

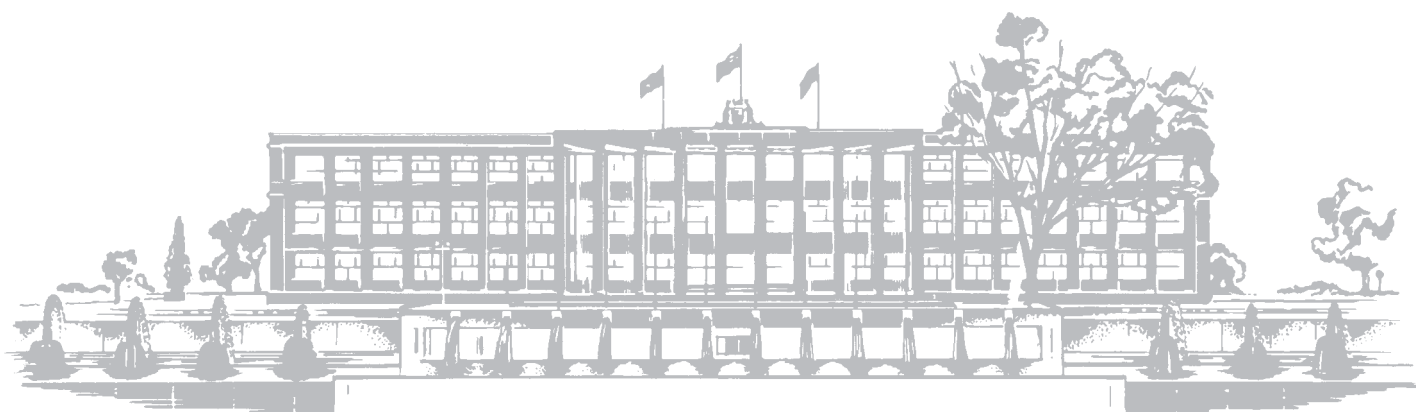


2005-06 BUDGET

BUDGET STATEMENTS

Volume 2

PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 26 MAY 2005



Budget Paper No.2

BUDGET 2005-06

BUDGET STATEMENTS

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CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 7 – Part 11

Part 7

Attorney General; Minister for Health; Electoral Affairs

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
397	Commissioner for Equal Opportunity			
	– Delivery of Services	2,168	2,408	2,671
	– Capital Contribution	31	95	61
	Total	2,199	2,503	2,732
406	Corruption and Crime Commission			
	– Delivery of Services	20,356	22,274	25,953
	– Capital Contribution	169	502	10,257
	Total	20,525	22,776	36,210
418	Parliamentary Inspector of the Corruption and Crime Commission			
	– Delivery of Services	390	393	505
	– Capital Contribution	-	-	10
	Total	390	393	515
425	Law Reform Commission			
	– Delivery of Services	884	886	869
	– Capital Contribution	-	-	-
	Total	884	886	869
433	Office of the Director of Public Prosecution			
	– Delivery of Services	13,221	16,076	14,812
	– Capital Contribution	-	-	-
	Total	13,221	16,076	14,812
443	Office of the Information Commissioner			
	– Delivery of Services	1,194	1,203	1,183
	– Capital Contribution	-	-	-
	Total	1,194	1,203	1,183
452	Health			
	– Delivery of Services	2,802,760	2,868,826	3,043,582
	– Capital Contribution	54,106	62,553	57,752
	Total	2,856,866	2,931,379	3,101,334

Part 7**Attorney General; Minister for Health; Electoral Affairs — continued****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
503	Western Australian Electoral Commission			
	– Delivery of Services	16,215	17,951	2,839
	– Capital Contribution	-	-	-
	Total	16,215	17,951	2,839
	GRAND TOTAL			
	– Delivery of Services	2,857,188	2,930,017	3,092,414
	– Capital Contribution	54,306	63,150	68,080
	Total	2,911,494	2,993,167	3,160,494

COMMISSIONER FOR EQUAL OPPORTUNITY

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 24

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
DELIVERY OF SERVICES							
Item 58 Net amount appropriated to deliver services	1,926	1,995	2,235	2,493	2,535	2,591	2,642
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	173	173	173	178	184	189	195
Total appropriations provided to deliver services	2,099	2,168	2,408	2,671	2,719	2,780	2,837
CAPITAL							
Item 143 Capital Contribution	49	31	95	61	23	71	56
GRAND TOTAL	2,148	2,199	2,503	2,732	2,742	2,851	2,893

MISSION

To ensure that people in the Western Australian community are treated on their merits, free from assumptions based on prejudice and unlawful discrimination.

SIGNIFICANT ISSUES AND TRENDS

- Western Australia has established a new strategic direction founded on Substantive Equality which will address systemic discrimination in areas of service delivery across the public sector. The Government endorsed the policy framework for Substantive Equality in December 2004.
- The Report 'Finding a Place: An Enquiry into the Existence of Discriminatory Practices in Relation to the Provision of Public Housing to Aboriginal people in Western Australia' was completed and launched. A committee has been established to plan and oversee the implementation of the recommendations of the report.
- The Commissioner's Legal Officers have continued to adopt a proactive approach to resolving complaints in the State Administrative Tribunal by mediation and negotiation, rather than by litigation.

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
Decisions taken since State Election				
Public Sector Substantive Equality Unit	443	440	453	462

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
SERVICES							
<i>Service 1:</i>							
Provision of information and advice regarding equal opportunity and human rights	1,252	1,177	1,511	1,663			
<i>Service 2:</i>							
Avenue of redress for unlawful discrimination and unreasonable treatment	1,254	1,165	1,128	1,234			
Total Cost of Services	2,506	2,342	2,639	2,897	2,945	3,005	3,066
<i>Less Income</i>	<i>208</i>	<i>120</i>	<i>153</i>	<i>155</i>	<i>155</i>	<i>155</i>	<i>155</i>
Net Cost of Services	2,298	2,222	2,486	2,742	2,790	2,850	2,911
Adjustments ^(a)	(199)	(54)	(78)	(71)	(71)	(70)	(74)
Appropriation provided to deliver Services.	2,099	2,168	2,408	2,671	2,719	2,780	2,837
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	49	31	95	61	23	71	56
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	2,148	2,199	2,503	2,732	2,742	2,851	2,893

(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 Attorney General, Commissioner 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.	The people of Western Australia are provided with information and advice about equal opportunity and human rights issues and have accessible avenues of redress under relevant legislation.	<ol style="list-style-type: none"> 1. Provision of information and advice regarding equal opportunity and human rights 2. Avenue of redress for unlawful discrimination and unreasonable treatment

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: The people of Western Australia are provided with information and advice about equal opportunity and human rights issues and have accessible avenues of redress under relevant legislation.					
Community awareness of the Act and belief it is of benefit	82%	86%	82%	85%	
Proportion of complainants and respondents who believe that the Act is a good way to resolve acts of discrimination	65%	65%	75%	75%	

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

Service 1: Provision of Information and Advice Regarding Equal Opportunity and Human Rights

Dissemination of relevant and appropriate information on the *Equal Opportunity Act 1984*, other relevant laws and human rights issues generally, provision of accurate advice on equal opportunity matters and the identification of discriminatory policies and practices.

	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	1,252	1,177	1,511	1,663	
Less Income	169	120	138	140	
Net Cost of Service	1,083	1,057	1,373	1,523	
Adjustments ^(a)	29	(27)	-	(1)	
Appropriation for delivery of Service	1,112	1,030	1,373	1,522	

(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 presentation/seminar/workshop ^(a)	\$3,027	\$2,548	\$2,728	\$2,718	2004-05 Estimated was lower than Budget due to higher than expected numbers of revisions made to outdated existing publications as well as a few new publications.
Average cost per enquiry	\$84	\$13	\$84	\$91	
Average cost per policy advice and review	\$1,259	\$1,088	\$2,540	\$2,611	
Average cost per publication	\$14,523	\$13,660	\$6,735	\$12,109	
Full Time Equivalents (FTEs)	13	13	15	15	

(a) The estimated average cost per presentation/seminar/workshop, less revenues generated from fee for service training, for the 2004-05 Estimated and 2005-06 Target is \$2,112 and \$2,160 respectively.

