students at Risk .....	196	236	236	236	236	236	236
Funding for WA Hospital Services and WA Institute for Deaf Education.....	-	-	796	1,647	1,741	1,839	1,839
All other grants .....	431	407	328	1,212	2,397	2,398	2,398
Grant to Edith Cowan University for purchase of land.....	-	-	57,727	-	-	-	-
<b>STATUTORY AUTHORITIES</b>							
Curtin University of Technology - Debt Charges.....	85	43	43	39	35	30	26
<b>SUBSIDIES AND CONCESSIONS</b>							
Interest Subsidy (on loans taken out before commencement of Low Interest Loan Scheme).....	229	400	400	-	-	-	-
<b>OTHER STATE SERVICES</b>							
Superannuation - Higher Education Institutions.....	4,398	4,900	4,900	5,000	5,004	5,039	5,039
<b>TOTAL</b>	<b>190,097</b>	<b>201,214</b>	<b>258,941</b>	<b>216,427</b>	<b>235,781</b>	<b>257,535</b>	<b>282,216</b>

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Registration Fees.....	28	85	85	82
Commonwealth Specific Purpose Program - Aboriginal Education and Training Council.....	369	325	325	325
Commonwealth Specific Purpose Program - The Millennium Indigenous Teacher Scholarship Programme.....	309	200	200	200
Borrowings from WA Treasury Corporation.....	28,980	26,500	30,581	26,500
Interest Repayments.....	4,057	4,401	4,401	4,729
Principal Repayments.....	15,452	14,778	13,406	15,512
Miscellaneous Revenue.....	140	90	90	90
GST input credits.....	18,648	21,073	26,846	23,376
GST Receipts.....	25	24	24	24
<b>TOTAL.....</b>	<b>68,008</b>	<b>67,476</b>	<b>75,958</b>	<b>70,838</b>

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



## Part 6

### Minister for Consumer and Employment Protection; Indigenous Affairs; Minister Assisting the Minister for Water Resources

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
333	Consumer and Employment Protection			
	– Delivery of Services .....	45,387	47,007	<b>49,245</b>
	– Capital Contribution .....	1,283	1,283	<b>1,550</b>
	Total .....	46,670	48,290	<b>50,795</b>
349	Registrar, Western Australian Industrial Relations Commission			
	– Delivery of Services .....	9,685	10,126	<b>10,969</b>
	– Capital Contribution .....	-	-	-
	Total .....	9,685	10,126	<b>10,969</b>
359	Indigenous Affairs			
	– Delivery of Services .....	18,702	18,722	<b>19,246</b>
	– Capital Contribution .....	137	137	<b>397</b>
	Total .....	18,839	18,859	<b>19,643</b>
371	Water and Rivers Commission			
	– Delivery of Services .....	51,155	54,995	<b>63,583</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	3,042	3,042	<b>2,798</b>
	– Capital Contribution .....	2,500	2,500	<b>8,060</b>
	Total .....	56,697	60,537	<b>74,441</b>
387	Water Corporation.....	...	...	...
390	Bunbury Water Board .....	...	...	...
391	Busselton Water Board .....	...	...	...
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	124,929	130,850	<b>143,043</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	3,042	3,042	<b>2,798</b>
	– Capital Contribution .....	3,920	3,920	<b>10,007</b>
	Total .....	131,891	137,812	<b>155,848</b>



## CONSUMER AND EMPLOYMENT PROTECTION

### PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES

#### DIVISION 20

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 53 Net amount appropriated to deliver services .....</b>	45,180	45,269	46,889	<b>49,123</b>	48,869	51,156	53,128
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	118	118	118	<b>122</b>	125	129	133
Total appropriations provided to deliver services .....	45,298	45,387	47,007	<b>49,245</b>	48,994	51,285	53,261
<b>CAPITAL</b>							
<b>Item 140 Capital Contribution .....</b>	1,372	1,283	1,283	<b>1,550</b>	2,150	1,850	1,150
<b>GRAND TOTAL .....</b>	46,670	46,670	48,290	<b>50,795</b>	51,144	53,135	54,411

#### MISSION

*To create a trading and employment environment that protects consumers and workers.*

#### SIGNIFICANT ISSUES AND TRENDS

- The expected passage through Parliament of legislation in the areas of trade measurement and residential park living will have a significant impact upon the Department of Consumer and Employment Protection (DOCEP) as new procedures and processes to support the administration of the legislation will need to be implemented.
- The Government decision to proceed with the implementation of the Review of Boards and Committees in the Consumer and Employment Protection portfolio will potentially have an impact on the DOCEP.
- The expected implementation of the statutory review of the *Residential Tenancies Act 1987* may have an impact on the DOCEP and other Departments responsible for tenancy services under the Act. The review is currently underway and is likely to recommend significant legislative and procedural changes, which may have resourcing, administration and community education implications.
- Ageing electricity distribution infrastructure has been an increasing concern due to the risks it poses to community safety and the reliability of electricity supply. Increased investment in transmission and distribution infrastructure and in the capital and operating expenditure on the network is targeted at improved reliability, capacity, safety and quality of power.
- There is concern at the number of electricians and members of the Western Australian community who are being injured through electrical accidents. The Department is pursuing industry and community education as well as other strategies to address this trend.
- The Federal Government's stated intention to create a 'unitary' industrial relations system may significantly impact on Western Australia's industrial relations system.

- The ageing workforce and skill depletion due to staff retirement is expected to lead to long-term labour shortages across a range of industries and occupations and potential wages growth. The DOCEP and other agencies are developing strategies to deal with the anticipated workforce shortages and also promotional activities to raise awareness of both issues and remedies for both the public and private sectors.
- Although the rate of workplace injury and disease has continued to fall, Western Australia is committed to national targets, which require a 20% reduction in fatalities and a 40% reduction in injuries between 2002 and 2012.
- Community expectations with respect to safety are increasing. The prominence given to certain hazards is changing and the growth in small business and self-employment all present challenges to the Department.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken since State Election</b>				
Increasing Parental Leave Across the Public Sector .....	-	1,000	2,000	3,000
Increase in Labour Relations Industrial Inspectors .....	340	350	360	370
Business Names and Register of Encumbered Vehicles - reduction of fees and charges .....	1,293	1,293	1,293	1,293

## SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Community Information and Assistance .....	14,750	16,003	17,522	17,032			
<i>Service 2:</i>							
Regulatory Framework .....	9,480	9,674	10,426	10,063			
<i>Service 3:</i>							
Regulation Enforcement .....	38,856	37,926	41,005	42,035			
<b>Total Cost of Services .....</b>	<b>63,086</b>	<b>63,603</b>	<b>68,953</b>	<b>69,130</b>	<b>71,662</b>	<b>74,106</b>	<b>79,384</b>
<i>Less Income .....</i>	<i>17,819</i>	<i>16,551</i>	<i>17,040</i>	<i>16,724</i>	<i>21,305</i>	<i>22,134</i>	<i>25,570</i>
<b>Net Cost of Services .....</b>	<b>45,267</b>	<b>47,052</b>	<b>51,913</b>	<b>52,406</b>	<b>50,357</b>	<b>51,972</b>	<b>53,814</b>
Adjustments <sup>(a)</sup> .....	31	(1,665)	(4,906)	(3,161)	(1,363)	(687)	(553)
<b>Appropriation provided to deliver Services.</b>	<b>45,298</b>	<b>45,387</b>	<b>47,007</b>	<b>49,245</b>	<b>48,994</b>	<b>51,285</b>	<b>53,261</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>1,372</b>	<b>1,283</b>	<b>1,283</b>	<b>1,550</b>	<b>2,150</b>	<b>1,850</b>	<b>1,150</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS.....</b>	<b>46,670</b>	<b>46,670</b>	<b>48,290</b>	<b>50,795</b>	<b>51,144</b>	<b>53,135</b>	<b>54,411</b>

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION**

**Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	A community in which members meet their responsibilities and where the rights of all parties are protected in relation to the various areas of DOCEP's responsibility: consumer protection, labour relations, occupational safety and health and energy safety.	1. Community Information and Assistance 2. Regulatory Framework 3. Regulation Enforcement

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: A community in which members meet their responsibilities and where the rights of all parties are protected in relation to the various areas of DOCEP's responsibility: consumer protection, labour relations, occupational safety and health and energy safety.</b>  The extent to which members of the community comply with the requirements of regulations in the various areas of DOCEP's responsibility.....	85%	70%	70%	80%	
The proportion of key measures exhibiting desirable trends in the various areas of DOCEP's responsibility. ....	100%	70%	70%	80%	

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

**Service 1: Community Information and Assistance**

Access to knowledge, information and support so that members of the community can exercise their rights and meet their obligations in the various areas of DOCEP's responsibility.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	14,750	16,003	17,522	17,032	
Less Income .....	4,850	646	3,337	2,608	
Net Cost of Service .....	9,900	15,357	14,185	14,424	
Adjustments <sup>(a)</sup> .....	7	(268)	(1,247)	(756)	
<b>Appropriation for delivery of Service .....</b>	<b>9,907</b>	<b>15,089</b>	<b>12,938</b>	<b>13,668</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per response to customer enquiry	\$5.22	\$7.84	\$7.07	\$6.67	
Average cost per information and education service .....	\$1.74	\$2.54	\$2.16	\$1.98	
Average cost per advice or assistance service..	\$70.08	\$293.00	\$71.50	\$71.44	
<b>Full Time Equivalents (FTEs)</b>	<b>154</b>	<b>158</b>	<b>169</b>	<b>169</b>	

**Major Achievements For 2004-05**

- Conducted the ThinkSafe Campaign via statewide television and radio advertising and appointed a ThinkSafe Small Business Manager to ensure small businesses were effectively targeted.
- Promoted family friendly work arrangements through the release of three new publications addressing parental leave guidelines and obligations for employers and employees.
- Incorporated into public sector awards and agreements flexible work provisions to facilitate phased retirement and work life balance options and promoted these to public sector agencies.
- Conducted an Aboriginal Awareness Campaign to raise awareness among Indigenous employers and employees on their employment rights and obligations.
- Piloted a youth radio program aimed at increasing awareness of risk areas for young consumers, such as credit and budgeting, mobile phone contracts, vehicle purchases and property rental.
- Conducted an extensive education program to promote the implementation of the Fitness Industry Code of Practice.
- Introduced a new motor industry newsletter to ensure consumers and traders are aware of their rights and responsibilities.
- Raised awareness of residential tenancy issues through participation in seminars with real estate property managers.
- Developed a training program and promoted the new Code of Practice for Tilt-Up Construction.

- Raised awareness of preventative strategies through the publication of a new code of practice regarding fatigue management for commercial drivers.
- Developed a Code of Practice for Occupational Safety and Health in Call Centres.
- In consultation with industry, work commenced on developing an Extended Working Hours Code of Practice for consideration by stakeholders.
- Conducted a series of business workshops to increase employers' understanding of employment obligations.
- Produced and promoted a new publication, 'Working in WA', and published 'Work Life Balance in 2004 – A Snapshot of Western Australian Workplaces'.
- Promoted improvements for the security and resilience of Western Australia's energy infrastructure through participation in conferences, seminars and national working groups.
- Raised awareness of safety and health issues and changes to legislation through the publication and promotion of new WorkSafe Bulletins regarding general duty of care, provisional improvement notices and establishing a safety and health committee.

### **Major Initiatives For 2005-06**

- Implement an information program for businesses addressing consumer protection rights and responsibilities.
- Implement Indigenous Community Consumer Education strategies that have been identified through the Indigenous Community Education Program.
- Enhance community education initiatives targeted towards vulnerable groups such as young consumers and seniors.
- Develop and conduct intensive information campaigns to support the passage and implementation of new legislation in the areas of residential parks and trade measurement.
- Conduct a safety awareness advertising campaign to inform the general public on the dangers associated with electricity and gas.
- Undertake promotional activities in relation to the 'Work Life Balance' issue including the development of a new website, and the 'Mature Age Employment Strategy'.
- Develop partnerships with business associations to provide workshops for small business employers to increase understanding of operating effectively within the labour relations system.
- Assess, redevelop and enhance Departmental Internet sites, such as the Wageline and WorkSafe websites, to ensure that these sites are more accessible and user-friendly and that the information provided reflects current business, community and stakeholder needs.
- Provide information, advice, training and assistance to influence the occupational safety and health practices of small business owners.
- Strengthen information provided to elected safety and health representatives in workplaces by improving and targeting occupational safety and health communications.
- Organise Western Australia's Safe Work Australia Week activities including a major safety and health representative's forum and Safety Achievers Dinner.
- In consultation with industry stakeholders, finalise the Extended Working Hours Code of Practice.

## Service 2: Regulatory Framework

Development and maintenance of policy and legislation that reflect community expectations in relation to the various areas of DOCEP's responsibility.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	9,480	9,674	10,426	10,063	
Less Income .....	369	3,832	540	559	
Net Cost of Service .....	9,111	5,842	9,886	9,504	
Adjustments <sup>(a)</sup> .....	5	(162)	(742)	(447)	
<b>Appropriation for delivery of Service .....</b>	<b>9,116</b>	<b>5,680</b>	<b>9,144</b>	<b>9,057</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per major policy project.....	\$229,652	\$159,283	\$252,773	\$273,329	
Average cost per policy project .....	\$40,941	\$73,016	\$59,454	\$65,524	
Average cost per policy task.....	\$1,121	\$1,308	\$1,452	\$1,375	
<b>Full Time Equivalents (FTEs)</b>	<b>88</b>	<b>94</b>	<b>91</b>	<b>93</b>	

### Major Achievements For 2004-05

- Introduced into Parliament the Residential Parks Bill to provide improved protection for residents of park homes.
- Tabled in Parliament Green Bill versions of the Trade Measurement Bill and the Trade Measurement (Administration) Bill to finalise the consultation process on a new regulatory framework for weights and measures consistent with other Australian jurisdictions.
- Completed drafting instructions for the Public Collections Bill, which will provide improved regulation of public collections.
- Introduced amendments, as a result of a statutory review, to the *Occupational Safety and Health Act 1984*. These include a substantial increase in penalties, provisions for appropriately trained safety and health representatives to issue Provisional Improvement Notices, the creation of a safety and health tribunal, expansion of the duty of care to close gaps and the introduction of non-monetary penalties.
- Reviewed training courses for safety and health representatives in accordance with the amendments to the *Occupational Safety and Health Act 1984*.
- Implemented a new package of measures to improve safety in the tilt-up and precast concrete construction industry. The package included new regulations.
- Prepared and tabled in Parliament, a report on the Review of the Gender Pay Gap in Western Australia.



- Reviewed the terms and conditions of employment within the public sector for Defence Force Reservists' leave and district allowances.
- Finalised and tabled in Parliament the Independent Review of the *Labour Relations Reform Act 2002*.
- Developed the Mature Age Employment Strategy for Western Australia for consideration by Government.
- Finalised the updating of six CSA/CPSU awards and completed a review of agency specific employment agreements.
- Examined the regional petroleum market to investigate differentials between city and country prices.
- Reviewed the Electricity (Licensing) Regulations 1991 to accommodate the State Administrative Tribunal's role and to ensure that the licensing regime is more effective as a regulatory tool and that safety outcomes are enhanced.
- Finalised the implementation of improvements to electrician training in accordance with the Electrical Regulatory Authorities Council (ERAC) 2001 Licensing Policy.