Major Achievements For 2004-05

- The policy framework for Substantive Equality was announced in December 2004. The establishment of a Substantive Equality Unit within the Equal Opportunity Commission commenced operation in January 2005.
- Updated and republished all publications to make them more recognisable and accessible to clients.
- Continued partnerships with other agencies on a range of public events including presentations on workplace bullying, measuring achievements on human rights and a breakfast event for International Women's Day, which attracted over 300 attendees.
- Delivered an advocacy course for Indigenous people and communities.
- Developed and delivered several new courses for the Commission's fee for service training program, including the introduction of a training program in major regional centres across Western Australia.
- Partnered the Office of Multicultural Interests in conducting information sessions with the community sector on proposed racial and religious vilification laws, as well as delivering a substantive equality information/education workshop for Indigenous and Culturally and Linguistically Diverse (CALD) community representatives.

Major Initiatives For 2005-06

- Partnership with other government agencies for the national launch of the 'Play by the Rules' website.
- Review and revision of all course materials and content associated with the fee for service training program.

Service 2: Avenue of Redress for Unlawful Discrimination and Unreasonable Treatment

Investigating and attempting to conciliate complaints that fall within the jurisdiction of the *Equal Opportunity Act 1984* and other legislation administered by the Commissioner and providing assistance to complainants referred to the Equal Opportunity Tribunal (Now operates under the State Administrative Tribunal as of 1 January 2005).

	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	1,254	1,165	1,128	1,234	
Less Income	39	-	15	15	
Net Cost of Service	1,215	1,165	1,113	1,219	
Adjustments ^(a)	(228)	(27)	(78)	(70)	
Appropriation for delivery of Service	987	1,138	1,035	1,149	

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

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 complaint	\$923	\$1,005	\$840	\$912	
Average cost per case referred to the State Administrative Tribunal.....	\$2,376	\$2,479	\$2,535	\$2,991	
Full Time Equivalents (FTEs)	10	10	11	12	

Major Achievements For 2004-05

- Conciliation officers participated on the Australian Council of Human Rights Agencies (ACHRA) Case Management User Group which is investigating the feasibility of creating a mechanism for reporting the incidence of discrimination on a national basis.
- Continued to deliver a flexible and responsive conciliation service to the people of Western Australia including conducting conciliation conferences in regional areas, and where appropriate undertaking home visits.
- Legal Officers have provided advocacy for complainants in a number of matters where important legal issues have been raised. These included the power of the newly created State Administrative Tribunal (SAT) to grant an exemption, the jurisdictional limits of the SAT in respect to the Commonwealth Constitution and clarification of the circumstances when the SAT may dismiss a complaint for lack of substance.
- Contributed to the drafting of the Government's Consultation Paper on Racial and Religious Vilification, released in August 2004, and the *Criminal Code Amendment (Racial Vilification) Act 2004*, which came into force in December 2004.
- Assisted in drafting new regulations in respect to procedures for dealing with equal opportunity complaints in the State Administrative Tribunal.

Major Initiatives For 2005-06

- Develop an online conciliation register which outlines recent conciliated cases including outcomes achieved between parties.
- Review the conciliation process, including current policies and procedures, to streamline processes and ensure services are delivered in a timely and efficient manner.
- Further examination and review of the Commission's services, with an emphasis on investigating and reporting widespread systemic discrimination in Western Australia.
- Provision of advice in respect to, and the drafting of, civil laws making racial vilification unlawful in a number of areas of public life.

CAPITAL WORKS PROGRAM

The Equal Opportunity Commission's planned capital works expenditure is principally for the scheduled replacement of computer hardware and software that supports the delivery of agency services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Capital Requirements for Public Sector Racism Unit Pilot Program	64	64	64	-
Computer Hardware and Software				
2003-04 Program	77	77	6	-
2004-05 Program	62	62	62	-
NEW WORKS				
Computer Hardware and Software				
2005-06 Program	95	-	-	95
	298	203	132	95

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	71	62	132	95	61	109	92
	71	62	132	95	61	109	92
LESS							
Drawdowns from the Holding Account	28	31	31	34	38	38	36
Internal Funds and Balances	(6)	-	6	-	-	-	-
Capital Contribution	49	31	95	61	23	71	56

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,476	1,389	1,542	1,839	1,885	1,932	1,991
Superannuation	143	145	159	180	181	182	188
Supplies and services	462	247	418	359	344	344	380
Accommodation	305	384	329	329	329	329	334
Depreciation and amortisation	22	34	34	38	38	38	38
Costs of disposal of non-current assets	2	-	-	-	-	-	-
Other expenses	96	143	157	152	168	180	135
TOTAL COST OF SERVICES	2,506	2,342	2,639	2,897	2,945	3,005	3,066
Income							
User charges and fees	142	120	120	120	120	120	120
Grants and subsidies	37	-	33	35	35	35	35
Proceeds from disposal of non-current assets ..	2	-	-	-	-	-	-
Other Revenue	27	-	-	-	-	-	-
Total Income	208	120	153	155	155	155	155
NET COST OF SERVICES	2,298	2,222	2,486	2,742	2,790	2,850	2,911
INCOME FROM STATE GOVERNMENT							
Service Appropriations	2,099	2,168	2,408	2,671	2,719	2,780	2,837
Resources received free of charge	99	76	76	75	75	74	74
TOTAL INCOME FROM STATE GOVERNMENT	2,198	2,244	2,484	2,746	2,794	2,854	2,911
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(100)	22	(2)	4	4	4	-

(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 23, 26 and 27 respectively.

BALANCE SHEET
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	211	50	155	159	163	167	167
Restricted cash	59	-	59	59	59	59	59
Receivables	47	60	48	48	48	48	48
Amounts receivable for services.....	30	34	33	37	37	36	36
Prepayments	4	9	4	4	4	4	4
Total current assets	351	153	299	307	311	314	314
NON-CURRENT ASSETS							
Amounts receivable for services.....	-	-	-	-	-	1	3
Plant and equipment.....	93	156	160	217	240	311	365
Other.....	-	-	31	31	31	31	31
Total non-current assets	93	156	191	248	271	343	399
TOTAL ASSETS.....	444	309	490	555	582	657	713
CURRENT LIABILITIES							
Payables	67	29	67	67	67	67	67
Provision for employee entitlements	264	259	264	264	264	264	264
Accrued Salaries	52	8	5	5	5	5	5
Other.....	1	20	1	1	1	1	1
Total current liabilities.....	384	316	337	337	337	337	337
NON-CURRENT LIABILITIES							
Provision for employee entitlements	146	150	146	146	146	146	146
Total non-current liabilities	146	150	146	146	146	146	146
TOTAL LIABILITIES.....	530	466	483	483	483	483	483
EQUITY							
Contributed Equity	134	165	229	290	313	384	440
Accumulated surplus/(deficit)	(220)	(322)	(222)	(218)	(214)	(210)	(210)
Total equity.....	(86)	(157)	7	72	99	174	230
TOTAL LIABILITIES AND EQUITY	444	309	490	555	582	657	713

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	2,068	2,134	2,374	2,633	2,681	2,742	2,799
Capital Contribution.....	49	31	95	61	23	71	56
Holding Account Drawdowns	28	31	31	34	38	38	36
Net cash provided by State government	2,145	2,196	2,500	2,728	2,742	2,851	2,891
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,461)	(1,437)	(1,590)	(1,839)	(1,885)	(1,932)	(1,991)
Superannuation	(143)	(145)	(159)	(180)	(181)	(182)	(188)
Supplies and services	(363)	(171)	(342)	(284)	(269)	(270)	(306)
Accommodation.....	(305)	(384)	(329)	(329)	(329)	(329)	(334)
Goods and Services Tax	(93)	(72)	(72)	(72)	(72)	(78)	(78)
Other.....	(54)	(143)	(157)	(152)	(168)	(180)	(135)
Receipts							
User charges and fees.....	142	120	120	120	120	120	120
Grants and subsidies	37	-	33	35	35	35	35
Goods and Services Tax	87	72	72	72	72	78	78
Other receipts	21	-	-	-	-	-	-
Net cash from operating activities.....	(2,132)	(2,160)	(2,424)	(2,629)	(2,677)	(2,738)	(2,799)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(28)	(62)	(132)	(95)	(61)	(109)	(92)
Proceeds from sale of non-current assets	2	-	-	-	-	-	-
Net cash from investing activities.....	(26)	(62)	(132)	(95)	(61)	(109)	(92)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	(13)	(26)	(56)	4	4	4	-
Cash assets at the beginning of the reporting period	283	76	270	214	218	222	226
Cash assets at the end of the reporting period.....	270	50	214	218	222	226	226

(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
Proceeds from the provision of Community Education Services	142	120	120	120
Proceeds from the provision of services to the Indian Ocean Territories	17	-	33	35
Proceeds from other departmental revenue	21	-	-	-
Other grants received	20	-	-	-
GST input credits	65	62	62	62
GST receipts on sales	22	10	10	10
TOTAL	287	192	225	227

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

CORRUPTION AND CRIME COMMISSION

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 25

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
DELIVERY OF SERVICES							
Item 59 Net amount appropriated to deliver services	6,088	20,229	22,147	25,823	27,191	28,220	27,315
Amount Authorised by Other Statutes - Corruption and Crime Commission Act 2003	-	127	127	130	134	138	142
Total appropriations provided to deliver services	6,088	20,356	22,274	25,953	27,325	28,358	27,457
CAPITAL							
Item 144 Capital Contribution	-	169	502	10,257	3,289	617	-
GRAND TOTAL	6,088	20,525	22,776	36,210	30,614	28,975	27,457

MISSION

To improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector and combat and reduce the incidence of organised crime.

SIGNIFICANT ISSUES AND TRENDS

- The Corruption and Crime Commission (CCC) was established by the *Corruption and Crime Commission Act 2003* and came into existence in January 2004. The transition arrangement to take over the operations and functions of the Anti-Corruption Commission were completed by 30 June 2004.
- On 16 May 2005 the Commission moved to suitable premises to carry out its activities.
- The increased awareness across the public sector of the Commission and its role and responsibilities will result in continued growth in the numbers of matters notified to it and an increased requirement to assess complaints and review the results of subsequent investigations. The need to constrain organisational growth while improving efficiency and effectiveness will require the Commission to refine its complaints notification and investigation review processes. In addition, the Commission will work with other agencies to improve their capacity to respond to complaints and conduct investigations more effectively.
- As well as continuing to investigate the most serious suspected misconduct cases, the Commission will focus increasingly on the use of intelligence to target areas of the most serious misconduct.
- The Commission's corruption prevention activities will shift from educating the public sector as to their responsibilities to notify suspected public sector misconduct, to the promotion of corruption proofing policies and measures as the basis for a corruption resistant public sector.
- The Commission will develop its capacity to oversight the adoption of its recommendations for systemic change across the public sector in order to evaluate the effectiveness of its advice in seeking to continuously improve the integrity of the public sector.

- The Commission will continue to facilitate access by the Western Australia Police Service (WAPS) to the extraordinary powers available to the Police Commissioner under the *Corruption and Crime Commission Act 2003* in order to improve the frequency and effectiveness of the use of these powers.
- In 2004-05 the Commission concluded its initial recruiting and established its foundation business policies, processes and systems. This will result in a process of continual refinement to its business processes in order to improve both the effectiveness and efficiency of the Commission's operations.
- Refinements will occur in terms of the Commission's commitment to the development of its people and organisational culture.
- The Commission will continually review its services, processes and structure to ensure it is poised to respond effectively and efficiently to the demands of its shifting operational environment.

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
SERVICES							
<i>Service 1:</i>							
Investigations into misconduct in the public sector	4,456	18,508	21,530	24,341			
<i>Service 2:</i>							
Corruption prevention reviews and education awareness sessions	257	1,408	1,199	1,473			
<i>Service 3:</i>							
Investigations facilitated into organised crime.	-	74	95	98			
Total Cost of Services	4,713	19,990	22,824	25,912	27,227	28,618	27,477
<i>Less Income</i>	<i>18</i>	<i>20</i>	<i>2,120</i>	<i>20</i>	<i>20</i>	<i>20</i>	<i>20</i>
Net Cost of Services	4,695	19,970	20,704	25,892	27,207	28,598	27,457
Adjustments ^(a)	1,393	386	1,570	61	118	(240)	-
Appropriation provided to deliver Services.	6,088	20,356	22,274	25,953	27,325	28,358	27,457
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	169	502	10,257	3,289	617	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	6,088	20,525	22,776	36,210	30,614	28,975	27,457

(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) ^(a)
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	Improved integrity and reduced incidence of misconduct in the public sector.	1. Investigations into misconduct in the public sector 2. Corruption prevention reviews and education awareness sessions
	Appropriate use of powers to address organised crime.	3. Investigations facilitated into organised crime

(a) The Commission's Services were initially formulated in 2003-04 during the set up of the Commission and are currently undergoing review in accordance with the 2005-06 Strategic and Business Plan.

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Improved integrity and reduced incidence of misconduct in the public sector					
Strategic assessments indicating the incidence of misconduct in the public sector.....	n/a	Low	Medium	Medium	The Commission became operational in 2004-05. The indicator shall be reviewed during the 2005-06 budget year.
Outcome: Appropriate use of powers to address organised crime					
Degree to which organised crime examinations assist in combating and reducing the incidence of organised crime	n/a	High	High	High	As Above.
Incidence of organised crime as assessed by the Commission's examinations	n/a	Low	Low	Low	As Above.

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

Service 1: Investigations into Misconduct in the Public Sector

Investigations are carried out into allegations of misconduct across the entire public sector including the Police Service. Following assessment of an allegation, the Commission may investigate or take action itself, work in cooperation with another independent agency or appropriate authority, or refer the allegation to an independent agency or appropriate authority for action. Investigation or action referred to an authority can be monitored and reviewed by the 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	4,456	18,508	21,530	24,341	The increased cost of this service reflects the full year operations of the Commission.
Less Income	18	20	2,120	20	
Net Cost of Service	4,438	18,488	19,410	24,321	
Adjustments ^(a)	1,393	357	1,570	61	
Appropriation for delivery of Service	5,831	18,845	20,980	24,382	

(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 ^(a)

	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 allegation assessed.....	\$373	\$426	\$1,395	\$1,423	
Cost per matter under investigation.....	\$41,457	\$56,720	\$180,420	\$186,982	
Full Time Equivalent (FTEs)	52	129	130	142	

(a) The Commission's key efficiency indicators shall be further developed in 2005-06 following completion of the Commission's 2005-06 Strategic and Business Plan.

Major Achievements For 2004-05

- A substantial level of the Commission's FTEs were recruited together with the development of appropriate infrastructure whilst at the same time carrying out a range of operations and functions in relation to misconduct investigations and the organised crime functions of the Commission.
- Significant operational outcomes, including the conduct of a number of public hearings, serious criminal charges for corruption and other offences were laid against public officers.
- Submission of a number of reports to Parliament in relation to investigations.

Major Initiatives For 2005-06

- Enhance the capacity of public sector organisations to deal with the incidence of misconduct.
- Develop and implement an electronic case management system.
- Develop an intelligence capacity including an intelligence model.
- Enhance our ability to capture and analyse data on misconduct.
- Develop a learning strategy for our people.

Service 2: Corruption Prevention Reviews and Education Awareness Sessions

As one of its main functions the Commission has a 'Prevention and Education' function to help public authorities improve the integrity of their organisations and reduce the incidence of misconduct. This is achieved through education and research programs and through assisting in identification and introduction of corruption prevention strategies.

	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	257	1,408	1,199	1,473	The increased cost of this service reflects the full year operations of the Commission.
Less Income	-	-	-	-	
Net Cost of Service	257	1,408	1,199	1,473	
Adjustments ^(a)	-	27	-	-	
Appropriation for delivery of Service	257	1,435	1,199	1,473	

(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 ^(a)

	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 corruption prevention review	n/a	\$121,000	\$101,500	\$105,150	
Cost per education and awareness session	\$167,418	\$72,500	\$13,050	\$13,521	
Qualitative Strategic audit of the reform program ^(b)	n/a	\$200,000	\$200,000	\$200,000	
Full Time Equivalents (FTEs)	3	10	8	10	

(a) The Commission's key efficiency indicators shall be further developed in 2005-06 following completion of the Commission's 2005-06 Strategic and Business Plan.