### ***Major Initiatives For 2005-06***

- Amend legislation to enable the implementation of the review of boards and committees in the Consumer and Employment Protection portfolio.
- Implement licensing and appropriate regulatory framework for the holiday accommodation management industry.
- Implement the recommendations of the statutory review of the *Residential Tenancies Act 1987*.
- Complete a general review of building legislation in the Consumer and Employment Protection portfolio and begin implementation of the recommendations.
- Extend the range of infringement notices, as an alternative to formal proceedings, under all appropriate Consumer Protection legislation.
- Support a detailed testing program being undertaken by gas appliance manufacturers in conjunction with the enHealth Council, to determine the effect of emissions on indoor air quality from the new generation of low emissions, flue-less gas heaters.
- Progress amendments to the Electricity Regulations 1947 in order to generally improve the electrical safety of electrician work practices and to introduce strict controls on performing electrical work on or close to 'live' parts.
- In liaison with the National Oil Supply Emergency Committee, develop improvements for existing Commonwealth and State/Territory legislation and operational plans to deal with possible national, local and cross-border liquid fuel shortages.
- Assess the implications of national labour relations decisions, such as the Federal Family Provisions Case 2004, and significant State labour relations decisions, such as the Termination Change and Redundancy Test Case, and develop recommendations for Government.
- Undertake a follow up study in relation to the Labour Relations Benchmarking Project to monitor the performance of the Western Australian labour relations system.
- Assess the Federal Government's proposed legislation to create a 'unitary' industrial relations system and advise the Government on the impact and implications for the State's industrial relations system.
- Develop legislation to facilitate reforms to the labour relations system.
- Develop a bargaining position paper for wage outcomes in the public sector for 2005-07.

- Assess the recommendations from the Review of Aspects of the *Labour Relations Reform Act 2002* and the Review of the Gender Pay Gap in Western Australia and implement approved policy and legislative recommendations.
- Develop regulations to support recent changes to the *Occupational Safety and Health Act 1984* as a result of the Laing Review, including new reporting requirements regarding injury and disease to non-employees.
- Commence a statutory review of the operations of the *Occupational Safety and Health Act 1984*.
- Introduce mandatory safety awareness induction training for the construction industry.
- Develop a Code of Practice for the prevention of violence, aggression and bullying in the workplace and conduct an awareness campaign.

### Service 3: Regulation Enforcement

Enforcement of regulation governing the various areas of DOCEP's responsibility.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	38,856	37,926	41,005	42,035	
Less Income .....	12,600	12,073	13,163	13,557	
Net Cost of Service .....	26,256	25,853	27,842	28,478	
Adjustments <sup>(a)</sup> .....	19	(1,235)	(2,917)	(1,958)	
<b>Appropriation for delivery of Service .....</b>	<b>26,275</b>	<b>24,618</b>	<b>24,925</b>	<b>26,520</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per registration service .....	\$4.02	\$4.30	\$5.95	\$5.81	For 2005-06 an increase in the quantity of licensing services is anticipated due to additional licensing requirements and triennial renewals, which will result in a decrease in unit cost.
Average cost per licensing service .....	\$84	\$135	\$110	\$82	
Average cost of inspections and audits .....	\$189	\$145	\$156	\$195	
Average cost of investigations and compliance conciliations .....	\$717	\$1,097	\$749	\$775	
Average cost of prosecutions, legal actions and proceedings.....	\$11,544	\$12,022	\$11,230	\$10,762	
<b>Full Time Equivalents (FTEs)</b>	<b>424</b>	<b>423</b>	<b>430</b>	<b>447</b>	

**Major Achievements For 2004-05**

- Progressed implementation of an enhanced information management system to facilitate better tracking of offenders across consumer protection industry areas, integrate business and company registers and improve the management of investigation caseloads.
- Continued occupational safety and health compliance and enforcement activity consistent with nationally agreed priority industries including manufacturing, construction, health and community services, agriculture, forestry, fishing, transport and storage, retail and wholesale trade.
- Undertook successful prosecution and compliance actions in relation to consumer protection matters such as unlicensed motor vehicle dealing, misleading and deceptive advertising and pre-packaged product labelling.
- Progressed the development and implementation of a new labour relations compliance database and management system, to consolidate a number of separate systems and provide greater integrity and ease of management of compliance matters.
- Established a new compliance and inspection framework for the plumbing industry and employed staff to target various compliance programs.
- Established the Motor Vehicle Industry Board and commenced implementation of the motor vehicle repairers licensing and compliance regime.
- Commenced the roof tilers campaign, consisting of random site visits and inspections, to monitor compliance with industrial and employment obligations.
- Conducted compliance audits on a cross section of businesses in the metropolitan area to monitor compliance with industrial awards and agreements.
- Conducted a statewide campaign addressing commercial vehicle drivers' compliance with fatigue safety regulations.
- Implemented a new electricity supply complaints database, which improved the Department's ability to respond to complaints about power supply quality and reliability.
- Comprehensively assessed electricity supply system safety issues associated with the Tenterden fire and ordered remedial action.

**Major Initiatives For 2005-06**

- Implement licensing and compliance regime for motor vehicle repairers.
- Finalise the compliance and licensing database and management system, to consolidate a number of separate systems and provide greater integration and management of compliance and licensing matters across a range of industry areas within DOCEP.
- Implement the licensing and compliance regime for debt collectors.
- Implement new procedures and resourcing structures to support the administration of legislation in the areas of trade measurement and residential park living.
- Finalise the compliance audit of Western Power's wood pole safety management systems.
- Actively participate in the national Energy Industry Assurance Advisory Group, which has been established to improve the resilience of critical energy industry infrastructure, covering electricity, liquid fuels and gas supplies.
- Target occupational safety and health intervention activities in line with the national and state based priority hazard/risk areas in workplaces, including national occupational safety and health compliance initiatives in the agriculture, manufacturing and demolition industries.
- Increase compliance services to metropolitan and regional areas to assist employers fulfil their obligations to comply with industrial awards and agreements.

**CAPITAL WORKS PROGRAM**

The Department's capital works program in 2005-06 will provide increased access by the public to the Department via the web and ongoing asset replacement of computer equipment.

Specific emphasis is also being placed on improved customer services through internet services. For example, work will commence on the introduction of new 'Business Names Applications' via web services and the majority of industries that are licensed by the Department, or those that are dependent on Trade Standards, will have greater access to web services.

A new Integrated Document Management System will be deployed that will be a core component of all business systems and will provide for transparency and accessibility across the Department's information resources.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
PC Replacement Plan 2004-2006 Program .....	1,500	750	750	750
<b>COMPLETED WORKS</b>				
Business Systems Development and Enhancement 2001-02 Program .....	2,069	2,069	1,474	-
Computer Hardware and Software 2002-03 Program .....	493	493	83	-
2003-04 Program .....	791	791	595	-
2004-05 Program .....	127	127	127	-
Corporate Infrastructure 2002-03 Program .....	648	648	261	-
DOCEP Online Services 2001-2004 Program .....	1,540	1,540	1,166	-
Other Works				
Additional Workplace Inspectors - accommodation and set up costs.....	381	381	301	-
Minor Equipment Purchases .....	952	952	397	-
Technology Infrastructure for New Staff .....	386	386	8	-
<b>NEW WORKS</b>				
Business Systems Development and Enhancement Business Names System .....	2,000	-	-	500
Integrated Document Management System.....	1,600	-	-	800
Computer Hardware and Software 2005-06 Program .....	80	-	-	80
Information Technology Infrastructure Business Systems and On-line Infrastructure.....	1,100	-	-	250
	<b>13,667</b>	<b>8,137</b>	<b>5,162</b>	<b>2,380</b>

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	<b>2,074</b>	<b>2,160</b>	<b>5,162</b>	<b>2,380</b>	<b>2,900</b>	<b>2,810</b>	<b>2,110</b>
	2,074	2,160	5,162	2,380	2,900	2,810	2,110
<b>LESS</b>							
Drawdowns from the Holding Account .....	1,297	856	856	830	750	960	960
Funding Included in Service Appropriations <sup>(a)</sup>	37	21	21	-	-	-	-
Internal Funds and Balances .....	(632)	-	3,002	-	-	-	-
<b>Capital Contribution .....</b>	<b>1,372</b>	<b>1,283</b>	<b>1,283</b>	<b>1,550</b>	<b>2,150</b>	<b>1,850</b>	<b>1,150</b>

(a) Capital works expensed through the Income Statement.

**FINANCIAL STATEMENTS****INCOME STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	36,087	35,075	35,889	39,902	40,842	41,350	43,899
Superannuation .....	3,936	3,864	4,044	4,131	4,201	4,264	4,327
Grants and subsidies <sup>(c)</sup> .....	522	423	884	433	403	328	328
Supplies and services .....	14,789	16,420	20,094	16,028	17,073	18,195	20,877
Accommodation .....	5,302	5,121	5,400	5,516	5,631	5,746	5,861
Capital User Charge .....	625	682	624	510	574	751	921
Depreciation and amortisation .....	1,754	1,820	1,820	2,406	2,733	3,014	2,951
Other expenses .....	71	198	198	204	205	458	220
<b>TOTAL COST OF SERVICES</b> .....	<b>63,086</b>	<b>63,603</b>	<b>68,953</b>	<b>69,130</b>	<b>71,662</b>	<b>74,106</b>	<b>79,384</b>
<b>Income</b>							
User charges and fees .....	8,902	8,205	9,365	9,375	9,380	9,390	10,380
Regulatory Fees and Fines .....	7,476	8,231	7,175	6,829	11,395	12,209	14,650
Other Revenue .....	1,441	115	500	520	530	535	540
<b>Total Income</b> .....	<b>17,819</b>	<b>16,551</b>	<b>17,040</b>	<b>16,724</b>	<b>21,305</b>	<b>22,134</b>	<b>25,570</b>
<b>NET COST OF SERVICES</b> .....	<b>45,267</b>	<b>47,052</b>	<b>51,913</b>	<b>52,406</b>	<b>50,357</b>	<b>51,972</b>	<b>53,814</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	45,298	45,387	47,007	49,245	48,994	51,285	53,261
Resources received free of charge .....	516	601	601	615	625	630	635
Liabilities assumed by the Treasurer .....	551	794	571	591	601	611	621
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>46,365</b>	<b>46,782</b>	<b>48,179</b>	<b>50,451</b>	<b>50,220</b>	<b>52,526</b>	<b>54,517</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,098</b>	<b>(270)</b>	<b>(3,734)</b>	<b>(1,955)</b>	<b>(137)</b>	<b>554</b>	<b>703</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 666, 690 and 709 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	11,573	3,775	3,505	2,810	3,878	4,966	6,154
Restricted cash .....	896	768	120	140	160	180	200
Receivables .....	2,640	4,177	2,689	1,689	989	889	989
Amounts receivable for services.....	2,799	830	830	750	960	960	960
Prepayments .....	690	651	600	650	600	550	500
<b>Total current assets .....</b>	<b>18,598</b>	<b>10,201</b>	<b>7,744</b>	<b>6,039</b>	<b>6,587</b>	<b>7,545</b>	<b>8,803</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	-	2,933	2,933	4,589	6,362	8,416	10,407
Plant and equipment.....	4,467	7,349	4,543	4,233	4,084	3,387	2,038
Prepayments .....	8	8	-	-	-	-	-
Intangibles.....	-	-	-	530	1,087	1,672	2,286
Other.....	471	602	3,716	3,470	3,229	3,137	3,031
<b>Total non-current assets.....</b>	<b>4,946</b>	<b>10,892</b>	<b>11,192</b>	<b>12,822</b>	<b>14,762</b>	<b>16,612</b>	<b>17,762</b>
<b>TOTAL ASSETS.....</b>	<b>23,544</b>	<b>21,093</b>	<b>18,936</b>	<b>18,861</b>	<b>21,349</b>	<b>24,157</b>	<b>26,565</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	1,979	1,430	1,979	1,802	1,940	1,817	1,837
Provision for employee entitlements .....	6,166	5,410	6,351	6,541	6,737	6,939	7,146
Monies in trust .....	791	684	120	140	160	180	200
Accrued Salaries .....	1,785	991	-	180	180	360	540
<b>Total current liabilities.....</b>	<b>10,721</b>	<b>8,515</b>	<b>8,450</b>	<b>8,663</b>	<b>9,017</b>	<b>9,296</b>	<b>9,723</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	3,798	3,547	3,912	4,029	4,150	4,275	4,403
<b>Total non-current liabilities .....</b>	<b>3,798</b>	<b>3,547</b>	<b>3,912</b>	<b>4,029</b>	<b>4,150</b>	<b>4,275</b>	<b>4,403</b>
<b>TOTAL LIABILITIES.....</b>	<b>14,519</b>	<b>12,062</b>	<b>12,362</b>	<b>12,692</b>	<b>13,167</b>	<b>13,571</b>	<b>14,126</b>
<b>EQUITY</b>							
Contributed Equity .....	5,792	7,075	7,075	8,625	10,775	12,625	13,775
Accumulated surplus/(deficit) .....	3,233	1,956	(501)	(2,456)	(2,593)	(2,039)	(1,336)
<b>Total equity.....</b>	<b>9,025</b>	<b>9,031</b>	<b>6,574</b>	<b>6,169</b>	<b>8,182</b>	<b>10,586</b>	<b>12,439</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>23,544</b>	<b>21,093</b>	<b>18,936</b>	<b>18,861</b>	<b>21,349</b>	<b>24,157</b>	<b>26,565</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	43,146	43,567	45,187	46,839	46,261	48,271	50,310
Capital Contribution.....	1,372	1,283	1,283	1,550	2,150	1,850	1,150
Holding Account Drawdowns .....	1,297	856	856	830	750	960	960
<b>Net cash provided by State government .....</b>	<b>45,815</b>	<b>45,706</b>	<b>47,326</b>	<b>49,219</b>	<b>49,161</b>	<b>51,081</b>	<b>52,420</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(34,294)	(35,047)	(37,403)	(39,443)	(40,497)	(40,815)	(43,384)
Superannuation .....	(3,385)	(3,862)	(3,473)	(3,540)	(3,600)	(3,653)	(3,706)
Grants and subsidies .....	(522)	(423)	(884)	(433)	(403)	(328)	(328)
Supplies and services .....	(13,740)	(16,001)	(20,629)	(15,273)	(16,394)	(18,772)	(21,238)
Accommodation.....	(5,302)	(5,071)	(5,400)	(5,516)	(5,631)	(5,746)	(5,861)
Capital User Charge.....	(625)	(682)	(624)	(510)	(574)	(751)	(921)
Goods and Services Tax .....	(2,002)	(1,624)	(1,624)	(1,640)	(1,650)	(1,660)	(1,670)
Other.....	(90)	(489)	(189)	(205)	(216)	(229)	(236)
<b>Receipts</b>							
User charges and fees.....	8,902	7,057	8,202	8,367	8,527	8,692	9,677
Regulatory fees and fines.....	9,338	9,733	8,712	8,371	12,932	13,741	16,182
Goods and Services Tax .....	1,645	1,624	1,653	1,668	1,683	1,698	1,713
Other receipts .....	1,626	1,004	630	640	650	660	670
<b>Net cash from operating activities.....</b>	<b>(38,449)</b>	<b>(43,781)</b>	<b>(51,029)</b>	<b>(47,514)</b>	<b>(45,173)</b>	<b>(47,163)</b>	<b>(49,102)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(1,817)	(2,339)	(5,141)	(2,380)	(2,900)	(2,810)	(2,110)
<b>Net cash from investing activities.....</b>	<b>(1,817)</b>	<b>(2,339)</b>	<b>(5,141)</b>	<b>(2,380)</b>	<b>(2,900)</b>	<b>(2,810)</b>	<b>(2,110)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	5,549	(414)	(8,844)	(675)	1,088	1,108	1,208
Cash assets at the beginning of the reporting period .....	6,920	4,957	12,469	3,625	2,950	4,038	5,146
<b>Cash assets at the end of the reporting period.....</b>	<b>12,469</b>	<b>4,543</b>	<b>3,625</b>	<b>2,950</b>	<b>4,038</b>	<b>5,146</b>	<b>6,354</b>

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**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>EXPENSES</b>							
Rental Accommodation Fund - Grants .....	1,494	1,593	1,593	1,600	1,605	1,610	1,615
Rental Accommodation Fund - Recoup of administration costs.....	1,849	2,600	2,900	2,000	2,900	3,000	3,100
Receipts paid into Consolidated Fund .....	5,311	6,349	6,769	6,585	6,429	6,480	6,530
<b>TOTAL ADMINISTERED EXPENSES .....</b>	<b>8,654</b>	<b>10,542</b>	<b>11,262</b>	<b>10,185</b>	<b>10,934</b>	<b>11,090</b>	<b>11,245</b>
<b>INCOME</b>							
Regulatory Fees and Fines .....	5,311	6,349	6,769	6,585	6,429	6,480	6,530
Interest revenue .....	3,754	3,300	3,600	3,700	3,800	3,900	4,000
<b>TOTAL ADMINISTERED INCOME <sup>(a)</sup> .....</b>	<b>9,065</b>	<b>9,649</b>	<b>10,369</b>	<b>10,285</b>	<b>10,229</b>	<b>10,380</b>	<b>10,530</b>

(a) Further information is provided in the table 'Details of the Administered Transactions Income'.

**SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Restricted cash .....	51,209	48,468	53,743	57,272	59,796	62,715	66,029
Receivables .....	213	140	225	235	245	255	265
<b>Total Administered Current Assets .....</b>	<b>51,422</b>	<b>48,608</b>	<b>53,968</b>	<b>57,507</b>	<b>60,041</b>	<b>62,970</b>	<b>66,294</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>51,422</b>	<b>48,608</b>	<b>53,968</b>	<b>57,507</b>	<b>60,041</b>	<b>62,970</b>	<b>66,294</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Payables .....	2,098	3,693	2,548	2,998	3,248	3,448	3,648
Monies in trust .....	47,928	45,695	50,917	53,906	56,895	60,334	64,173
<b>Total Administered Current Liabilities.....</b>	<b>50,026</b>	<b>49,388</b>	<b>53,465</b>	<b>56,904</b>	<b>60,143</b>	<b>63,782</b>	<b>67,821</b>
<b>TOTAL ADMINISTERED LIABILITIES..</b>	<b>50,026</b>	<b>49,388</b>	<b>53,465</b>	<b>56,904</b>	<b>60,143</b>	<b>63,782</b>	<b>67,821</b>



## SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(1,494)	(1,593)	(1,593)	(1,600)	(1,605)	(1,610)	(1,615)
Supplies and services .....	-	(2,601)	(2,900)	(2,000)	(2,900)	(3,000)	(3,100)
Goods and Services Tax .....	(224)	(250)	(250)	(255)	(260)	(265)	(270)
Bonds Disbursed .....	(27,641)	(20,315)	(30,327)	(30,826)	(31,526)	(31,626)	(31,726)
Receipts paid into Consolidated Fund .....	(5,311)	(6,349)	(6,769)	(6,585)	(6,429)	(6,480)	(6,530)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(34,670)</b>	<b>(31,108)</b>	<b>(41,839)</b>	<b>(41,266)</b>	<b>(42,720)</b>	<b>(42,981)</b>	<b>(43,241)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Regulatory fees and fines .....	5,281	6,349	6,769	6,585	6,429	6,480	6,530
Interest received .....	3,754	3,300	3,600	3,700	3,800	3,900	4,000
Goods and Services Tax .....	231	250	250	255	260	265	270
Bonds Received .....	33,199	23,755	33,755	34,255	34,755	35,255	35,755
<b>TOTAL ADMINISTERED CASH INFLOWS .....</b>	<b>42,465</b>	<b>33,654</b>	<b>44,374</b>	<b>44,795</b>	<b>45,244</b>	<b>45,900</b>	<b>46,555</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS .....</b>	<b>7,795</b>	<b>2,546</b>	<b>2,535</b>	<b>3,529</b>	<b>2,524</b>	<b>2,919</b>	<b>3,314</b>

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Consumer Credit Legal Service (WA) Inc .....	82	-	-	-	-	-	-
Asbestos Disease Society .....	83	83	83	83	83	83	83
Safety and Health – Chamber of Commerce and Industry WA .....	60	60	60	60	60	60	60
Safety and Health – Unions WA .....	60	60	60	60	60	60	60
Farmsafe WA Alliance .....	70	70	170	70	70	70	70
Award Updating – Unions and Employer Associations .....	108	150	230	105	75	-	-
WA Council of Social Services (Inc) .....	-	-	200	-	-	-	-
Small Business Development .....	-	-	11	-	-	-	-
Other Miscellaneous .....	59	-	70	55	55	55	55
<b>TOTAL</b>	<b>522</b>	<b>423</b>	<b>884</b>	<b>433</b>	<b>403</b>	<b>328</b>	<b>328</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>TAXATION</b>							
Business Names Registrations.....	3,615	5,100	5,100	4,659	4,659	4,659	4,659
Other Registration Fees .....	108	100	100	116	121	126	131
Credit Providers .....	590	380	600	610	610	620	630
Employment Agents .....	73	83	83	88	88	93	98
Finance Brokers .....	146	57	107	257	97	107	117
Land Valuers .....	12	25	15	15	10	15	20
Motor Vehicle Dealers.....	608	514	614	680	674	680	685
Travel Agents.....	93	70	90	95	100	105	110
Other Regulatory Fees .....	66	20	60	65	70	75	80
<b>OTHER</b>							
Rental Accommodation Fund - Interest .....	3,754	3,300	3,600	3,700	3,800	3,900	4,000
<b>TOTAL</b>	<b>9,065</b>	<b>9,649</b>	<b>10,369</b>	<b>10,285</b>	<b>10,229</b>	<b>10,380</b>	<b>10,530</b>

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Bill of Sale .....	16	15	14	26
Business Names Data.....	-	21	-	-
Business Names Searches.....	1,014	830	800	385
Corporate Fees .....	100	107	94	108
Licenses and other regulatory fees .....	5,083	6,831	6,811	6,723
Register of Encumbered Vehicles (REVS) .....	1,893	1,689	1,500	861
Retail Trading Hours exemptions.....	-	80	-	-
Trade Measurement .....	339	244	280	253
Federal investigation and advisory service.....	180	265	265	265
Proceeds from services provided to the Commonwealth in respect of Indian Ocean Territories.....	204	107	220	112
Recoups from the Rental Accommodation Fund .....	3,304	1,745	1,811	1,755
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board .....	6,655	5,417	5,000	6,192
GST Input Tax Credits.....	1,420	1,432	1,456	1,466
GST receipts on sales.....	225	192	197	202
Business Names Certificates .....	36	43	34	43
Departmental - Miscellaneous .....	1,018	385	700	640
Education kit for Landlords.....	24	15	15	15
<b>TOTAL</b> .....	<b>21,511</b>	<b>19,418</b>	<b>19,197</b>	<b>19,046</b>

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

## REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

### PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES

#### DIVISION 21

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 54 Net amount appropriated to deliver services .....</b>	7,273	7,830	7,868	<b>8,507</b>	8,151	8,172	8,365
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	1,855	1,855	2,258	<b>2,462</b>	2,212	2,273	2,336
Total appropriations provided to deliver services .....	9,128	9,685	10,126	<b>10,969</b>	10,363	10,445	10,701
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	195	-	-	-	-	-	-
<b>GRAND TOTAL .....</b>	9,323	9,685	10,126	<b>10,969</b>	10,363	10,445	10,701

#### MISSION

*To support the Western Australian Industrial Relations Commission to provide our community with a means of preventing and resolving conflict in respect to industrial matters.*

#### SIGNIFICANT ISSUES AND TRENDS

- The *Occupational Safety and Health Act 1984* has established an Occupational Safety and Health Tribunal within the Commission to hear and determine matters pertaining to such issues within workplaces.
- Deputy Registrars are now involved in conciliation work for claims alleging unfair dismissal and this has resulted in a significant reduction in the number of days taken to have a matter listed.
- The Industrial Magistrate's clerk is now involved in pre-trial conferences for the Magistrate and this has resulted in faster settlement of most claims.
- The Industrial Relations Commission continues to redevelop its information technology systems using in-house resources. Parties are now able to make an online enquiry as to the progress of their application. This will be further developed during the first quarter of 2005-06 permitting lodgement of applications online.

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court.....	4,601	4,905	5,108	5,115			
<i>Service 2:</i>							
Conciliation and arbitration by the Western Australian Industrial Relations Commission.	5,064	5,083	5,119	5,349			
<b>Total Cost of Services</b> .....	9,665	9,988	10,227	10,464	10,554	10,584	10,853
<i>Less Income</i> .....	397	356	356	356	79	79	79
<b>Net Cost of Services</b> .....	9,268	9,632	9,871	10,108	10,475	10,505	10,774
Adjustments <sup>(a)</sup> .....	(140)	53	255	861	(112)	(60)	(73)
<b>Appropriation provided to deliver Services.</b>	9,128	9,685	10,126	10,969	10,363	10,445	10,701
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(b)</sup> .....	195	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	9,323	9,685	10,126	10,969	10,363	10,445	10,701

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer and Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcome	Services
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 prevention and resolution of industrial relations matters	1. Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court 2. Conciliation and arbitration by the Western Australian Industrial Relations Commission

**Outcomes and Key Effectiveness Indicators** <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: The prevention and resolution of industrial relations matters</b>					
Percentage of employees, employers, representatives and Commission members satisfied with the service provided by the Department of the Registrar in relation to:					
Timeliness .....	82%	85%	85%	90%	
Accuracy and relevance of information.....	77%	80%	80%	85%	

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

**Service 1: Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court**

To provide effective and efficient support to the Western Australian Industrial Relations Commission which allows that tribunal to provide the community with an efficient means of preventing or resolving industrial relations matters. This output also provides services and support to the Industrial Magistrates Court.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	4,601	4,905	5,108	5,115	
Less Income .....	397	356	356	356	
Net Cost of Service .....	4,204	4,549	4,752	4,759	
Adjustments <sup>(a)</sup> .....	(64)	53	(68)	(43)	
<b>Appropriation for delivery of Service .....</b>	<b>4,140</b>	<b>4,602</b>	<b>4,684</b>	<b>4,716</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per application registered and recorded.....	\$1,410	\$1,196	\$1,451	\$1,420	
<b>Full Time Equivalents (FTEs)</b>	<b>53</b>	<b>50</b>	<b>48</b>	<b>50</b>	

**Major Achievements For 2004-05**

- Implemented an electronic court recording system that enhances court transcript production and retrieval.
- There has been significant progress in improving the Commission's core technology system that has enabled the Commission to have better and quicker access to the case files.
- An online lodgement system for applications to the Industrial Magistrate has been implemented as required by the new Industrial Magistrate's Courts (General Jurisdiction) Regulations 2005. This provides an alternative method of lodgement and improves access for members of the community.
- Implementation of organisation record and document management system to complement the Departmental shift to an electronic business system. This system meets the requirements of the *State Records Act 2000* and provides quicker access to information for internal and external parties.
- Installation of monitoring equipment in the court of the Commission has improved the level of security.

**Major Initiatives For 2005-06**

- Further deployment of technology to establish an online lodgement system to allow significantly improved access to the Commission for the community, particularly the regional community.
- To incorporate all files and documents electronically to improve the level of information and access retrieval.
- Resources will be deployed to the Commission's project of reviewing, improving and consolidating all the Commission's awards for greater ease of understanding by all parties.
- Planning for the relocation of the Commission to alternative premises in the Central Business District within the next three years.

**Service 2: Conciliation and Arbitration by the Western Australian Industrial Relations Commission**

This output represents the activities of the Independent Court and Tribunal. The Commission provides processes for dealing with the prevention and resolution of conflict in respect of industrial matters, the mutual rights of employers and employees, the rights and duties of organisations of employers and employees and related matters. The Commission relies on the Department to manage its financial affairs but is not subject to any form of operational control by the Department and acts independently.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	5,064	5,083	5,119	5,349	
Less Income .....	-	-	-	-	
Net Cost of Service .....	5,064	5,083	5,119	5,349	
Adjustments <sup>(a)</sup> .....	(76)	-	323	904	
<b>Appropriation for delivery of Service .....</b>	<b>4,988</b>	<b>5,083</b>	<b>5,442</b>	<b>6,253</b>	

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

**CAPITAL WORKS PROGRAM**

The Department of the Registrar, Western Australian Industrial Relations Commission's planned capital works expenditure in 2005-06 is for the replacement of assets including computer hardware and software, and other assets that service the courts.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Asset Replacement - 2004-05 Program .....	150	150	150	-
Electronic Transcript System.....	245	245	245	-
<b>NEW WORKS</b>				
Asset Replacement - 2005-06 Program .....	150	-	-	150
	545	395	395	150

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	581	150	395	150	150	180	180
	581	150	395	150	150	180	180
<b>LESS</b>							
Drawdowns from the Holding Account .....	125	150	150	150	150	180	180
Internal Funds and Balances .....	261	-	245	-	-	-	-
<b>Capital Contribution .....</b>	195	-	-	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	5,380	5,784	5,889	5,953	5,903	6,101	6,301
Superannuation .....	716	558	681	700	697	712	740
Consultancies expense .....	-	20	20	20	22	22	22
Supplies and services .....	1,707	1,856	1,659	1,658	1,704	1,702	1,714
Accommodation .....	1,487	1,558	1,578	1,628	1,699	1,508	1,498
Depreciation and amortisation .....	180	180	180	279	290	300	330
Costs of disposal of non-current assets .....	3	-	-	-	-	-	-
Other expenses .....	192	32	220	226	239	239	248
<b>TOTAL COST OF SERVICES</b> .....	<b>9,665</b>	<b>9,988</b>	<b>10,227</b>	<b>10,464</b>	<b>10,554</b>	<b>10,584</b>	<b>10,853</b>
<b>Income</b>							
User charges and fees .....	397	356	356	356	79	79	79
<b>Total Income</b> .....	<b>397</b>	<b>356</b>	<b>356</b>	<b>356</b>	<b>79</b>	<b>79</b>	<b>79</b>
<b>NET COST OF SERVICES</b> .....	<b>9,268</b>	<b>9,632</b>	<b>9,871</b>	<b>10,108</b>	<b>10,475</b>	<b>10,505</b>	<b>10,774</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	9,128	9,685	10,126	10,969	10,363	10,445	10,701
Resources received free of charge .....	23	15	15	15	15	15	15
Liabilities assumed by the Treasurer .....	107	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>9,258</b>	<b>9,700</b>	<b>10,141</b>	<b>10,984</b>	<b>10,378</b>	<b>10,460</b>	<b>10,716</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>(10)</b>	<b>68</b>	<b>270</b>	<b>876</b>	<b>(97)</b>	<b>(45)</b>	<b>(58)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 81, 76 and 78 respectively.