(b) The Qualitative Strategic Audit of the Reform Program is to audit implementation of the recommendations of the Police Royal Commission.

Major Achievements For 2004-05

- An Outreach Program delivered 11 regional and 20 metropolitan education and awareness sessions to 1,190 attendees.
- A major review, 'Can you keep a secret,' was conducted into the unauthorised access and disclosure of confidential personal information by public sector employees.
- Major profiling survey on the Western Australian public sector administered to 441 agencies (includes local governments, boards and committees) and 1,912 individual employees identifying major misconduct risk areas.

Major Initiatives For 2005-06

- Develop an Administrative Investigation Manual to improve the capacity of public sector agencies to undertake quality internal investigations under monitoring by the Commission.
- Continue oversight of the Police Reform Program and prepare a first Report to Parliament.
- Prepare and present a major education program on corruption risk assessment and corruption prevention planning to public authorities.

Service 3: Investigations Facilitated into Organised Crime

The Commission has a role to combat and reduce the incidence of organised crime through authorising the use of exceptional and coercive powers upon application by the Commissioner of Police.

	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	-	74	95	98	
Less Income	-	-	-	-	
Net Cost of Service	-	74	95	98	
Adjustments ^(a)	-	2	-	-	
Appropriation for delivery of Service	-	76	95	98	

(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 ^(a)

	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 hearing room day.....	-	\$7,400	-	-	To be developed in 2005-06.
Full Time Equivalents (FTEs)	0	14	1	1	

(a) The Commission's key efficiency indicators shall be further developed in 2005-06 following completion of the Commission's 2005-06 Strategic and Business Plan.

Major Achievements For 2004-05

- Engagement of the WAPS and provision of training and education about the availability and utility of exceptional and fortification removal powers to facilitate the WAPS' investigations of organised crime.
- The making of one exceptional powers finding and the conduct of a number of organised crime examinations, using the Commission's coercive hearing power.

Major Initiatives For 2005-06

- Further engagement with the WAPS with the aim of developing appropriate protocols for the limitation, reporting on and oversight of the exercise of exceptional powers.
- Identification and development, with the WAPS, of suitable organised crime investigations to be the subject of exceptional powers findings and the consequent exercise of exceptional powers to facilitate such investigations of organised crime.

CAPITAL WORKS PROGRAM

The Commission's planned capital works program of \$11.9 million provides mainly for the purchase and replacement of operations support equipment (\$11.7 million) in 2005-06.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Computing Hardware.....	865	383	383	83
New Operational Support Equipment	14,931	1,852	1,761	10,024
Office Equipment Replacement.....	2,140	59	59	150
Office Fit-out for 186 St Georges Terrace	6,311	5,311	5,311	-
COMPLETED WORKS				
Case Management System - Investigations.....	460	460	460	-
Financial Management Information System	300	300	300	-
IT systems Implementation.....	120	120	120	-
Payroll System	300	300	300	-
Records Management System Upgrade.....	340	340	340	-
NEW WORKS				
Replacement of Operational Support Equipment.....	27,648	-	-	1,698
	53,415	9,125	9,034	11,955

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	91	452	9,034	11,955	5,399	3,878	1,933
	91	452	9,034	11,955	5,399	3,878	1,933
LESS							
Drawdowns from the Holding Account	-	283	283	1,698	2,110	3,261	1,933
Internal Funds and Balances	(5,909)	-	6,149	-	-	-	-
Other.....	6,000	-	2,100	-	-	-	-
Capital Contribution	-	169	502	10,257	3,289	617	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	2,756	11,347	11,387	11,370	10,833	10,353	10,580
Superannuation	148	1,058	1,074	1,077	1,078	1,078	1,079
Consultancies expense	255	-	-	-	-	-	-
Supplies and services	239	2,194	5,873	5,010	4,787	4,478	4,348
Accommodation	563	1,840	1,977	1,575	1,575	1,575	1,575
Capital User Charge	115	800	800	1,618	2,167	2,319	2,334
Depreciation and amortisation	214	1,415	1,306	4,855	6,380	8,407	7,153
State Taxes	-	-	25	25	25	25	25
Other expenses	423	1,336	382	382	382	383	383
TOTAL COST OF SERVICES	4,713	19,990	22,824	25,912	27,227	28,618	27,477
Income							
Other Revenue	18	20	2,120	20	20	20	20
Total Income	18	20	2,120	20	20	20	20
NET COST OF SERVICES	4,695	19,970	20,704	25,892	27,207	28,598	27,457
INCOME FROM STATE GOVERNMENT							
Service Appropriations	6,088	20,356	22,274	25,953	27,325	28,358	27,457
TOTAL INCOME FROM STATE GOVERNMENT	6,088	20,356	22,274	25,953	27,325	28,358	27,457
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	1,393	386	1,570	61	118	(240)	-

(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 55, 139 and 153 respectively.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	7,883	3,107	1,695	1,817	1,777	1,739	1,699
Restricted cash	195	-	-	40	80	120	160
Receivables	537	126	1,042	987	1,150	937	937
Amounts receivable for services.....	-	-	1,698	2,110	3,261	1,933	-
Prepayments.....	-	60	60	60	60	60	60
Total current assets	8,615	3,293	4,495	5,014	6,328	4,789	2,856
NON-CURRENT ASSETS							
Amounts receivable for services.....	2,643	4,242	1,968	4,713	7,832	14,306	21,459
Land and Buildings.....	-	272	1,837	1,574	1,311	1,048	785
Plant and equipment.....	981	2,608	4,918	13,021	13,105	9,535	4,578
Intangibles.....	-	-	-	124	248	372	372
Other.....	1,987	1,609	4,032	3,168	2,242	1,422	1,422
Total non-current assets.....	5,611	8,731	12,755	22,600	24,738	26,683	28,616
TOTAL ASSETS.....	14,226	12,024	17,250	27,614	31,066	31,472	31,472
CURRENT LIABILITIES							
Payables	272	489	179	-	-	-	-
Provision for employee entitlements	561	745	1,106	1,106	1,106	1,106	1,106
Accrued Salaries	-	45	-	225	270	316	316
Other.....	61	-	61	61	61	44	44
Total current liabilities.....	894	1,279	1,346	1,392	1,437	1,466	1,466
NON-CURRENT LIABILITIES							
Provision for employee entitlements	336	800	836	836	836	836	836
Total non-current liabilities	336	800	836	836	836	836	836
TOTAL LIABILITIES.....	1,230	2,079	2,182	2,228	2,273	2,302	2,302
EQUITY							
Contributed Equity.....	11,603	10,656	12,105	22,362	25,651	26,268	26,268
Accumulated surplus/(deficit)	1,393	(711)	2,963	3,024	3,142	2,902	2,902
Total equity.....	12,996	9,945	15,068	25,386	28,793	29,170	29,170
TOTAL LIABILITIES AND EQUITY	14,226	12,024	17,250	27,614	31,066	31,472	31,472

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	5,733	18,941	20,968	21,098	20,945	19,951	20,304
Capital Contribution.....	-	169	502	10,257	3,289	617	-
Holding Account Drawdowns	-	283	283	1,698	2,110	3,261	1,933
Net cash provided by State government	5,733	19,393	21,753	33,053	26,344	23,829	22,237
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,182)	(11,754)	(11,142)	(11,145)	(10,788)	(10,307)	(10,580)
Superannuation	(148)	(1,058)	(1,074)	(1,077)	(1,078)	(1,078)	(1,079)
Consultancies payments.....	(238)	-	-	-	-	-	-
Supplies and services	(256)	(2,194)	(5,526)	(5,134)	(4,950)	(4,478)	(4,348)
Accommodation.....	(728)	(1,840)	(2,158)	(1,575)	(1,575)	(1,575)	(1,575)
Capital User Charge.....	(338)	(800)	(800)	(1,618)	(2,167)	(2,319)	(2,334)
State Taxes	-	-	(25)	(25)	(25)	(25)	(25)
Goods and Services Tax	(181)	(325)	(325)	(325)	(325)	(305)	(305)
Other.....	(236)	(1,288)	(382)	(382)	(382)	(187)	(383)
Receipts							
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	-	-	-	-
Net cash from operating activities.....	(4,239)	(18,930)	(19,102)	(20,936)	(20,945)	(19,949)	(20,304)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(97)	(452)	(9,034)	(11,955)	(5,399)	(3,878)	(1,933)
Net cash from investing activities.....	(97)	(452)	(9,034)	(11,955)	(5,399)	(3,878)	(1,933)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	1,397	11	(6,383)	162	-	2	-
Cash assets at the beginning of the reporting period	-	19	8,078	1,695	1,857	1,857	1,859
Net cash transferred to/from other agencies	6,681	3,077	-	-	-	-	-
Cash assets at the end of the reporting period.....	8,078	3,107	1,695	1,857	1,857	1,859	1,859

(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 \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
User Charges and fees	-	20	20	20
Goods and Services Tax	64	309	210	325
Other receipts	4	-	2,100	-
TOTAL	68	329	2,330	345

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

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 26

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
DELIVERY OF SERVICES							
Item 60 Net amount appropriated to deliver services	74	287	290	399	420	443	450
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	46	103	103	106	109	112	116
Total appropriations provided to deliver services	120	390	393	505	529	555	566
CAPITAL							
Item 145 Capital Contribution	150	-	-	10	-	-	-
GRAND TOTAL	270	390	393	515	529	555	566

MISSION

To evaluate the effectiveness and appropriateness of the Corruption and Crime Commission.

SIGNIFICANT ISSUES AND TRENDS

- The Corruption and Crime Commission has been sending reports on its activities to the Parliamentary Inspector and is performing satisfactorily under its charter.
- Only a small number of complaints have been received from persons dissatisfied with the Corruption and Crime Commission's handling of their matters.

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
SERVICES							
<i>Service 1:</i>							
Evaluation of the effectiveness and appropriateness of Corruption and Crime Commission operations.....	96	390	460	572			
Total Cost of Services	96	390	460	572	596	622	633
<i>Less Income</i>	-	-	-	-	-	-	-
Net Cost of Services	96	390	460	572	596	622	633
Adjustments ^(a)	24	-	(67)	(67)	(67)	(67)	(67)
Appropriation provided to deliver Services.	120	390	393	505	529	555	566
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	150	-	-	10	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	270	390	393	515	529	555	566

- (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 Outcome	Service
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	The integrity and effectiveness of the Corruption and Crime Commission is ensured.	1. Evaluation of the effectiveness and appropriateness of Corruption and Crime Commission operations

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: The integrity and effectiveness of the Corruption and Crime Commission is ensured.					
Proportion of investigations finalised satisfactorily	n/a	100%	100%	100%	

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

Service 1: Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations

	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	96	390	460	572	
Less Income	-	-	-	-	
Net Cost of Service	96	390	460	572	
Adjustments ^(a)	24	-	(67)	(67)	
Appropriation for delivery of Service	120	390	393	505	

(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
Matters finalised within target time frames.....	-	100%	100%	100%	
Full Time Equivalents (FTEs)	0	1	1	1	

Major Achievements For 2004-05

- The Office of the Parliamentary Inspector of the Corruption and Crime Commission was set up with the Department of Justice providing corporate services support on a 'Resources Received Free of Charge' basis.

Major Initiatives For 2005-06

- Undertake a formal review of the Corruption and Crime Commission's operations.
- Establish an audit system of the Corruption and Crime Commission.

CAPITAL WORKS PROGRAM

The Capital Works Program for 2005-06 relates to the purchase of computers and office equipment for the Office.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Office refurbishment and equipment acquisition	150	150	1	-
NEW WORKS				
Office Equipment.....	40	-	-	10
	190	150	1	10

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	149	-	1	10	10	10	10
	149	-	1	10	10	10	10
LESS							
Drawdowns from the Holding Account	-	-	-	-	10	10	10
Internal Funds and Balances	(1)	-	1	-	-	-	-
Capital Contribution	150	-	-	10	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	54	153	155	160	167	169	174
Superannuation	4	14	15	15	16	16	16
Supplies and services	31	160	227	299	313	335	341
Accommodation	-	53	53	55	56	57	57
Capital User Charge	-	-	-	16	16	16	16
Depreciation and amortisation	-	-	-	17	17	17	17
Other expenses	7	10	10	10	11	12	12
TOTAL COST OF SERVICES	96	390	460	572	596	622	633
INCOME FROM STATE GOVERNMENT							
Service Appropriations	120	390	393	505	529	555	566
Resources received free of charge	31	-	67	67	67	67	67
TOTAL INCOME FROM STATE GOVERNMENT	151	390	460	572	596	622	633
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	55	-	-	-	-	-	-

- (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 0, 1 and 1 respectively.

BALANCE SHEET
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	178	-	177	177	177	177	177
Receivables	15	-	15	15	15	15	15
Amounts receivable for services.....	-	-	-	10	10	10	10
Total current assets	193	-	192	202	202	202	202
NON-CURRENT ASSETS							
Amounts receivable for services.....	7	-	7	14	21	28	35
Plant and equipment.....	146	150	147	140	133	126	119
Total non-current assets	153	150	154	154	154	154	154
TOTAL ASSETS.....	346	150	346	356	356	356	356
CURRENT LIABILITIES							
Payables	136	-	136	136	136	136	136
Provision for employee entitlements	1	-	1	1	1	1	1
Accrued Salaries	4	-	4	4	4	4	4
Total current liabilities.....	141	-	141	141	141	141	141
TOTAL LIABILITIES.....	141	-	141	141	141	141	141
EQUITY							
Contributed Equity.....	150	150	150	160	160	160	160
Accumulated surplus/(deficit)	55	-	55	55	55	55	55
Total equity.....	205	150	205	215	215	215	215
TOTAL LIABILITIES AND EQUITY.....	346	150	346	356	356	356	356

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	113	390	393	488	512	538	549
Capital Contribution.....	150	-	-	10	-	-	-
Holding Account Drawdowns	-	-	-	-	10	10	10
Net cash provided by State government	263	390	393	498	522	548	559
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(43)	(153)	(155)	(160)	(167)	(169)	(174)
Superannuation	(3)	(14)	(15)	(15)	(16)	(16)	(16)
Supplies and services	-	(160)	(160)	(232)	(246)	(268)	(274)
Accommodation.....	-	(53)	(53)	(55)	(56)	(57)	(57)
Capital User Charge.....	-	-	-	(16)	(16)	(16)	(16)
Goods and Services Tax	(15)	-	-	-	-	-	-
Other.....	(5)	(10)	(10)	(10)	(11)	(12)	(12)
Net cash from operating activities.....	(66)	(390)	(393)	(488)	(512)	(538)	(549)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(19)	-	(1)	(10)	(10)	(10)	(10)
Net cash from investing activities.....	(19)	-	(1)	(10)	(10)	(10)	(10)
NET INCREASE/(DECREASE) IN CASH HELD	178	-	(1)	-	-	-	-
Cash assets at the beginning of the reporting period	-	-	178	177	177	177	177
Cash assets at the end of the reporting period.....	178	-	177	177	177	177	177

(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.

LAW REFORM COMMISSION OF WESTERN AUSTRALIA

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 27

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
DELIVERY OF SERVICES							
Item 61 Net amount appropriated to deliver services	839	884	886	869	875	889	905
Total appropriations provided to deliver services	839	884	886	869	875	889	905
CAPITAL							
Capital Contribution	-	-	-	-	-	6	-
GRAND TOTAL	839	884	886	869	875	895	905

MISSION

To assist in keeping the law up to date and relevant to the needs of society by making recommendations for the reform of areas of law referred to it by the Attorney General.

SIGNIFICANT ISSUES AND TRENDS

- The continuing issue for the Law Reform Commission is to assist in keeping the law up to date and relevant to the needs of society. The Commission's new reference on Problem Oriented Courts and Judicial Case Management reflects the national and international trend towards the implementation of 'problem solving' courts, which move away from a pure adversarial process to one that is more collaborative. The terms of reference require the Commission to inquire into the principles, practices and procedures pertaining to problem-oriented courts and judicial case management, with a view to recommending reform where necessary.