**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	363	190	81	248	182	139	108
Receivables .....	159	93	159	159	159	159	159
Amounts receivable for services.....	150	150	150	150	180	180	180
Prepayments .....	263	259	263	263	263	263	263
<b>Total current assets .....</b>	<b>1,135</b>	<b>692</b>	<b>653</b>	<b>820</b>	<b>784</b>	<b>741</b>	<b>710</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	42	252	252	561	671	791	941
Plant and equipment.....	713	572	929	530	481	452	394
Intangibles.....	-	-	-	271	181	91	-
Other.....	27	28	26	25	24	23	22
<b>Total non-current assets .....</b>	<b>782</b>	<b>852</b>	<b>1,207</b>	<b>1,387</b>	<b>1,357</b>	<b>1,357</b>	<b>1,357</b>
<b>TOTAL ASSETS.....</b>	<b>1,917</b>	<b>1,544</b>	<b>1,860</b>	<b>2,207</b>	<b>2,141</b>	<b>2,098</b>	<b>2,067</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	48	68	34	39	50	52	59
Provision for employee entitlements .....	2,154	2,055	2,023	1,469	1,469	1,469	1,469
Accrued Salaries .....	182	-	-	20	40	40	60
<b>Total current liabilities.....</b>	<b>2,384</b>	<b>2,123</b>	<b>2,057</b>	<b>1,528</b>	<b>1,559</b>	<b>1,561</b>	<b>1,588</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	241	237	241	241	241	241	241
<b>Total non-current liabilities .....</b>	<b>241</b>	<b>237</b>	<b>241</b>	<b>241</b>	<b>241</b>	<b>241</b>	<b>241</b>
<b>TOTAL LIABILITIES.....</b>	<b>2,625</b>	<b>2,360</b>	<b>2,298</b>	<b>1,769</b>	<b>1,800</b>	<b>1,802</b>	<b>1,829</b>
<b>EQUITY</b>							
Contributed Equity.....	495	495	495	495	495	495	495
Accumulated surplus/(deficit) .....	(1,218)	(1,326)	(948)	(72)	(169)	(214)	(272)
Reserves .....	15	15	15	15	15	15	15
<b>Total equity.....</b>	<b>(708)</b>	<b>(816)</b>	<b>(438)</b>	<b>438</b>	<b>341</b>	<b>296</b>	<b>238</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,917</b>	<b>1,544</b>	<b>1,860</b>	<b>2,207</b>	<b>2,141</b>	<b>2,098</b>	<b>2,067</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT**  
**(Controlled)**

	2003-04 Actual <sup>(a)</sup>	2004-05 Budget <sup>(a)</sup>	2004-05 Estimated Actual <sup>(a)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	8,965	9,325	9,766	10,510	10,073	10,145	10,371
Capital Contribution.....	195	-	-	-	-	-	-
Holding Account Drawdowns .....	125	150	150	150	150	180	180
<b>Net cash provided by State government .....</b>	<b>9,285</b>	<b>9,475</b>	<b>9,916</b>	<b>10,660</b>	<b>10,223</b>	<b>10,325</b>	<b>10,551</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(5,138)	(5,766)	(6,202)	(6,487)	(5,883)	(6,101)	(6,281)
Superannuation .....	(609)	(558)	(681)	(700)	(697)	(712)	(740)
Consultancies payments.....	(3)	(20)	(20)	(20)	(22)	(22)	(22)
Supplies and services .....	(1,879)	(1,786)	(1,589)	(1,569)	(1,600)	(1,607)	(1,623)
Accommodation.....	(1,386)	(1,645)	(1,665)	(1,715)	(1,795)	(1,604)	(1,594)
Goods and Services Tax .....	(350)	(314)	(314)	(314)	(314)	(314)	(314)
Other.....	(170)	(32)	(202)	(208)	(221)	(221)	(221)
<b>Receipts</b>							
User charges and fees.....	389	356	356	356	79	79	79
Goods and Services Tax .....	309	314	314	314	314	314	314
<b>Net cash from operating activities.....</b>	<b>(8,837)</b>	<b>(9,451)</b>	<b>(10,003)</b>	<b>(10,343)</b>	<b>(10,139)</b>	<b>(10,188)</b>	<b>(10,402)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(581)	(150)	(395)	(150)	(150)	(180)	(180)
<b>Net cash from investing activities.....</b>	<b>(581)</b>	<b>(150)</b>	<b>(395)</b>	<b>(150)</b>	<b>(150)</b>	<b>(180)</b>	<b>(180)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
Cash assets at the beginning of the reporting period .....	696	316	563	81	248	182	139
<b>Cash assets at the end of the reporting period.....</b>	<b>563</b>	<b>190</b>	<b>81</b>	<b>248</b>	<b>182</b>	<b>139</b>	<b>108</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>EXPENSES</b>							
Supplies and services <sup>(a)</sup> .....	4	-	-	-	-	-	-
Receipts paid into Consolidated Fund .....	8	3	3	3	3	3	3
<b>TOTAL ADMINISTERED EXPENSES .....</b>	<b>12</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>INCOME</b>							
Industrial Magistrates' Fines .....	3	3	3	3	3	3	3
<b>TOTAL ADMINISTERED INCOME.....</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

(a) Payment of final accounts administered on behalf of the former Office of the Commissioner of Workplace Agreements.

**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Supplies and services <sup>(a)</sup> .....	(4)	-	-	-	-	-	-
Receipts paid into Consolidated Fund .....	(8)	(3)	(3)	(3)	(3)	(3)	(3)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(12)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Industrial Magistrates' Fines .....	3	3	3	3	3	3	3
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) Payment of final accounts administered on behalf of the former Office of the Commissioner of Workplace Agreements.

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Service charges, transcript and award sales and other revenue .....	193	79	79	79
Fee for service Australian Industrial Registry .....	196	277	277	277
GST input credits .....	271	311	311	311
GST receipts on sales.....	38	3	3	3
<b>TOTAL .....</b>	<b>698</b>	<b>670</b>	<b>670</b>	<b>670</b>

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

## INDIGENOUS AFFAIRS

### PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES

#### DIVISION 22

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 55 Net amount appropriated to deliver services .....</b>	17,878	18,542	18,562	<b>19,086</b>	18,949	19,313	19,640
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	160	160	160	<b>160</b>	160	160	160
Total appropriations provided to deliver services.....	18,038	18,702	18,722	<b>19,246</b>	19,109	19,473	19,800
<b>CAPITAL</b>							
<b>Item 141 Capital Contribution .....</b>	42	137	137	<b>397</b>	240	-	-
<b>GRAND TOTAL .....</b>	18,080	18,839	18,859	<b>19,643</b>	19,349	19,473	19,800

#### MISSION

*To close the gap between the social, cultural and economic wellbeing of Indigenous and non-Indigenous people through strategic leadership of land, heritage and culture, and whole of government coordination of Indigenous issues.*

#### SIGNIFICANT ISSUES AND TRENDS

- Following agreement at the Council of Australian Government (COAG) in 2004, government service delivery arrangements in Indigenous Affairs will undergo significant change in an effort to address Indigenous disadvantage. All jurisdictions are committed to achieving better outcomes through a framework and principles that include sharing responsibility, streamlined service delivery and harnessing the mainstream. The full impacts of service delivery changes at the Commonwealth level will be assessed and negotiated in a bilateral agreement that achieves better outcomes for Indigenous people.
- The abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) has removed the peak body for Indigenous representation and advocacy. The Department of Indigenous Affairs (DIA) is developing and progressing a consultation process with the Indigenous community on how best it is to be represented in government processes in a post-ATSIC environment. Any new arrangements will be based on building partnerships with Indigenous people and will recognize the diversity and needs of Indigenous peoples across the State.
- Indigenous communities continue to be impacted by capacity and governance issues and this has been demonstrated through the administration of communities in the Kimberley region. To achieve stable Indigenous communities government must be better placed to address the needs of remote communities, in terms of governing structures, the provision of essential services, a focus on community governance and building the capacity of communities to achieve long term sustainability. The DIA through its legislative and coordination responsibilities will be focusing on the key policy issues needed to establish stable communities.
- The DIA is leading the development of a State Overcoming Indigenous Disadvantage Report that will provide objective socio-economic measures of progress for Indigenous people. This report will be used to plan, monitor, review and improve the adequacy of government services and to provide baseline information.

- The Aboriginal Lands Trust (ALT) is responsible for 27 million hectares or 12 percent of Western Australia's land area. The management of this area has an impact on the sustainability, protection and valuing of the environment. In response to the establishment of a three-year Strategic Plan by the ALT (in July 2004), the DIA has identified the need for Indigenous land sustainability and risk management strategies that address land management and such issues as buildings, health and safety risks to Indigenous people.
- Aboriginal heritage is a key responsibility of the DIA, involving the protection of sites of significance, while considering the impact of land use in the economic development of Western Australia. The department has identified site management as an ongoing priority in order to ensure that the State's rich Indigenous heritage is protected for the benefit of all Western Australians.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken since State Election</b>				
Aboriginal Community Patrols - Nightsafe Initiative.....	500	500	500	500

## SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support to Partnerships, Partnering Initiatives.	13,519	13,798	13,320	14,032			
<i>Service 2:</i>							
Information and Advice.....	5,876	5,867	6,189	5,919			
<b>Total Cost of Services</b> .....	19,395	19,665	19,509	19,951	19,548	19,951	20,154
<i>Less Income</i> .....	1,418	550	410	410	300	300	300
<b>Net Cost of Services</b> .....	17,977	19,115	19,099	19,541	19,248	19,651	19,854
Adjustments <sup>(a)</sup> .....	61	(413)	(377)	(295)	(139)	(178)	(54)
<b>Appropriation provided to deliver Services.</b>	18,038	18,702	18,722	19,246	19,109	19,473	19,800
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(b)</sup> .....	42	137	137	397	240	-	-
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	18,080	18,839	18,859	19,643	19,349	19,473	19,800

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Chief Executive Officer and the Treasurer.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****Relationship to Government Goals**

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Sustainable improvement in social, cultural and economic outcomes for Indigenous people.	1. Support to Partnerships, Partnering Initiatives 2. Information and Advice

**Outcomes and Key Effectiveness Indicators <sup>(a)</sup>**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Sustainable improvement in social, cultural and economic outcomes for Indigenous people.</b>					
Extent to which parties in a sample of partnering arrangements indicate they have been assisted to achieve agreed outcomes, which contribute to government objectives.....	65.1%	70.0%	61.2%	65.0%	
Extent to which users indicated the policy and/or advice assisted their decision making ...	63.6%	65.0%	68.0%	65.0%	

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

**Service 1: Support to Partnerships, Partnering Initiatives**

The provision of support to current partnering or new partnerships which involves Indigenous individuals, families, communities, and representatives participating with government, the private sector, community groups and others to achieve agreed priorities.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	13,519	13,798	13,320	14,032	
Less Income .....	988	346	286	286	
Net Cost of Service .....	12,531	13,452	13,034	13,746	
Adjustments <sup>(a)</sup> .....	43	(290)	(111)	(206)	
<b>Appropriation for delivery of Service .....</b>	<b>12,574</b>	<b>13,162</b>	<b>12,923</b>	<b>13,540</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per land partnership .....	\$72,821	\$62,238	\$134,105	\$114,337	Average cost of partnerships reflects movements in the number of partnerships.
Average cost per heritage and culture partnership.....	\$191,212	\$113,034	\$62,820	\$62,650	
Average cost per co-ordination partnership .....	\$118,580	\$112,351	\$92,390	\$109,083	
<b>Full Time Equivalents (FTEs)</b>	82	83	83	83	

**Major Achievements For 2004-05**

- Regional Managers' forums established and supported in seven regions where agencies meet to develop coordinated responses to enhance service provision to Indigenous communities.
- Progressed the implementation of recommendations from service mapping and gap analysis projects undertaken in Kalgoorlie, Port Hedland, Wiluna and Derby and commenced a new project in Beagle Bay.
- Completed a joint action plan with the Commonwealth in the COAG trial site in the East Kimberley and progressed priority action areas in grog and community safety, housing and community stores.
- Established agreements with local government authorities in the City of Swan, Albany, Geraldton, Halls Creek and Kalgoorlie/Boulder that address Indigenous issues.
- Completed an Action Plan for the coordinated provision of services with the 11 remote communities in the Ngaanyatjarra Lands in the Central Desert and facilitated private sector advice for Ngaanyatjarra to negotiate a partnership agreement with the Government.
- In partnership with BHP Billiton, a service agreement was developed for Aboriginal Patrols in Port Hedland. The Patrols program is currently transitioning to service level agreements to improve accountability, governance and effectiveness of the services.
- Memoranda of Understanding were executed and operational with Goldfields Land and Sea Council, South West Aboriginal Land and Sea Council, Kimberley Land Council, Yamatji Land and Sea Council and Pilbara Native Title Services to progress land management and transfer issues.
- A Memorandum of Understanding was executed and operationalised with the Department of Housing and Works to provide a framework for the coordinated establishment of infrastructure and development of land controlled by the Aboriginal Lands Trust.
- The electronic lodgement component of the Heritage Management Improvement Project is completed and operational.
- Developing a strategic plan for the management of heritage on the Burrup.
- Established an agreed access, management and implementation plan for the heritage listed sites of Wilgie Mia and Walga Rock in the Shire of Cue.
- Established the ENRICH (encouraging reconciliation through Indigenous culture and heritage) program to promote Indigenous heritage and culture and reconciliation. ENRICH initiatives include PALS (partnership, acceptance, learning and sharing) School Reconciliation Awards, cultural sponsorships, grants, a planned web portal, and the Swan River Walk Trail.
- Completed a review of the current status of Aboriginal community by-laws.



- Established the 'Sly Grog Hotline' in collaboration with the Department of Racing, Gaming and Liquor and the Western Australian Police Service to address the problem of the illicit sale of alcohol in the Kimberley region.
- Consulted with Indigenous stakeholders to finalise research on locations and agreed heritage detail as part of the Indigenous heritage trail on the Swan River foreshore.

***Major Initiatives For 2005-06***

- Continue to support the Regional Managers' forums to facilitate the implementation of key State government initiatives.
- Conduct mapping and gap analysis projects in additional priority locations as determined by Government. Continue the implementation of recommendations from existing service mapping and gap analysis project reports.
- Continue to lead and progress implementation of the COAG trial in the East Kimberley in partnership with the communities to improve social and economic outcomes.
- Establish partnerships with local government authorities in Bunbury, Broome, Kununurra and Kellerberrin to enhance service provision and undertake joint projects in participation with the Indigenous community.
- Progress the development of a tri-partite (Commonwealth/State/Ngaanyatjarra) regional agreement for the communities of the Ngaanyatjarra Lands in the Central Desert.
- Implement a new policy and funding model for the Aboriginal Patrols Program and introduce service level agreements consistent with the Government's night-safe policy.
- Partner with the Department of Housing and Works and the Department for Planning and Infrastructure to assist the Planning for Aboriginal Communities and Town Reserves Programs for improved living and health outcomes for Indigenous communities.
- Implement Memoranda of Understanding with the Pilbara Native Title Service and the Kimberley Land Council in regard to land transfer and leasing and continue to implement and monitor existing agreements with other Land Councils.
- Partner with the Indigenous Land Corporation in initiating the Looking After Country grant program that is aimed at encouraging Indigenous communities to become more involved in landcare activities and developing sustainable partnerships with natural resource management agencies and organisations.
- Finalisation of the Heritage Management Improvement Project to upgrade the quality, storage and retrieval of Aboriginal site and survey information.
- Progress legal advice on the future status of community by-laws and how they integrate with the justice system.
- Negotiate support and funding for signage for the Indigenous heritage trail on the Swan River foreshore.