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
SERVICES							
<i>Service 1:</i>							
Publications on Law Reform	879	1,166	1,442	1,225			
Total Cost of Services	879	1,166	1,442	1,225	958	979	995
<i>Less Income</i>	15	-	-	-	-	-	-
Net Cost of Services	864	1,166	1,442	1,225	958	979	995
Adjustments ^(a)	(25)	(282)	(556)	(356)	(83)	(90)	(90)
Appropriation provided to deliver Services.	839	884	886	869	875	889	905
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	-	-	-	-	6	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	839	884	886	869	875	895	905

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

(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 Attorney General, Executive Director 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 enhance the quality of life and wellbeing of all people throughout Western Australia.	The law is reviewed as requested by the Attorney General and stakeholders are kept informed	1. Publications on Law Reform

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: The law is reviewed as requested by the Attorney General and stakeholders are kept informed.					
Progress against target timelines. The extent to which the Commission is meeting the Attorney General's law reform requests in a timely manner.....	85%	90%	90%	95%	With the completion of the complex Aboriginal Customary Laws reference, the Commission is confident in meeting all target timelines of all other references.

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

Service 1: Publications on Law Reform

On receipt of references from the Attorney General to review particular areas of law, the Commission examines current law and practice, consults widely, issues discussion papers for public comment and prepares reports making recommendations for reform.

	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	879	1,166	1,442	1,225	
Less Income	15	-	-	-	
Net Cost of Service	864	1,166	1,442	1,225	
Adjustments ^(a)	(25)	(282)	(556)	(356)	
Appropriation for delivery of Service	839	884	886	869	

(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 publication	\$74,848	\$209,880	\$92,700	\$275,625	The wide scope of the terms of reference for the Aboriginal Customary Laws required an increase in the number of background papers, as noted below, to cover all relevant issues.
Total Community Contacts.....	15,005	15,000	15,000	10,000	
Average cost per contact.....	\$5.54	\$7.77	\$9.61	\$12.25	
Publications on Law Reform. The extent to which the efforts of the Commission resulted in recommendations and public awareness. ...	10	5	14	4	
Full Time Equivalent (FTEs)	4	4	4	4	

Major Achievements For 2004-05

- Establishment of the State Administrative Tribunal in 2004 implements the recommendations set out in the Commission's Report on Review of Administrative Decisions: Appeals, Project No 26(1), and Review of the Criminal and Civil Justice System in Western Australia, Project 92.
- Commencement of the Courts Reform Package on 1st and 2nd of May 2005 implements many of the recommendations made by the Commission in the Report on the Jurisdiction, Procedures and Administration of Local Courts, Project No 16(1), Report on Enforcement of Judgments of Local Courts, Project No 16(2), and Review of the Criminal and Civil Justice System in Western Australia, Project 92.
- Continued the Commission's inquiry into Aboriginal Customary Laws, publishing and distributing eleven background papers in 2004-05, in addition to the three background papers published in 2003-04. The background papers provide information on issues relevant to the reference and to the preparation of the Aboriginal Customary Laws Discussion Paper. All fourteen background papers are available from the Commission's website.
- Commenced work on the Discussion Paper, taking into account the information and submissions received from the various Aboriginal communities and the issues identified by the various background papers.
- Conducted an art competition in conjunction with the Clontarf Aboriginal College to select an artwork that reflects the Commission's Aboriginal Customary Laws reference and is of an appropriate nature to feature on the cover of the Commission's Discussion Paper, Final Report and other relevant promotional material.
- Received a new reference on Problem-Oriented Courts and Judicial Case Management. The reference requires the Commission to inquire into and report upon whether, and if so in what manner, the principles, practices and procedures pertaining to problem-oriented courts and judicial case management require reform. The Commission has been out to tender and has now appointed a project writer and a research assistant to commence work on the reference.
- Received a new reference on the Law of Homicide. The reference requires the Commission to examine and report upon the law of homicide and to give consideration to the distinction between wilful murder and murder, the defences to homicide (including self-defence and provocation), current penalty provisions relating to the law of homicide and any related matters.

Major Initiatives For 2005-06

- Complete the Commission's Aboriginal Customary Laws Background Paper series with the publication of a final background paper on Aboriginal People, Criminal Law and Sentencing.
- Complete the Commission's Discussion Paper on Aboriginal Customary Laws by the end of June 2005 and travel to various remote Aboriginal communities in July 2005 to present the Commission's proposed recommendations and to receive submissions directly from community members.
- Complete the Commission's reference on Aboriginal Customary Laws with the publication of the final report, taking into account all submissions received throughout the life of the project and in particular those received in response to the publication of the Discussion Paper.
- Produce all Aboriginal Customary Laws reference findings in a culturally appropriate and user-friendly format. The Commission has already produced an informative video for use by remote Aboriginal communities, to assist in answering frequently asked questions about the project, to provide a comprehensive project overview and to explain the aim of the Commission's community consultations. Other visual or aural media will also be considered for future materials, in addition to the usual print media format.
- Complete the Commission's reference on Problem-Oriented Courts and Judicial Case Management with the publication of the final report in December 2005.
- Complete the Commission's reference on the Review of the Law of Homicide with the publication of the final report in April 2006.
- Continue to publish all reports and discussion papers utilising CD-ROM technology wherever possible thus creating significant savings for the Commission.

CAPITAL WORKS PROGRAM

The Law Reform Commission's capital works expenditure for 2005-06 of \$10,000 is for the purchase of new and replacement office equipment and computers.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Computer and Equipment Purchases 2003-04	18	18	7	-
Computer and Equipment Purchases 2004-05	10	10	10	-
NEW WORKS				
Computer and Equipment Purchases 2005-06	10	-	-	10
	<u>38</u>	<u>28</u>	<u>17</u>	<u>10</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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	11	10	17	10	20	20	10
	11	10	17	10	20	20	10
LESS							
Drawdowns from the Holding Account	10	10	10	10	20	14	10
Internal Funds and Balances	1	-	7	-	-	-	-
Capital Contribution	-	-	-	-	-	6	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	300	259	389	375	335	302	308
Superannuation	25	23	36	35	31	27	27
Supplies and services	362	736	881	689	461	500	500
Accommodation	46	60	48	53	60	70	75
Capital User Charge	45	32	32	17	3	1	-
Depreciation and amortisation	6	13	13	13	12	12	12
Other expenses	95	43	43	43	56	67	73
TOTAL COST OF SERVICES	879	1,166	1,442	1,225	958	979	995
Income							
Other Revenue	15	-	-	-	-	-	-
Total Income	15	-	-	-	-	-	-
NET COST OF SERVICES	864	1,166	1,442	1,225	958	979	995
INCOME FROM STATE GOVERNMENT							
Service Appropriations	839	884	886	869	875	889	905
Resources received free of charge	62	191	65	70	80	90	90
TOTAL INCOME FROM STATE GOVERNMENT	901	1,075	951	939	955	979	995
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	37	(91)	(491)	(286)	(3)	-	-

(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 4, 4 and 4 respectively.

BALANCE SHEET
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	855	396	357	71	76	76	76
Receivables	14	12	14	14	14	14	14
Amounts receivable for services.....	10	10	10	20	14	10	10
Prepayments	-	2	-	-	-	-	-
Total current assets	879	420	381	105	104	100	100
NON-CURRENT ASSETS							
Amounts receivable for services.....	7	10	10	3	1	3	5
Plant and equipment.....	15	9	19	16	24	32	30
Total non-current assets.....	22	19	29	19	25	35	35
TOTAL ASSETS.....	901	439	410	124	129	135	135
CURRENT LIABILITIES							
Payables	92	53	92	92	100	100	100
Provision for employee entitlements	24	2	24	24	24	24	24
Accrued Salaries	12	8	12	12	12	12	12
Total current liabilities.....	128	63	128	128	136	136	136
NON-CURRENT LIABILITIES							
Provision for employee entitlements	6	22	6	6	6	6	6
Total non-current liabilities	6	22	6	6	6	6	6
TOTAL LIABILITIES.....	134	85	134	134	142	142	142
EQUITY							
Contributed Equity.....	11	11	11	11	11	17	17
Accumulated surplus/(deficit)	756	343	265	(21)	(24)	(24)	(24)
Total equity.....	767	354	276	(10)	(13)	(7)	(7)
TOTAL LIABILITIES AND EQUITY.....	901	439	410	124	129	135	135