## Service 2: Information and Advice

State, Commonwealth and relevant local governments and others involved in Indigenous issues are provided with information and advice on policy, legislation and the planning, coordination, history, delivery and effectiveness of services.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	5,876	5,867	6,189	5,919	
Less Income .....	430	204	124	124	
Net Cost of Service .....	5,446	5,663	6,065	5,795	
Adjustments <sup>(a)</sup> .....	18	(123)	(266)	(89)	
<b>Appropriation for delivery of Service .....</b>	<b>5,464</b>	<b>5,540</b>	<b>5,799</b>	<b>5,706</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per unit of advice offered .....	\$32,519	\$50,540	\$56,324	\$43,713	Decrease reflects anticipated increase in policy advice provided to Government and agencies as the Overcoming Indigenous Disadvantage framework is progressed.
Average cost per request answered/recommendation made.....	\$1,425	\$1,234	\$1,661	\$1,497	
Average cost per unit of information supplied..	\$125	\$123	\$111	\$104	
<b>Full Time Equivalents (FTEs)</b>	<b>44</b>	<b>49</b>	<b>49</b>	<b>49</b>	

### Major Achievements For 2004-05

- Coordinated and monitored responses to issues raised in the Balgo risk management plan.
- Secured and maintained Reserve 43131, the former Swan Valley Nyungah Community site, and commenced discussions with the Department for Planning and Infrastructure on the transfer of management responsibilities for the environmental park.
- Prepared a report on key Indigenous indicators to assist changes to policy and service delivery required to overcome Indigenous disadvantage. Applied the headline indicators to the COAG trial site in the East Kimberley to demonstrate the application of Overcoming Indigenous Disadvantage at the local level.
- National agreement was reached on the main elements of a Universal Prevention policy framework, including strategies and community action plans.
- Completed an evaluation of the Community Action Groups in collaboration with the Department of Family and Community Services and Curtin University that demonstrated their benefits to government and community stakeholders, as well as their potential limitations and ongoing support needs.
- Participated on the Steering Committee for the 'Understanding and Developing Effective Governance in Indigenous Communities' project, that provides project direction for the research methodology and the application of results.

- Introduced a monthly meeting cycle for the Aboriginal Cultural Material Committee and developed standards for the recording and reporting of Aboriginal heritage sites. Implemented a new system to monitor compliance with the conditions attached to Section 18 (*Aboriginal Heritage Act 1972*) consent notices. Developed new processes for the selection of committee members and a revised briefing process for Section 18 notices.
- Commenced inventories of the built and natural environments of the Aboriginal Lands Trust/Aboriginal Affairs Planning Authority estate.
- Coordinated the delivery of the Indigenous component of the 175th commemoration of settlement.
- Completed the 2003-04 Environmental Health Needs Survey, which included 274 discrete Aboriginal communities' relative needs against the core indicators of housing, power supplies, water, waste disposal, dust and dog control as well as emergency services and languages.

### **Major Initiatives For 2005-06**

- Coordinate and monitor the whole of government response to the Balgo risk management strategy and integrate with the actions arising from the COAG action plan that includes Balgo.
- Complete the transfer of management responsibility for Reserve 43131, the former Swan Valley Nyungah Community site, to the Department for Planning and Infrastructure.
- Advise Government and key agencies on using the COAG Western Australian Overcoming Indigenous Disadvantage Report to effect change in policy and service delivery.
- Progress the development of a national strategic action plan for universal prevention and provide policy advice on the development of an economic development and environmental health policy framework and action plan.
- Continue participation in the five year research project on Indigenous Governance in partnership with the Federal and Northern Territory Governments.
- Improve the Section 18 (*Aboriginal Heritage Act 1972*) development approvals process in the context of the Keating Review implementation process.
- Improve the design and utility of the Aboriginal Heritage sites register and improve the security and accuracy of information.
- Improve the *Aboriginal Heritage Act 1972* development applications process to better protect Aboriginal heritage in the context of development processes in Western Australia.
- Progress the land inventory audit of the Aboriginal Lands Trust/Aboriginal Affairs Planning Authority estate.
- Undertake consultation in partnership with the Commonwealth to determine Indigenous community views regarding representation in a post-ATSIC environment.

### **CAPITAL WORKS PROGRAM**

The Aboriginal Lands Trust – Risk Management Framework and Sustainability Action Plan refers to the repair, maintenance and upgrading of the Aboriginal Lands Trust infrastructure. These works will be carried out on land and buildings belonging to the trust to support the Land Transfer Program for Indigenous Communities.

The Asset Replacement Program – Information Technology will continue the ongoing Asset Replacement Program for information technology and the continued upgrade to hardware and core systems such as the Land Register System.

The Aboriginal Heritage System Upgrade – Government interoperability funds will continue the development of the Aboriginal Heritage System which will allow private developers access to key site information and speed up the processing of development projects.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>COMPLETED WORKS</b>				
Aboriginal Lands Trust - Risk Management Framework and Sustainability Action Plan				
2004-05 Program .....	550	550	550	-
Asset Replacement Program - Information Technology				
2003-04 Program .....	200	200	10	-
2004-05 Program .....	300	300	300	-
<b>NEW WORKS</b>				
Aboriginal Lands Trust - Risk Management Framework and Sustainability Action Plan				
2005-06 Program .....	550	-	-	550
Asset Replacement Program - Information Technology				
2005-06 Program .....	300	-	-	300
Other Works				
Aboriginal Heritage System Upgrade - Government interoperability .....	260	-	-	260
	<b>2,160</b>	<b>1,050</b>	<b>860</b>	<b>1,110</b>

### CAPITAL CONTRIBUTION

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	290	850	860	1,110	240	390	190
	290	850	860	1,110	240	390	190
<b>LESS</b>							
Drawdowns from the Holding Account .....	258	163	163	163	-	390	190
Funding Included in Service Appropriations <sup>(a)</sup>	-	550	550	550	-	-	-
Internal Funds and Balances .....	(10)	-	10	-	-	-	-
<b>Capital Contribution .....</b>	<b>42</b>	<b>137</b>	<b>137</b>	<b>397</b>	<b>240</b>	<b>-</b>	<b>-</b>

(a) Capital works expensed through the Income Statement.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	8,808	8,752	8,785	8,787	8,937	9,195	9,469
Superannuation .....	778	848	830	793	826	847	882
Grants and subsidies <sup>(c)</sup> .....	2,145	2,295	2,493	2,810	2,276	2,293	2,325
Consultancies expense .....	69	125	35	35	35	35	45
Supplies and services .....	5,454	5,134	5,028	5,345	5,213	5,296	5,163
Accommodation .....	1,544	1,619	1,649	1,554	1,584	1,581	1,604
Capital User Charge .....	66	62	62	69	92	105	105
Depreciation and amortisation .....	314	453	329	260	260	272	240
Costs of disposal of non-current assets .....	5	-	-	-	-	-	-
Other expenses .....	212	377	298	298	325	327	321
<b>TOTAL COST OF SERVICES</b> .....	<b>19,395</b>	<b>19,665</b>	<b>19,509</b>	<b>19,951</b>	<b>19,548</b>	<b>19,951</b>	<b>20,154</b>
<b>Income</b>							
Grants and subsidies .....	193	250	-	-	-	-	-
Proceeds from disposal of non-current assets ..	12	-	-	-	-	-	-
Other Revenue .....	1,213	300	410	410	300	300	300
<b>Total Income</b> .....	<b>1,418</b>	<b>550</b>	<b>410</b>	<b>410</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>NET COST OF SERVICES</b> .....	<b>17,977</b>	<b>19,115</b>	<b>19,099</b>	<b>19,541</b>	<b>19,248</b>	<b>19,651</b>	<b>19,854</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	18,038	18,702	18,722	19,246	19,109	19,473	19,800
Resources received free of charge .....	87	51	87	90	90	90	90
Liabilities assumed by the Treasurer .....	7	90	7	7	7	7	7
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>18,132</b>	<b>18,843</b>	<b>18,816</b>	<b>19,343</b>	<b>19,206</b>	<b>19,570</b>	<b>19,897</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>155</b>	<b>(272)</b>	<b>(283)</b>	<b>(198)</b>	<b>(42)</b>	<b>(81)</b>	<b>43</b>
Change in Equity arising from transfer of assets/liabilities .....	2	-	-	-	-	-	-
Extraordinary items .....	(839)	-	-	-	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(682)</b>	<b>(272)</b>	<b>(283)</b>	<b>(198)</b>	<b>(42)</b>	<b>(81)</b>	<b>43</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 126, 132 and 132 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	227	42	542	542	542	542	542
Restricted cash .....	885	30	80	110	140	170	200
Receivables .....	256	427	256	256	256	256	256
Amounts receivable for services.....	163	163	163	-	390	190	-
Prepayments .....	234	1,110	244	254	254	254	254
<b>Total current assets .....</b>	<b>1,765</b>	<b>1,772</b>	<b>1,285</b>	<b>1,162</b>	<b>1,582</b>	<b>1,412</b>	<b>1,252</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	250	550	426	696	576	668	918
Plant and equipment.....	542	486	411	473	381	378	331
Other.....	314	205	314	314	314	314	314
<b>Total non-current assets.....</b>	<b>1,106</b>	<b>1,241</b>	<b>1,151</b>	<b>1,483</b>	<b>1,271</b>	<b>1,360</b>	<b>1,563</b>
<b>TOTAL ASSETS.....</b>	<b>2,871</b>	<b>3,013</b>	<b>2,436</b>	<b>2,645</b>	<b>2,853</b>	<b>2,772</b>	<b>2,815</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	-	6	-	-	-	-	-
Payables .....	287	302	287	287	287	277	277
Provision for employee entitlements .....	1,149	1,011	1,159	1,169	1,179	1,189	1,189
Accrued Salaries .....	299	208	-	-	-	-	-
Other.....	6	23	6	6	6	6	6
<b>Total current liabilities.....</b>	<b>1,741</b>	<b>1,550</b>	<b>1,452</b>	<b>1,462</b>	<b>1,472</b>	<b>1,472</b>	<b>1,472</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	898	753	898	898	898	898	898
<b>Total non-current liabilities .....</b>	<b>898</b>	<b>753</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>	<b>898</b>
<b>TOTAL LIABILITIES.....</b>	<b>2,639</b>	<b>2,303</b>	<b>2,350</b>	<b>2,360</b>	<b>2,370</b>	<b>2,370</b>	<b>2,370</b>
<b>EQUITY</b>							
Contributed Equity.....	772	909	909	1,306	1,546	1,546	1,546
Accumulated surplus/(deficit) .....	(713)	(275)	(996)	(1,194)	(1,236)	(1,317)	(1,274)
Reserves .....	173	76	173	173	173	173	173
<b>Total equity.....</b>	<b>232</b>	<b>710</b>	<b>86</b>	<b>285</b>	<b>483</b>	<b>402</b>	<b>445</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>2,871</b>	<b>3,013</b>	<b>2,436</b>	<b>2,645</b>	<b>2,853</b>	<b>2,772</b>	<b>2,815</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	17,675	18,239	18,383	18,976	18,839	19,191	19,550
Capital Contribution.....	42	137	137	397	240	-	-
Holding Account Drawdowns .....	258	163	163	163	-	390	190
<b>Net cash provided by State government .....</b>	<b>17,975</b>	<b>18,539</b>	<b>18,683</b>	<b>19,536</b>	<b>19,079</b>	<b>19,581</b>	<b>19,740</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(8,333)	(8,742)	(9,074)	(8,777)	(8,927)	(9,195)	(9,469)
Superannuation .....	(778)	(758)	(823)	(807)	(840)	(875)	(875)
Grants and subsidies .....	(2,143)	(2,295)	(2,493)	(2,810)	(2,291)	(2,308)	(2,325)
Consultancies payments.....	(65)	(135)	(45)	(45)	(45)	(45)	(45)
Supplies and services .....	(5,517)	(4,990)	(5,173)	(5,204)	(5,079)	(5,145)	(5,095)
Accommodation.....	(1,446)	(1,620)	(1,645)	(1,545)	(1,575)	(1,575)	(1,585)
Capital User Charge.....	(98)	(62)	(62)	(69)	(92)	(105)	(105)
Goods and Services Tax .....	(926)	(1,027)	(1,027)	(1,027)	(1,027)	(1,027)	(1,059)
Other.....	(217)	(467)	(298)	(319)	(320)	(323)	(321)
<b>Receipts</b>							
Grants and subsidies .....	208	250	-	-	-	-	-
Goods and Services Tax .....	1,044	1,027	1,027	1,027	1,027	1,027	1,059
Other receipts .....	1,242	300	660	410	300	300	300
<b>Net cash from operating activities.....</b>	<b>(17,029)</b>	<b>(18,519)</b>	<b>(18,953)</b>	<b>(19,166)</b>	<b>(18,869)</b>	<b>(19,271)</b>	<b>(19,520)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(199)	(300)	(220)	(340)	(180)	(280)	(190)
Proceeds from sale of non-current assets .....	13	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(186)</b>	<b>(300)</b>	<b>(220)</b>	<b>(340)</b>	<b>(180)</b>	<b>(280)</b>	<b>(190)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Net cash from financing activities .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	760	(280)	(990)	30	30	30	30
Cash assets at the beginning of the reporting period .....	352	352	1,112	622	652	682	712
<b>Cash assets at the end of the reporting period.....</b>	<b>1,112</b>	<b>72</b>	<b>622</b>	<b>652</b>	<b>682</b>	<b>712</b>	<b>742</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Aboriginal Community Patrols.....	1,419	1,294	1,294	1,831	1,870	1,910	1,951
Heritage grants.....	122	100	100	100	100	100	100
Land management grants.....	-	550	550	550	-	-	-
Reconciliation grants.....	100	100	100	100	100	100	100
Various Indigenous community grants.....	504	251	449	229	206	183	174
<b>TOTAL</b>	<b>2,145</b>	<b>2,295</b>	<b>2,493</b>	<b>2,810</b>	<b>2,276</b>	<b>2,293</b>	<b>2,325</b>

**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:

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Grants and Subsidies.....	208	250	-	-
GST input credits.....	1,044	1,027	1,027	1,027
Other Receipts.....	1,242	300	660	410
<b>TOTAL</b> .....	<b>2,494</b>	<b>1,577</b>	<b>1,687</b>	<b>1,437</b>

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



## WATER AND RIVERS COMMISSION

### PART 6 - MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION; INDIGENOUS AFFAIRS; MINISTER ASSISTING THE MINISTER FOR WATER RESOURCES

#### DIVISION 23

#### APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 56 Net amount appropriated to deliver services .....</b>	45,490	50,974	54,814	<b>63,397</b>	59,902	58,905	60,707
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 .....</b>	181	181	181	<b>186</b>	192	198	203
Total appropriations provided to deliver services .....	45,671	51,155	54,995	<b>63,583</b>	60,094	59,103	60,910
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 57 Amount provided for Administered Grants, Subsidies and Other Transfer Payments .....</b>	3,545	3,042	3,042	<b>2,798</b>	2,525	2,227	2,227
<b>CAPITAL</b>							
<b>Item 142 Capital Contribution .....</b>	1,400	2,500	2,500	<b>8,060</b>	8,693	7,233	7,973
<b>GRAND TOTAL .....</b>	50,616	56,697	60,537	<b>74,441</b>	71,312	68,563	71,110

(a) Adjusted for comparability to reflect the transfer of Office of Water Policy.

#### MISSION

*To lead the protection and enhancement of the State's Water Resources, working in partnership with the community.*

#### SIGNIFICANT ISSUES AND TRENDS

##### Water Allocation

- Western Australia is experiencing a period of rapid change in water resources management, due predominantly to marked climatic change. The last few years have seen an apparent further 'step' decline in average rainfall for Perth and the South West, beyond the already significant decline that commenced in the early 1970s. Unless there is a dramatic reversal, with a period of average and above average rainfall during the next few years, further significant changes in water resources management can be expected in Western Australia over the coming years. The Commission will have a key role in the revised water institutional arrangements to address whole-of-government water priorities and deliver improved water resources management services to the State. The current Office of Water Policy will have a key role in the revised water institutional arrangements for the State, with a continued focus on water services industry strategies, industry licensing policy and ensuring appropriate water services planning.
- The Government has already progressed a number of major initiatives and reforms to address the State's current water issues through the State Water Strategy. This includes a review of the State's irrigation industry. The Commission will need to be a major participant in working with the government and non-government water industry sectors in the coming years in implementing recommendations which are adopted from the review. Increased security of water entitlements and increased capacity for water trading are likely to be a central component of this program. Reforms to the way 'new' water is allocated is also likely to be a significant component of the program.

- The reduced rainfall, and associated water resource yields, has led to a rapid acceleration of the need to consider less 'conventional' water supply options, including water re-use through various forms. This shift in focus is likely to continue with an increasing proportion of the Commission's water resources management work moving to considering re-use options and promoting and facilitating water conservation. With the State's significant reliance on groundwater, evaluation of the opportunities and benefits from the use of 'Managed Aquifer Recharge' will be a key component of this work.

### Protection of Rivers, Estuaries, Wetlands and Groundwater

- A significant issue is the new regional Natural Resource Management (NRM) governance structure for the delivery of NRM objectives. This involves the three-way partnership between the Commonwealth and State Governments, and the six incorporated community-based regional NRM groups based around the State. This partnership comes under the funding umbrella of the National Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP). The arrangement will see the channelling of Commonwealth and State NRM funding through the regional NRM groups to achieve NRM outcomes.
- The Commission needs to work closely with regional NRM groups to align the regional NRM strategy priorities with those of the Commission. This is essential to ensure that the Commission, the regional NRM groups and the other agencies involved are able to achieve their objectives and to maximise the use of funding available.
- The Commission will also focus on implementing the Western Australia Floodplain Management Strategy and reviewing flood planning priorities to take account of climate and salinity implications.

### MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2004-05 Budget to Parliament on 6 May 2004 are outlined below.

	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>Decisions taken prior to State Election</b>				
Carnarvon Floodplain Mitigation .....	1,500	500	-	-
Peel/Harvey Shopfront and Research .....	350	350	350	350
Lower Murray River action plan .....	100	-	-	-
Additional funding for Water Resource Management .....	1,970	1,970	1,970	1,970
Metering for Gnangara Mound .....	2,000	2,000	-	-

**SERVICE AND APPROPRIATION SUMMARY**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Investigation and assessment of water resources to determine sustainable yields.....	8,556	8,150	8,798	10,019			
<i>Service 2:</i>							
Water resource management plans, and regulation of water use.....	15,422	14,338	18,329	17,922			
<i>Service 3:</i>							
Plans and guidelines to protect the quality of water resources.....	9,118	8,700	10,350	12,781			
<i>Service 4:</i>							
Planning and grants assistance for water supplies in dryland agricultural areas.....	2,610	3,058	2,807	4,583			
<i>Service 5:</i>							
Implementation of catchment, waterways and wetlands management plans.....	12,448	13,193	14,559	16,084			
<i>Service 6:</i>							
Evaluation and implementation in designated catchments of salinity management measures.....	7,329	7,805	6,746	9,707			
<i>Service 7:</i>							
Policies and strategies for drainage and floodplain management.....	2,493	3,176	3,380	7,920			
<b>Total Cost of Services</b> .....	<b>57,976</b>	<b>58,420</b>	<b>64,969</b>	<b>79,016</b>	<b>74,662</b>	<b>69,923</b>	<b>72,540</b>
<i>Less Income</i> .....	<i>8,523</i>	<i>7,929</i>	<i>9,228</i>	<i>10,755</i>	<i>10,785</i>	<i>9,315</i>	<i>9,287</i>
<b>Net Cost of Services</b> .....	<b>49,453</b>	<b>50,491</b>	<b>55,741</b>	<b>68,261</b>	<b>63,877</b>	<b>60,608</b>	<b>63,253</b>
Adjustments <sup>(b)</sup> .....	(3,782)	664	(746)	(4,678)	(3,783)	(1,505)	(2,343)
<b>Appropriation provided to deliver Services.</b>	<b>45,671</b>	<b>51,155</b>	<b>54,995</b>	<b>63,583</b>	<b>60,094</b>	<b>59,103</b>	<b>60,910</b>
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	<b>3,545</b>	<b>3,042</b>	<b>3,042</b>	<b>2,798</b>	<b>2,525</b>	<b>2,227</b>	<b>2,227</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	<b>1,400</b>	<b>2,500</b>	<b>2,500</b>	<b>8,060</b>	<b>8,693</b>	<b>7,233</b>	<b>7,973</b>
<b>TOTAL CONSOLIDATED FUND APPROPRIATIONS</b> .....	<b>50,616</b>	<b>56,697</b>	<b>60,537</b>	<b>74,441</b>	<b>71,312</b>	<b>68,563</b>	<b>71,110</b>

(a) Adjusted for comparability to reflect the transfer of Office of Water Policy.

(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, service and financial information is the subject of a Resource Agreement signed by the Minister, Acting Chief Executive Officer and the Treasurer.

## OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

### Relationship to Government Goals

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goal.

Government Goal	Desired Outcomes	Services
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Water resources maintained to assessed sustainable yields, and water quality complies with established criteria in public drinking water source areas.	1. Investigation and assessment of water resources to determine sustainable yields 2. Water resource management plans, and regulation of water use 3. Plans and guidelines to protect the quality of water resources 4. 4. Planning and grants assistance for water supplies in dryland agricultural areas
	Waterways and catchments meet established resource condition targets.	5. Implementation of catchment, waterways and wetlands management plans 6. Evaluation and implementation in designated catchments of salinity management measures 7. Policies and strategies for drainage and floodplain management

### Outcomes and Key Effectiveness Indicators <sup>(a)</sup>

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<b>Outcome: Water resources maintained to assessed sustainable yields, and water quality complies with established criteria in public drinking water source areas.</b>					
Number of water resources with licensed allocation exceeding assessed sustainable yields .....	29	26	26	24	
Number of contamination occurrences exceeding drinking water standards in public drinking water source areas .....	0	0	0	0	
<b>Outcome: Waterways and catchments meet established resource condition targets.</b>					
The number of exceedances of resource condition targets in designated catchments .....	12	12	12	12	
Number of nuisance algae blooms recorded annually .....	450	400	250	400	Estimated from count as of April and expected weather conditions to end of the fiscal year.

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

**Service 1: Investigation and Assessment of Water Resources to Determine Sustainable Yields**

Investigation and assessment of groundwater and surface water resources using drilling, testing, stream gauging, water quality sampling, computer modelling and other analysis techniques to determine sustainable yields for resources under varying climatic conditions.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	8,556	8,150	8,798	10,019	2005-06 Estimate contains additional funding for Water Resource Management.
Less Income .....	1,918	1,398	1,628	1,896	
Net Cost of Service .....	6,638	6,752	7,170	8,123	
Adjustments <sup>(a)</sup> .....	(1,238)	135	(995)	(1,323)	
<b>Appropriation for delivery of Service .....</b>	<b>5,400</b>	<b>6,887</b>	<b>6,175</b>	<b>6,800</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per water resource assessment....	\$164,542	\$145,529	\$157,116	\$178,911	2005-06 Target contains additional funding for Water Resource Management.
<b>Full Time Equivalents (FTEs)</b>	<b>36</b>	<b>48</b>	<b>51</b>	<b>53</b>	

**Major Achievements For 2004-05**

- Development of the proposed Groundwater Investigations Program in Western Australia (2005 to 2020).

**Major Initiatives For 2005-06**

- Implementation of the first phase of the Groundwater Investigations Program in Western Australia (2005 to 2020).

**Service 2: Water Resource Management Plans, and Regulation of Water Use**

Preparation of plans which set out the availability of water resources in designated areas and how these will be allocated including provisions to the environment, and licensing and regulation to ensure water use does not exceed sustainable yields.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	15,422	14,338	18,329	17,922	
Less Income .....	258	229	229	310	
Net Cost of Service .....	15,164	14,109	18,100	17,612	
Adjustments <sup>(a)</sup> .....	(469)	239	113	(280)	
<b>Appropriation for delivery of Service .....</b>	<b>14,695</b>	<b>14,348</b>	<b>18,213</b>	<b>17,332</b>	

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

### Key Efficiency Indicators

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per gigalitre of water licensed ....	\$8,488	\$5,649	\$7,222	\$7,028	
<b>Full Time Equivalents (FTEs)</b>	<b>123</b>	<b>135</b>	<b>172</b>	<b>174</b>	

### Major Achievements For 2004-05

- Implementation of the Gngangara Metering project to install approx 1,000 meters on the Gngangara Mound and monitor water use.
- Assessment and issue of a water licence to the Ord Irrigation Cooperative for 335 gigalitres per year.

### Major Initiatives For 2005-06

- Assessment of the potential to trade water between Harvey Water and Water Corporation to supplement the Integrated Water Supply Scheme.

### Service 3: Plans and Guidelines to Protect the Quality of Water Resources

Preparation of plans and guidelines which set out compatible land use zonings and allowable developments in designated surface water catchments and groundwater areas used, or planned to be used, for public drinking water supplies, to ensure water quality is protected to established criteria.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	9,118	8,700	10,350	12,781	Reflects the revised Capital User Charges.
Less Income .....	50	39	39	53	
Net Cost of Service .....	9,068	8,661	10,311	12,728	
Adjustments <sup>(a)</sup> .....	(1,048)	41	19	(48)	
<b>Appropriation for delivery of Service .....</b>	<b>8,020</b>	<b>8,702</b>	<b>10,330</b>	<b>12,680</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per protection plan developed ....	\$1,340,017	\$369,331	\$438,350	\$374,843	Efficiency cost calculations excludes capital user charge costs as this relates to the land holding cost component associated with this service and does not contribute in measuring the efficiency.
<b>Full Time Equivalents (FTEs)</b>	24	25	26	30	

**Major Achievements For 2004-05**

- Implementation of major element of the Australian Drinking Water Guidelines 2004 – the development and preparation of Drinking Water Source Protection Assessments (DWSPAs) prior to the production of Drinking Water Source Protection Plans (DWSPPs).

**Major Initiatives For 2005-06**

- Priority completion of the Drinking Water Source Protection Plans for the Hills reservoirs for the Integrated Water Supply System.

**Service 4: Planning and Grants Assistance for Water Supplies in Dryland Agricultural Areas**

Preparation of plans and allocation of grants for works to improve reliability of water supplies in dryland agricultural areas.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,610	3,058	2,807	4,583	Mainly due to deferral of Rural Water Planning grant payments into 2005-06.
Less Income .....	11	8	8	11	
Net Cost of Service .....	2,599	3,050	2,799	4,572	
Adjustments <sup>(a)</sup> .....	(512)	9	4	(10)	
<b>Appropriation for delivery of Service .....</b>	<b>2,087</b>	<b>3,059</b>	<b>2,803</b>	<b>4,562</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Processing costs as % of total grants .....	6.1%	6.1%	6.1%	7.2%	Mainly due to deferral of Rural Water Planning grant payments into 2005-06.
<b>Full Time Equivalents (FTEs)</b>	5	5	5	5	

- (a) The processing costs include processing, reviewing and payment of grants.

**Major Achievements For 2004-05**

- The effective implementation and delivery of emergency response arrangements under the 2005 'Water Deficiency Declarations' in four shires, and completion of Rural Water Plan review.

**Major Initiatives For 2005-06**

- Completion and introduction of local and regional emergency response plans in targeted local government areas with a history of water deficiency.

**Service 5: Implementation of Catchment, Waterways and Wetlands Management Plans**

Preparation and implementation, in partnership with local communities, of management plans for catchments, waterways, riparian systems, estuaries and wetlands to support healthy ecosystem functioning on a sustainable basis, taking into account environmental, social and economic factors. Management of floodplains and regulation of arterial drainage and native vegetation clearing.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	12,448	13,193	14,559	16,084	
Less Income .....	5,927	4,582	5,368	6,216	
Net Cost of Service .....	6,521	8,611	9,191	9,868	
Adjustments <sup>(a)</sup> .....	(320)	149	70	(174)	
<b>Appropriation for delivery of Service .....</b>	<b>6,201</b>	<b>8,760</b>	<b>9,261</b>	<b>9,694</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per kilometre of river managed in designated catchments .....	\$1,066	\$1,130	\$1,247	\$1,377	
<b>Full Time Equivalents (FTEs)</b>	<b>110</b>	<b>113</b>	<b>113</b>	<b>113</b>	

**Major Achievements For 2004-05**

- Provided technical support to all Regional Natural Resource Management (NRM) Groups to implement National Action Plan (NAP)/National Heritage Trust 2 (NHT 2) actions, including decision support modelling, river and estuary understanding, resource conditions, target setting, and monitoring and evaluation frameworks.
- Prepared a report on possible future actions for a State Algal Management Strategy.
- Contributed to the wetland section of a Guide to biodiversity incentives programs in Western Australia.
- Promoted integrated whole of government approach to wetland management. Contributed to the further development of the Swan Coastal Plain Wetlands Environmental Protection Policies.



**Major Initiatives For 2005-06**

- Finalise draft 'Waterways WA Strategy'.
- Draft Kimberley waterways policy and management requirements.
- Draft Pilbara foreshore assessment methodology.
- Support, coordinate and provide leadership to the National Resource Management Ministerial Committee Monitoring and Reporting Working Group for Advancing Reconciliation.
- Coordinate development of Wetlands Restoration and Management Manual.
- Work with Government to develop an implementation plan for the State Algal Management Strategy.
- Release the Framework for Mapping, Classification and Evaluation of Wetlands.
- Work with stakeholders to finalise the Land Use Planning Guideline for the Determination of Wetland Buffer Requirements.
- Finalise the review of the Evaluation Methodology for Swan Coastal Plains Wetlands.

**Service 6: Evaluation and Implementation in Designated Catchments of Salinity Management Measures**

Preparation and implementation, in partnership with local communities, of salinity abatement plans, including application of land use and engineering measures, to recover and maintain water catchments from salinity.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	7,329	7,805	6,746	9,707	Due to deferral of Salinity Projects into 2005-06.
Less Income .....	270	224	250	304	
Net Cost of Service .....	7,059	7,581	6,496	9,403	
Adjustments <sup>(a)</sup> .....	(148)	68	32	(2,330)	
<b>Appropriation for delivery of Service .....</b>	<b>6,911</b>	<b>7,649</b>	<b>6,528</b>	<b>7,073</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per km <sup>2</sup> of designated catchments where salinity management measures are implemented.....	\$683	\$727	\$629	\$904	Due to deferral of Salinity Projects into 2005-06.
<b>Full Time Equivalent (FTEs)</b>	<b>50</b>	<b>52</b>	<b>52</b>	<b>52</b>	

**Major Achievements For 2004-05**

- Completed the Stream Salinity and Trend Status Report for SouthWest Drainage Division.
- Through the Engineering Evaluation Initiative (EEI):
  - constructed 18 kilometres of deep leveed drain at Pithara;
  - constructed 7 kilometres of deep leveed drain and evaporation basin at Morawa;
  - planned and initiated construction of 22 kilometres deep leveed drain and evaporation basin at Beacon;
  - commenced studies into acidic groundwater, downstream impacts, and better ways to manage soils after drainage;
  - commenced Regional Drainage evaluation for the Avon River basin as a joint EEI and Commonwealth Scientific Industry Research Organisation (CSIRO) Healthy Country project; and
  - conducted various Farmer Forums to present current state of understanding and early information from studies.