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	822	871	873	856	863	877	893
Capital Contribution.....	-	-	-	-	-	6	-
Holding Account Drawdowns	10	10	10	10	20	14	10
Net cash provided by State government	832	881	883	866	883	897	903
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(290)	(259)	(389)	(375)	(335)	(302)	(308)
Superannuation	(21)	(23)	(36)	(35)	(31)	(27)	(27)
Supplies and services	(300)	(545)	(816)	(619)	(381)	(410)	(410)
Accommodation.....	(46)	(60)	(48)	(53)	(60)	(70)	(75)
Capital User Charge.....	(45)	(32)	(32)	(17)	(3)	(1)	-
Goods and Services Tax	(41)	(20)	(20)	(20)	(20)	(30)	(35)
Other.....	(58)	(43)	(43)	(43)	(48)	(67)	(73)
Receipts							
Goods and Services Tax	39	20	20	20	20	30	35
Other receipts	15	-	-	-	-	-	-
Net cash from operating activities.....	(747)	(962)	(1,364)	(1,142)	(858)	(877)	(893)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(10)	(10)	(17)	(10)	(20)	(20)	(10)
Net cash from investing activities.....	(10)	(10)	(17)	(10)	(20)	(20)	(10)
NET INCREASE/(DECREASE) IN CASH HELD	75	(91)	(498)	(286)	5	-	-
Cash assets at the beginning of the reporting period	780	487	855	357	71	76	76
Cash assets at the end of the reporting period.....	855	396	357	71	76	76	76

(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.

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 28

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
DELIVERY OF SERVICES							
Item 62 Net amount appropriated to deliver services	13,257	12,653	14,640	13,333	13,601	13,858	14,156
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	568	568	1,436	1,479	1,523	1,569	1,616
Total appropriations provided to deliver services	13,825	13,221	16,076	14,812	15,124	15,427	15,772
CAPITAL							
Capital Contribution	48	-	-	-	200	-	-
GRAND TOTAL	13,873	13,221	16,076	14,812	15,324	15,427	15,772

MISSION

To provide the people of Western Australia with an independent and effective criminal prosecution service which is both fair and just.

SIGNIFICANT ISSUES AND TRENDS

- The Office of the Director of Public Prosecutions (ODPP) provides the State with an independent and fair prosecution service while at the same time working in cooperation with other justice agencies to sustain the overall effectiveness of the criminal justice system.
- The ODPP's work in the Children's Court and Drug Court has expanded in the past three years. Additional resources have been provided to carry out this work to ensure the effective operations of the Courts.
- With the support of the Department of Treasury and Finance, the ODPP is undergoing an extensive review of its business and working practices as well as an activity based mapping and costing exercise. This project is due to be completed in July 2005 and is expected to deliver, amongst other things, a fully supportable base line cost for the delivery of an appropriate level of prosecution service to the State.
- During 2004-05 the courts' changed listing practices have increased the ODPP's workload. In its circuit operations, the District Court has implemented a flexi-list system in the major circuit centres and reduced the number of times trial accused are required to appear in court. It is anticipated these measures will result in an additional 48 circuit trial sitting days per year. In the metropolitan area, the District Court has issued practice directions that will result in greater listing outcomes for metropolitan cases. These initiatives, which will enable that court to dispose of more trials and finalise more cases with the same level of judicial resources, are expected to deliver an additional 145 trial sitting days in the metropolitan area per year. In terms of listed trials, this represents a 27 percent increase in workload over previous years.
- While the benefits of the criminal law reform package should, over time, streamline some aspects of the ODPP's work, it has created an extra demand on the Office's resources in the short term to ensure all changes are implemented.

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
SERVICES							
<i>Service 1:</i>							
Criminal Prosecutions.....	14,811	14,114	15,693	15,242			
<i>Service 2:</i>							
Confiscation of Assets	954	690	1,070	1,100			
Total Cost of Services	15,765	14,804	16,763	16,342	16,654	16,819	17,199
<i>Less Income.....</i>	<i>647</i>	<i>714</i>	<i>714</i>	<i>714</i>	<i>714</i>	<i>714</i>	<i>714</i>
Net Cost of Services	15,118	14,090	16,049	15,628	15,940	16,105	16,485
Adjustments ^(a)	(1,293)	(869)	27	(816)	(816)	(678)	(713)
Appropriation provided to deliver Services.	13,825	13,221	16,076	14,812	15,124	15,427	15,772
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	48	-	-	-	200	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	13,873	13,221	16,076	14,812	15,324	15,427	15,772

(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 Attorney General, Director of Public Prosecutions 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 enhance the quality of life and wellbeing of all people throughout Western Australia.	A fair and independent criminal prosecution service for the State of Western Australia.	1. Criminal Prosecutions 2. Confiscation of Assets

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: A fair and independent criminal prosecution service for the State of Western Australia.					
Establishing a case to answer ^(b)	98%	98%	98%	98%	
Proportion of contested objections to the confiscation of frozen property dismissed.....	100%	95%	95%	95%	

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

(b) The State will satisfy the Court in more than 98 percent of trials that the accused person has a case to answer.

Service 1: Criminal Prosecutions

The ODPP conducts prosecutions against people accused of serious breaches of the State's criminal laws. These prosecutions are principally conducted on indictments in the Supreme and District Courts sitting at Perth and also in major country locations. Prosecutions are conducted on behalf of the State, independently of external influences and in accordance with the law and a published statement of the ODPP's prosecution policy and guidelines.

	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	14,811	14,114	15,693	15,242	
Less Income	147	24	314	214	
Net Cost of Service	14,664	14,090	15,379	15,028	
Adjustments ^(a)	(1,039)	(869)	497	(416)	
Appropriation for delivery of Service	13,625	13,221	15,876	14,612	

(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 criminal prosecution	\$5,449	\$5,040	\$6,277	\$6,096	
Full Time Equivalent (FTEs)	139	139	147	147	

Service 2: Confiscation of Assets

The ODPP will act effectively to institute and conduct proceedings in a just and fair manner to confiscate property acquired as a result of criminal activity, property used for criminal activity and property of a declared drug trafficker.

	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	954	690	1,070	1,100	
Less Income	500	690	400	500	
Net Cost of Service	454	-	670	600	
Adjustments ^(a)	(254)	-	(470)	(400)	
Appropriation for delivery of Service	200	-	200	200	

(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 freezing order/notice issued .	\$6,862	\$11,129	\$8,560	\$8,800	
Full Time Equivalents (FTEs)	7	7	10	10	

CAPITAL WORKS PROGRAM

The ODPP's capital works program in 2005-06 relates entirely to the ongoing replacement of computing and office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Computer and Office Equipment Replacement 2004-05 Program	200	200	200	-
NEW WORKS				
Computer and Office Equipment Replacement 2005-06 Program	200	-	-	200
	400	200	200	200

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	345	200	200	200	400	200	250
	345	200	200	200	400	200	250
LESS							
Drawdowns from the Holding Account	152	200	200	200	200	200	250
Internal Funds and Balances	145	-	-	-	-	-	-
Capital Contribution	48	-	-	-	200	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	9,373	8,800	10,601	10,280	10,328	10,545	10,809
Superannuation	960	880	936	899	899	917	918
Consultancies expense	-	-	150	-	-	-	-
Supplies and services	1,967	1,437	1,718	1,866	2,039	2,038	2,140
Accommodation	1,452	1,500	1,284	1,284	1,284	1,284	1,284
Depreciation and amortisation	178	277	277	277	277	277	277
Witness expenses	873	850	850	850	850	850	850
Legal Briefing expenses	621	600	600	600	600	600	600
Other expenses	341	460	347	286	377	308	321
TOTAL COST OF SERVICES	15,765	14,804	16,763	16,342	16,654	16,819	17,199
Income							
Other Revenue	647	714	714	714	714	714	714
Total Income	647	714	714	714	714	714	714
NET COST OF SERVICES	15,118	14,090	16,049	15,628	15,940	16,105	16,485
INCOME FROM STATE GOVERNMENT							
Service Appropriations	13,825	13,221	16,076	14,812	15,124	15,427	15,772
Resources received free of charge	807	928	928	928	928	928	928
Liabilities assumed by the Treasurer	58	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	14,690	14,149	17,004	15,740	16,052	16,355	16,700
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(428)	59	955	112	112	250	215