**Major Initiatives For 2005-06**

- Complete and commence implementation of the Collie River Salinity Recovery Plan.
- Complete Evaluation of Management Options for Denmark River recovery project.
- Complete Helena River Salinity Situation Statements.
- Develop an Avon Regional Drainage Plan as a component of the Engineering Evaluation Initiative.
- Continue on-ground salinity recovery works in Collie, Warren, Denmark and Kent River Catchments.
- Complete on-ground works for Beacon and Date Creek drainage evaluation sites and Tammin, Bodallin and Dumbleyung groundwater pumping evaluation sites.

**Service 7: Policies and Strategies for Drainage and Floodplain Management**

Planning and advice on drainage and flood management.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,493	3,176	3,380	7,920	2005-06 Estimate contains new funding for Carnarvon flood mitigation.
Less Income .....	89	1,449	1,706	1,965	
Net Cost of Service .....	2,404	1,727	1,674	5,955	
Adjustments <sup>(a)</sup> .....	(47)	23	11	(513)	
<b>Appropriation for delivery of Service .....</b>	<b>2,357</b>	<b>1,750</b>	<b>1,685</b>	<b>5,442</b>	

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

**Key Efficiency Indicators**

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Average cost per provision of advice .....	\$9,699	\$6,905	\$7,428	\$17,217	2005-06 Target contains new funding for Carnarvon flood mitigation.
<b>Full Time Equivalents (FTEs)</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	

**Major Achievements For 2004-05**

- Prepared the Western Australian Floodplain Management Strategy.

**Major Initiatives For 2005-06**

- Progress drainage governance reform and finalise the Stormwater Management Manual.
- Implement the Western Australian Floodplain Management Strategy in partnership with local communities.

**CAPITAL WORKS PROGRAM**

Funding in 2005-06 provides for continuing land purchase in priority areas to protect the State's water catchment areas. Funding has also been provided for groundwater monitoring bore installations as well as an ongoing replacement and upgrade program for the Department's existing groundwater monitoring bores to adequately manage the State's groundwater resources.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Computing and Office Equipment Replacement 2003-06 Program .....	2,173	1,300	801	873
<b>COMPLETED WORKS</b>				
Asset Replacement/Upgrade				
Global Allocation .....	800	800	344	-
Equipment - Asset Replacement/Upgrade				
2002-03 Program .....	500	500	19	-
Land Acquisition - Land Purchase in Priority 1 Areas				
Land Acquisition Priority 1 Areas 2001-02 Program .....	1,701	1,701	442	-
Land Acquisition Priority 1 Areas 2002-03 Program .....	1,698	1,698	1,616	-
Land Acquisition Priority 1 Areas 2003-04 Program .....	1,200	1,200	356	-
Land Acquisition Priority 1 Areas 2004-05 Program .....	2,300	2,300	2,300	-
<b>NEW WORKS</b>				
Additional Asset Capacity				
State Reference Network .....	11,130	-	-	833
Equipment - Asset Replacement/Upgrade				
Groundwater Resources Investigation and Monitoring .....	26,450	-	-	1,250
Maintenance and Replacement of Monitoring Bores (State-wide) .....	19,010	-	-	600
Land Acquisition - Land Purchase in Priority 1 Areas				
2005-06 Program .....	3,500	-	-	3,500
	<b>70,462</b>	<b>9,499</b>	<b>5,878</b>	<b>7,056</b>

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	2,315	3,100	5,878	7,056	7,643	9,913	11,033
<b>Working capital requirement</b>							
Capital grants paid to other agencies .....				2,250	2,250		
Loan and Other Repayments .....	200	200	200	200	200	200	200
	2,515	3,300	6,078	9,506	10,093	10,113	11,233
<b>LESS</b>							
Drawdowns from the Holding Account .....	1,300	800	800	1,446	1,400	2,880	3,260
Internal Funds and Balances .....	(185)	-	2,778	-	-	-	-
<b>Capital Contribution .....</b>	1,400	2,500	2,500	8,060	8,693	7,233	7,973

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2003-04 Actual <sup>(a)(b)</sup> \$'000	2004-05 Budget <sup>(a)(b)</sup> \$'000	2004-05 Estimated Actual <sup>(a)(b)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(c)</sup> .....	20,853	20,530	23,080	25,386	26,139	26,740	27,618
Superannuation .....	2,939	1,845	1,837	2,058	2,124	2,225	2,288
Grants and subsidies <sup>(d)</sup> .....	2,961	3,263	3,263	7,016	6,016	2,017	2,017
Supplies and services .....	16,358	16,781	19,176	25,853	21,216	18,892	19,478
Accommodation .....	1,380	1,821	1,821	2,551	2,300	2,278	2,278
Finance costs .....	85	100	100	100	100	100	100
Capital User Charge .....	8,539	8,646	10,293	12,543	12,955	13,417	13,907
Depreciation and amortisation .....	1,475	1,765	1,765	1,941	2,243	2,684	3,284
State Taxes .....	1,598	1,200	1,200	1,200	1,200	1,200	1,200
Doubtful Debts .....	193	-	-	-	-	-	-
Costs of disposal of non-current assets .....	76	-	-	-	-	-	-
Other expenses .....	1	300	300	368	369	370	370
<b>TOTAL COST OF SERVICES</b> .....	<b>56,458</b>	<b>56,251</b>	<b>62,835</b>	<b>79,016</b>	<b>74,662</b>	<b>69,923</b>	<b>72,540</b>
<b>Income</b>							
Regulatory Fees and Fines .....	54	98	98	100	103	106	109
Gain on disposal of non-current assets .....	-	78	78	78	78	78	-
Grants and subsidies .....	3,095	3,347	4,647	6,147	6,147	4,647	4,694
Interest revenue .....	257	250	250	250	250	250	250
Rent .....	85	-	-	-	-	-	-
Proceeds from disposal of non-current assets ..	41	-	-	-	-	-	-
Other Revenue .....	4,991	4,155	4,155	4,181	4,207	4,234	4,234
<b>Total Income</b> .....	<b>8,523</b>	<b>7,928</b>	<b>9,228</b>	<b>10,756</b>	<b>10,785</b>	<b>9,315</b>	<b>9,287</b>
<b>NET COST OF SERVICES</b> .....	<b>47,935</b>	<b>48,323</b>	<b>53,607</b>	<b>68,260</b>	<b>63,877</b>	<b>60,608</b>	<b>63,253</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service Appropriations .....	44,156	48,987	52,861	63,583	60,094	59,103	60,910
Resources received free of charge .....	447	451	451	452	451	451	451
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>44,603</b>	<b>49,438</b>	<b>53,312</b>	<b>64,035</b>	<b>60,545</b>	<b>59,554</b>	<b>61,361</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>(3,332)</b>	<b>1,115</b>	<b>(295)</b>	<b>(4,225)</b>	<b>(3,332)</b>	<b>(1,054)</b>	<b>(1,892)</b>
Change in Equity arising from transfer of assets/liabilities .....	(910)	-	-	-	-	-	-
Extraordinary items .....	302	-	-	-	-	-	-
<b>CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(3,940)</b>	<b>1,115</b>	<b>(295)</b>	<b>(4,225)</b>	<b>(3,332)</b>	<b>(1,054)</b>	<b>(1,892)</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Not adjusted to reflect the transfer of Office of Water Policy.

(c) The Full Time Equivalents (FTEs) for 2003-04 Actual, 2004-05 Estimated Actual and 2005-06 Estimate are 364, 436 and 444 respectively.

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

**BALANCE SHEET  
(Controlled)**

	2003-04 Actual <sup>(a)(b)</sup> \$'000	2004-05 Budget <sup>(a)(b)</sup> \$'000	2004-05 Estimated Actual <sup>(a)(b)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	8,412	17,617	4,688	2,893	2,648	2,431	1,235
Restricted cash .....	-	86	-	-	-	-	-
Receivables .....	1,073	1,792	1,136	1,443	1,443	1,443	2,165
Interest receivable .....	30	19	30	30	30	30	30
Amounts receivable for services.....	800	800	1,446	1,400	2,880	3,260	-
Prepayments .....	87	4	87	87	87	87	87
<b>Total current assets .....</b>	<b>10,402</b>	<b>20,318</b>	<b>7,387</b>	<b>5,853</b>	<b>7,088</b>	<b>7,251</b>	<b>3,517</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	4,024	5,544	4,898	5,994	5,912	5,891	9,730
Land and Buildings <sup>(c)</sup> .....	128,532	81,354	133,288	136,466	139,816	143,316	146,816
Plant and equipment.....	895	2,689	1,622	2,998	3,997	5,358	6,975
Other.....	17,578	17,941	16,967	18,287	19,197	21,424	24,056
<b>Total non-current assets.....</b>	<b>151,029</b>	<b>107,528</b>	<b>156,775</b>	<b>163,745</b>	<b>168,922</b>	<b>175,989</b>	<b>187,577</b>
<b>TOTAL ASSETS.....</b>	<b>161,431</b>	<b>127,846</b>	<b>164,162</b>	<b>169,598</b>	<b>176,010</b>	<b>183,240</b>	<b>191,094</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	998	1,412	1,087	1,164	1,860	2,552	3,966
Provision for employee entitlements .....	4,344	4,479	4,617	4,886	5,186	5,490	6,049
Borrowings.....	477	336	634	684	484	284	84
Accrued Salaries .....	339	664	339	339	339	339	339
Other.....	48	23	71	94	94	94	94
<b>Total current liabilities.....</b>	<b>6,206</b>	<b>6,914</b>	<b>6,748</b>	<b>7,167</b>	<b>7,963</b>	<b>8,759</b>	<b>10,532</b>
<b>NON-CURRENT LIABILITIES</b>							
Superannuation .....	-	8,079	-	-	-	-	-
Provision for employee entitlements .....	2,575	2,656	2,857	3,139	3,394	3,649	3,649
Borrowings.....	559	234	226	-	-	-	-
Other.....	30	86	30	30	30	30	30
<b>Total non-current liabilities .....</b>	<b>3,164</b>	<b>11,055</b>	<b>3,113</b>	<b>3,169</b>	<b>3,424</b>	<b>3,679</b>	<b>3,679</b>
<b>TOTAL LIABILITIES.....</b>	<b>9,370</b>	<b>17,969</b>	<b>9,861</b>	<b>10,336</b>	<b>11,387</b>	<b>12,438</b>	<b>14,211</b>
<b>EQUITY</b>							
Contributed Equity.....	6,761	8,500	9,296	17,391	26,084	33,317	41,290
Accumulated surplus/(deficit) .....	(1,719)	3,401	(2,014)	(6,239)	(9,571)	(10,625)	(12,517)
Reserves .....	147,019	97,976	147,019	148,110	148,110	148,110	148,110
<b>Total equity.....</b>	<b>152,061</b>	<b>109,877</b>	<b>154,301</b>	<b>159,262</b>	<b>164,623</b>	<b>170,802</b>	<b>176,883</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>161,431</b>	<b>127,846</b>	<b>164,162</b>	<b>169,598</b>	<b>176,010</b>	<b>183,240</b>	<b>191,094</b>

- (a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.
- (b) Not adjusted to reflect the transfer of Office of Water Policy.
- (c) The difference in value between the 2004-05 Budget and Estimated Actual is a result of a revaluation of assets undertaken after the deliverance of the 2004-05 Budget.

**CASHFLOW STATEMENT  
(Controlled)**

	2003-04 Actual <sup>(a)(b)</sup>	2004-05 Budget <sup>(a)(b)</sup>	2004-05 Estimated Actual <sup>(a)(b)</sup>	2005-06 Budget Estimate <sup>(a)</sup>	2006-07 Forward Estimate <sup>(a)</sup>	2007-08 Forward Estimate <sup>(a)</sup>	2008-09 Forward Estimate <sup>(a)</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service Appropriations .....	41,936	46,667	50,541	61,087	57,296	55,864	57,071
Capital Contribution.....	1,400	2,500	2,500	8,060	8,693	7,233	7,973
Holding Account Drawdowns .....	1,300	800	800	1,446	1,400	2,880	3,260
<b>Net cash provided by State government .....</b>	<b>44,636</b>	<b>49,967</b>	<b>53,841</b>	<b>70,593</b>	<b>67,389</b>	<b>65,977</b>	<b>68,304</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(20,312)	(19,975)	(22,394)	(24,703)	(25,452)	(26,052)	(26,925)
Superannuation .....	(2,906)	(1,790)	(1,913)	(2,134)	(2,200)	(2,301)	(2,364)
Grants and subsidies .....	(2,961)	(3,263)	(3,263)	(7,016)	(6,016)	(2,017)	(2,017)
Supplies and services .....	(15,846)	(17,308)	(19,703)	(25,296)	(20,006)	(17,681)	(18,225)
Accommodation.....	(1,380)	(2,021)	(2,021)	(2,761)	(2,510)	(2,488)	(2,488)
Finance costs .....	(168)	(76)	(76)	(76)	(76)	(76)	(76)
Capital User Charge.....	(8,539)	(8,646)	(10,293)	(12,543)	(12,955)	(13,417)	(13,907)
State Taxes .....	(1,598)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Goods and Services Tax .....	(2,107)	(1,687)	(1,687)	(1,931)	(1,932)	(1,934)	(1,934)
Other.....	(1)	(49)	(49)	(117)	(118)	(119)	(119)
<b>Receipts</b>							
Regulatory fees and fines.....	54	98	98	100	103	106	109
Grants and subsidies .....	3,095	3,347	4,647	6,147	6,147	4,647	4,647
Interest received.....	246	250	250	250	250	250	250
Rent receipts.....	85	-	-	-	-	-	-
Goods and Services Tax .....	2,066	1,687	1,687	1,936	1,936	1,936	1,936
Other receipts .....	5,346	4,211	4,211	3,993	4,019	4,046	4,046
<b>Net cash from operating activities.....</b>	<b>(44,926)</b>	<b>(46,422)</b>	<b>(51,706)</b>	<b>(65,351)</b>	<b>(60,010)</b>	<b>(56,300)</b>	<b>(58,267)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(1,224)	(3,100)	(5,878)	(7,056)	(7,643)	(9,913)	(11,033)
Proceeds from sale of non-current assets .....	41	219	219	219	219	219	-
<b>Net cash from investing activities.....</b>	<b>(1,183)</b>	<b>(2,881)</b>	<b>(5,659)</b>	<b>(6,837)</b>	<b>(7,424)</b>	<b>(9,694)</b>	<b>(11,033)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(200)	(357)	(200)	(200)	(200)	(200)	(200)
<b>Net cash from financing activities.....</b>	<b>(200)</b>	<b>(357)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>	<b>(200)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(1,673)</b>	<b>307</b>	<b>(3,724)</b>	<b>(1,795)</b>	<b>(245)</b>	<b>(217)</b>	<b>(1,196)</b>
Cash assets at the beginning of the reporting period .....	17,037	17,396	8,412	4,688	2,893	2,648	2,431
Net cash transferred to/from other agencies.....	(6,952)	-	-	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>8,412</b>	<b>17,703</b>	<b>4,688</b>	<b>2,893</b>	<b>2,648</b>	<b>2,431</b>	<b>1,235</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Not adjusted to reflect the transfer of Office of Water Policy.

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>EXPENSES</b>							
Grants and subsidies .....	3,545	3,042	3,042	2,798	2,525	2,227	2,227
<b>TOTAL ADMINISTERED EXPENSES <sup>(b)</sup>..</b>	<b>3,545</b>	<b>3,042</b>	<b>3,042</b>	<b>2,798</b>	<b>2,525</b>	<b>2,227</b>	<b>2,227</b>
<b>INCOME</b>							
Service Appropriations .....	3,545	3,042	3,042	2,798	2,525	2,227	2,227
<b>TOTAL ADMINISTERED INCOME .....</b>	<b>3,545</b>	<b>3,042</b>	<b>3,042</b>	<b>2,798</b>	<b>2,525</b>	<b>2,227</b>	<b>2,227</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

(b) Further information is provided in the table 'Details of the Administered Transactions Expenses'.

**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate <sup>(a)</sup> \$'000	2006-07 Forward Estimate <sup>(a)</sup> \$'000	2007-08 Forward Estimate <sup>(a)</sup> \$'000	2008-09 Forward Estimate <sup>(a)</sup> \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(3,545)	(3,042)	(3,042)	(2,798)	(2,525)	(2,227)	(2,227)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(3,545)</b>	<b>(3,042)</b>	<b>(3,042)</b>	<b>(2,798)</b>	<b>(2,525)</b>	<b>(2,227)</b>	<b>(2,227)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Service Appropriations .....	3,545	3,042	3,042	2,798	2,525	2,227	2,227
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>3,545</b>	<b>3,042</b>	<b>3,042</b>	<b>2,798</b>	<b>2,525</b>	<b>2,227</b>	<b>2,227</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 2003-04 and 2004-05 amounts are presented on the basis of current Australian Accounting Standards. 2005-06 Budget and the Forward Estimates are presented in accordance with Australian equivalents to International Financial Reporting Standards and therefore may not always be comparable with 2003-04 and 2004-05 at the detailed level within the financial statements.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2003-04 Actual <sup>(a)</sup> \$'000	2004-05 Budget <sup>(a)</sup> \$'000	2004-05 Estimated Actual <sup>(a)</sup> \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
Regional Flood Mitigation Program.....	731	450	450	2,250	2,250	267	267
Salinity Engineering Evaluation Initiative .....	-	1,200	1,200	1,516	1,516	-	-
Rural Water Grants .....	2,230	1,613	1,613	3,182	2,182	1,681	1,681
Local Government Sewerage Subsidy Scheme	99	99	99	68	68	69	69
<b>TOTAL</b>	<b>3,060</b>	<b>3,362</b>	<b>3,362</b>	<b>7,016</b>	<b>6,016</b>	<b>2,017</b>	<b>2,017</b>

(a) Adjusted for comparability to reflect the transfer of Office of Water Policy.

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES</b>							
Ord River Subsidy Stage 1 .....	2,382	2,198	2,198	1,980	1,737	1,474	1,474
Carnarvon Irrigation Scheme.....	1,163	844	844	818	788	753	753
<b>TOTAL</b>	<b>3,545</b>	<b>3,042</b>	<b>3,042</b>	<b>2,798</b>	<b>2,525</b>	<b>2,227</b>	<b>2,227</b>



## WATER CORPORATION

### CAPITAL WORKS PROGRAM

The Water Corporation is committed to the provision of high quality and reliable water services based on the principles of sustainable water resource management. In 2005-06, the Water Corporation's capital works program totals \$714.8 million, an increase of \$303.1 million (or 74 per cent) over the 2004-05. It will provide substantial benefit to Western Australia with the provision of water related services to meet the continuing growth of the State, including the construction of the Perth Seawater Desalination Plant, drinking water quality improvements, upgrades to, and commencement of, new major wastewater treatment facilities, and the continuation of the Infill Sewerage Program.

\$314.8 million is to be spent in 2005-06 on the construction of the Perth Seawater Desalination Plant and associated infrastructure to connect the plant into the existing Perth Integrated Water Supply Scheme (IWSS). The desalination plant will be the biggest single contributor of water to the IWSS, providing a climate independent 17 per cent increase in the public water supply.

The Corporation is actively progressing longer term planning for a range of future water source options. This includes further funding of \$1.8 million in 2005-06 for the continuing investigation into the development of the South West Yarragadee aquifer project.

\$63.8 million is to be spent on metropolitan and country water distribution networks to replace and augment existing infrastructure to meet the needs of our growing State. For example, \$14.2 million will be spent on additional water storage at Kalgoorlie to provide security of supply and water quality improvements; \$5.9 million for the Harris Dam Water Treatment Plant, which will improve water quality for customers supplied by the Great Southern Towns Water Scheme; and \$4.9 million to continue upgrading the Albany water supply scheme.

The Corporation will spend \$34.5 million to continue the implementation of the Infill Sewerage Program, which reduces health and environmental risks by replacing septic tanks with connections to the deep sewer scheme in metropolitan and country areas.

\$82.9 million will be spent on new and existing wastewater treatment plants and conveyance networks in metropolitan and country areas, to allow for growth in the number of customers and enhancement of the treatment process. Significant projects include \$18.7 million for the commencement of the new wastewater schemes at Alkimos and \$16.1 million for the wastewater scheme at East Rockingham in response to the unprecedented land development and population growth in the north west and south west metropolitan corridors. In addition, expenditure on wastewater treatment plants for odour reduction and aesthetic quality improvement includes \$5.6 million for upgrading the sludge treatment at the Subiaco Wastewater Treatment Plant; \$6 million to upgrade the Albany Wastewater Treatment Plant to reduce nitrogen levels and increase capacity; and \$4 million to commence construction of a new wastewater treatment plant at Narngulu (Geraldton).

Work will continue on projects focusing on maintaining water supply to Perth metropolitan and country areas with \$79.7 million allocated in 2005-06. Significant expenditures include, \$14 million for the Automation and Centralisation of IWSS Water Treatment Plants; \$8.6 million for Port Hedland Distribution Upgrade; \$7 million for the completion of the Sawyers Valley 50 megalitre water storage tank; and \$6 million for the upgrade of the Wyndham Water Supply.

\$21.5 million will be spent as part of a five year program to fulfil the requirements of the 1996 drinking water guidelines as endorsed by the Department of Health. Additional to this amount \$6.4 million will be spent to complete the construction of detention basin 3 as part of the Busselton Flood Protection project; a further \$9 million has been allocated for the continuing installation of SCADA monitoring equipment to enhance the management of infrastructure assets; and \$17.5 million will be spent to renew and enhance corporate information systems.

In addition to the Water Corporation's \$714.8 million capital works program, funding of \$14 million will be provided in 2005-06 for the Harvey Water Trading project. This is a new opportunity associated with the water savings achieved from replacing open channels with piping in the various South West irrigation areas and reducing water losses through evaporation and channel leakage. This current focus on water use efficiency in the irrigation industry provides an opportunity for the Corporation to access a share of resources currently allocated to Harvey Water, thus maximising the beneficial use of existing water sources.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>WORKS IN PROGRESS</b>				
Corporate Programs				
Water Programs				
Perth Seawater Desalination Project .....	387,000	28,200	28,200	314,800
<b>COMPLETED WORKS</b>				
Corporate Programs				
Wastewater Treatment				
2003-04 Program .....	39,753	39,753	4,895	-
2004-05 Program .....	11,000	11,000	11,000	-
Water Sources				
2003-04 Program .....	40,600	40,600	3,283	-
2004-05 Program .....	30,703	30,703	30,703	-
Recurrent Programs				
Distribution Network				
2003-04 Program .....	130,051	130,051	11,210	-
2004-05 Program .....	162,100	162,100	162,100	-
Strategic Programs				
Aesthetic Water Quality				
2004-05 Program .....	6,600	6,600	6,600	-
Commercial Projects				
2004-05 Program .....	18,400	18,400	18,400	-
Dam Safety				
2004-05 Program .....	6,700	6,700	6,700	-
Drinking Water Quality				
2003-04 Program .....	14,943	14,943	1,200	-
2004-05 Program .....	23,700	23,700	23,700	-
Infill Sewerage				
2004-05 Program .....	44,000	44,000	44,000	-
Other Minor Works				
2003-04 Program .....	6,243	6,243	3,636	-
2004-05 Program .....	5,997	5,997	5,997	-
SCADA Program				
2003-04 Program .....	1,811	1,811	990	-
2004-05 Program .....	8,200	8,200	8,200	-
Wastewater Odour Management				
2004-05 Program .....	3,500	3,500	3,500	-
Support Programs				
Capital Overheads				
2004-05 Program .....	16,000	16,000	16,000	-
Drought Response				
2004-05 Program .....	900	900	900	-
Fleet and Plant				
2004-05 Program .....	2,800	2,800	2,800	-
Information Technology				
2003-04 Program .....	10,314	10,314	1,982	-
2004-05 Program .....	15,700	15,700	15,700	-
<b>NEW WORKS</b>				
Corporate Programs				
Wastewater Program				
Alkimos Wastewater Scheme .....	203,300	-	-	18,700
East Rockingham Wastewater Scheme .....	154,700	-	-	16,100
Water Programs				
South West Yarragadee .....	358,500	-	-	1,800
Water Sources .....	407,100	-	-	79,700
Corporate Support Program				
Information Technology .....	17,500	-	-	17,500
Other Corporate Programs .....	21,000	-	-	21,000
Recurrent Programs				
Irrigation and Drainage Program				
2005-06 Program .....	9,600	-	-	9,600
Wastewater Program				
Country Treatment and Conveyance .....	22,200	-	-	22,200
Metropolitan Treatment and Conveyance Sewerage .....	25,900	-	-	25,900
Water Program				
Country Water Distribution .....	47,600	-	-	47,600
Metropolitan Water Distribution .....	16,200	-	-	16,200

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
<b>Strategic Programs</b>				
<b>Commercial Program</b>				
Minor Commercial Projects .....	10,000	-	-	1,000
<b>Wastewater Program</b>				
Infill Sewerage .....	34,500	-	-	34,500
Sewerage Other .....	21,000	-	-	21,000
<b>Water Program</b>				
1996 Drinking Water Guidelines .....	21,500	-	-	21,500
Water Other .....	29,700	-	-	29,700
<b>Support Programs</b>				
<b>Capital Overheads</b>				
Capital Support Cost .....	178,000	-	-	16,000
	2,565,315	628,215	411,696	714,800

**CAPITAL CONTRIBUTION**

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	435,010	356,275	411,696	714,800	441,000	483,400	455,400
	435,010	356,275	411,696	714,800	441,000	483,400	455,400
<b>LESS</b>							
Borrowings.....	95,000	60,058	95,000	396,005	175,000	190,000	150,000
Internal Funds and Balances .....	340,010	296,217	316,696	318,795	266,000	293,400	305,400
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-





## AGENCY INDEX

	Vol	Page		Vol	Page
Agriculture .....	1	203	Metropolitan Cemeteries Board .....	3	976
Agriculture Protection Board .....	1	233	Midland Redevelopment Authority .....	2	688
Albany Port Authority .....	2	690	Mid-West Development Commission .....	1	251
Armadale Redevelopment Authority .....	2	686	National Trust of Australia (WA) .....	3	950
Botanic Gardens and Parks Authority .....	2	532	Office of Energy .....	2	745
Broome Port Authority .....	2	691	Office of the Auditor General .....	1	164
Bunbury Port Authority .....	2	692	Office of the Director of Public Prosecutions.....	2	433
Bunbury Water Board .....	1	390	Office of the Information Commissioner .....	2	443
Busselton Water Board.....	1	391	Office of the Inspector of Custodial Services .....	3	1046
Commissioner for Equal Opportunity .....	2	397	Office of the Public Sector Standards Commissioner.....	1	115
Community Development .....	3	769	Parliament .....	1	43
Conservation and Land Management .....	2	513	Parliamentary Commissioner for Administrative Investigations.....	1	57
Consumer and Employment Protection.....	1	333	Parliamentary Inspector of the Corruption and Crime Commission .....	2	418
Corruption and Crime Commission.....	2	406	Peel Development Commission .....	3	902
Country High School Hostels Authority .....	1	298	Perth Market Authority .....	1	242
Country Housing Authority .....	3	939	Pilbara Development Commission .....	3	1090
Culture and the Arts .....	3	797	Planning and Infrastructure .....	2	621
Curriculum Council.....	1	306	Police Service.....	2	583
Dampier Port Authority .....	2	693	Port Hedland Port Authority .....	2	700
Disability Services Commission.....	3	823	Premier and Cabinet .....	1	69
East Perth Redevelopment Authority .....	2	687	Public Transport Authority .....	2	670
Eastern Goldfields Transport Board.....	2	702	Racing and Wagering Western Australia.....	3	900
Economic Regulation Authority.....	1	175	Racing, Gaming and Liquor.....	3	890
Education and Training .....	1	275	Registrar, Western Australian Industrial Relations Commission.....	1	349
Education Services .....	1	318	Rottneet Island Authority .....	3	889
Environment.....	2	542	Rural Business Development Corporation ...	1	243
Esperance Port Authority .....	2	694	Salaries and Allowances Tribunal.....	1	126
Fire and Emergency Services Authority of Western Australia.....	2	607	Small Business Development Corporation ...	3	1052
Fisheries .....	3	1063	South West Development Commission .....	3	914
Forest Products Commission.....	1	250	Sport and Recreation.....	3	841
Fremantle Port Authority.....	2	695	State Housing Commission.....	3	941
Gascoyne Development Commission.....	3	1102	State Supply Commission .....	1	186
Geraldton Port Authority.....	2	698	Subiaco Redevelopment Authority .....	2	689
Gold Corporation.....	1	197	Swan River Trust .....	2	559
Goldfields-Esperance Development Commission .....	3	991	Treasury and Finance.....	1	135
Government Employees' Housing Authority .	3	940	Water and Rivers Commission.....	1	371
Governor's Establishment.....	1	107	Water Corporation .....	1	387
Great Southern Development Commission ...	3	1004	Western Australian Electoral Commission ...	2	503
Health .....	2	452	Western Australian Greyhound Racing Authority .....	3	901
Heritage Council of Western Australia .....	3	943	Western Australian Land Authority .....	2	701
Housing and Works .....	3	927	Western Australian Meat Industry Authority .	1	241
Independent Market Operator.....	2	761	Western Australian Planning Commission ...	2	703
Indigenous Affairs.....	1	359	Western Australian Sports Centre Trust.....	3	859
Industry and Resources .....	2	719	Western Australian Tourism Commission ...	3	871
Insurance Commission of Western Australia .	1	198	Western Australian Treasury Corporation ...	1	185
Justice .....	3	1017	Western Power Corporation.....	2	762
Kimberley Development Commission .....	3	1078	Wheatbelt Development Commission.....	1	264
Land Information.....	3	977	Zoological Parks Authority.....	2	570
Law Reform Commission .....	2	425			
Local Government and Regional Development.....	3	961			
Lotteries Commission.....	1	199			
Main Roads .....	2	647			

## AGENCY INDEX– *continued*

### AGENCIES WITH ADMINISTERED APPROPRIATIONS

	<b>Vol</b>	<b>Page</b>
Agriculture .....	1	203
Education Services .....	1	318
Fire and Emergency Services Authority of Western Australia .....	2	607
Housing and Works.....	3	927
Industry and Resources .....	2	719
Local Government and Regional Development .....	3	961
Office of Energy.....	2	745
Planning and Infrastructure .....	2	621
Premier and Cabinet.....	1	69
Racing, Gaming and Liquor .....	3	890
Treasury and Finance .....	1	135
Water and Rivers Commission.....	1	371
Western Australian Tourism Commission ..	3	871