(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 146, 157 and 157 respectively.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	86	153	331	261	345	560	805
Restricted cash	360	-	-	35	70	105	110
Receivables	38	64	38	38	38	38	38
Amounts receivable for services.....	200	200	200	200	200	250	250
Prepayments	8	107	8	8	30	65	65
Total current assets	692	524	577	542	683	1,018	1,268
NON-CURRENT ASSETS							
Amounts receivable for services.....	321	398	1,094	1,171	1,248	1,275	1,302
Plant and equipment.....	393	247	295	197	350	273	246
Other.....	330	163	351	372	342	342	342
Total non-current assets	1,044	808	1,740	1,740	1,940	1,890	1,890
TOTAL ASSETS.....	1,736	1,332	2,317	2,282	2,623	2,908	3,158
CURRENT LIABILITIES							
Payables	519	188	482	300	294	294	294
Provision for employee entitlements	1,399	1,267	1,399	1,399	1,399	1,399	1,399
Accrued Salaries	337	-	-	35	70	105	140
Total current liabilities.....	2,255	1,455	1,881	1,734	1,763	1,798	1,833
NON-CURRENT LIABILITIES							
Provision for employee entitlements	953	870	953	953	953	953	953
Total non-current liabilities	953	870	953	953	953	953	953
TOTAL LIABILITIES.....	3,208	2,325	2,834	2,687	2,716	2,751	2,786
EQUITY							
Contributed Equity.....	407	407	407	407	607	607	607
Accumulated surplus/(deficit)	(1,879)	(1,400)	(924)	(812)	(700)	(450)	(235)
Total equity.....	(1,472)	(993)	(517)	(405)	(93)	157	372
TOTAL LIABILITIES AND EQUITY.....	1,736	1,332	2,317	2,282	2,623	2,908	3,158

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	13,548	12,944	15,103	14,535	14,847	15,150	15,495
Capital Contribution.....	48	-	-	-	200	-	-
Holding Account Drawdowns	152	200	200	200	200	200	250
Net cash provided by State government	13,748	13,144	15,303	14,735	15,247	15,350	15,745
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(9,074)	(9,151)	(11,052)	(10,411)	(10,459)	(10,545)	(10,774)
Superannuation	(902)	(880)	(936)	(894)	(899)	(917)	(918)
Supplies and services	(1,138)	(453)	(734)	(805)	(973)	(972)	(1,074)
Accommodation.....	(1,452)	(1,500)	(1,284)	(1,284)	(1,284)	(1,284)	(1,284)
Witness expenses	(873)	(850)	(850)	(850)	(850)	(850)	(850)
Legal briefing expenses	(621)	(600)	(600)	(600)	(600)	(600)	(600)
Goods and Services Tax	(453)	(280)	(280)	(280)	(280)	(280)	(280)
Other.....	(87)	(589)	(476)	(440)	(377)	(446)	(459)
Receipts							
Goods and Services Tax	479	280	280	280	280	280	280
Other receipts	647	714	714	714	714	714	714
Net cash from operating activities.....	(13,474)	(13,309)	(15,218)	(14,570)	(14,728)	(14,900)	(15,245)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(337)	(200)	(200)	(200)	(400)	(200)	(250)
Net cash from investing activities.....	(337)	(200)	(200)	(200)	(400)	(200)	(250)
NET INCREASE/(DECREASE) IN CASH HELD	(63)	(365)	(115)	(35)	119	250	250
Cash assets at the beginning of the reporting period	509	518	446	331	296	415	665
Cash assets at the end of the reporting period.....	446	153	331	296	415	665	915

(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
EXPENSES							
Grants and subsidies paid from the Confiscation Account.....	501	1,100	1,100	1,100	1,100	1,100	1,100
Supplies and services	650	-	-	-	-	-	-
Receipts paid into Consolidated Fund	100	100	100	100	100	100	100
TOTAL ADMINISTERED EXPENSES	1,251	1,200	1,200	1,200	1,200	1,200	1,200
INCOME							
Confiscation of Assets	1,211	1,100	1,100	1,100	1,100	1,100	1,100
Proceeds of Crime (<i>Misuse of Drugs Act</i>)	126	100	100	100	100	100	100
Petty Sessions forfeitures.....	17	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME.....	1,354	1,200	1,200	1,200	1,200	1,200	1,200

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
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	1,035	-	1,035	1,035	1,035	1,035	1,035
Restricted cash	-	694	-	-	-	-	-
Receivables	201	118	201	201	201	201	201
Total Administered Current Assets	1,236	812	1,236	1,236	1,236	1,236	1,236
TOTAL ADMINISTERED ASSETS.....	1,236	812	1,236	1,236	1,236	1,236	1,236
ADMINISTERED CURRENT LIABILITIES							
Payables	1	-	1	1	1	1	1
Total Administered Current Liabilities.....	1	-	1	1	1	1	1
TOTAL ADMINISTERED LIABILITIES..	1	-	1	1	1	1	1

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
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies from Confiscation Account	(500)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
Supplies and services	(650)	-	-	-	-	-	-
Receipts paid into Consolidated Fund	(100)	(100)	(100)	(100)	(100)	(100)	(100)
TOTAL ADMINISTERED CASH OUTFLOWS	(1,250)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Other receipts	1,271	1,200	1,200	1,200	1,200	1,200	1,200
TOTAL ADMINISTERED CASH INFLOWS	1,271	1,200	1,200	1,200	1,200	1,200	1,200
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS	21	-	-	-	-	-	-

TRUST ACCOUNT DETAILS**Confiscation Account**Proceeds of the *Criminal Confiscation Act 2000*.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance	906	904	866	866
Receipts:				
Confiscation of Assets	1,211	1,100	1,100	1,100
	2,117	2,004	1,966	2,066
Payments	1,251	1,100	1,100	1,100
CLOSING BALANCE	866	904	866	966

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
Employee contributions to the Executive Vehicle Scheme	29	20	28	28
GST receipts on sales.....	6	2	2	2
GST input credits	473	278	278	278
Miscellaneous Legal Revenue	118	4	286	186
Contribution from the Confiscation Account.....	500	690	400	500
TOTAL	1,126	994	994	994

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

OFFICE OF THE INFORMATION COMMISSIONER

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 29

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
DELIVERY OF SERVICES							
Item 63 Net amount appropriated to deliver services	994	1,043	1,052	1,028	1,060	952	970
Amount Authorised by Other Statutes - Freedom of Information Act 1992	162	151	151	155	160	165	170
Total appropriations provided to deliver services	1,156	1,194	1,203	1,183	1,220	1,117	1,140
CAPITAL							
Capital Contribution	-	-	-	-	-	2	5
GRAND TOTAL	1,156	1,194	1,203	1,183	1,220	1,119	1,145

MISSION

To promote public understanding and confidence in the decision making of government agencies through access to relevant information.

SIGNIFICANT ISSUES AND TRENDS

- Collocation at the same premises as the Ombudsman's office has enabled reductions in expenditure on accommodation and some other support services.
- The Government plans to amend relevant legislation, which will facilitate amalgamation of the Office with that of the Ombudsman. It also intends to introduce privacy legislation.

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
SERVICES							
<i>Service 1:</i>							
Resolution of complaints	952	872	884	875			
<i>Service 2:</i>							
Advice and awareness.....	443	382	385	382			
Total Cost of Services	1,395	1,254	1,269	1,257	1,294	1,191	1,214
<i>Less Income.....</i>	<i>14</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>4</i>
Net Cost of Services	1,381	1,250	1,265	1,253	1,290	1,187	1,210
Adjustments ^(a)	(225)	(56)	(62)	(70)	(70)	(70)	(70)
Appropriation provided to deliver Services.	1,156	1,194	1,203	1,183	1,220	1,117	1,140
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	-	-	-	-	2	5
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	1,156	1,194	1,203	1,183	1,220	1,119	1,145

(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 Attorney General, Acting Information Commissioner 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 govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	Access to documents and observance of processes in accordance with the Freedom of Information Act.	1. Resolution of complaints 2. Advice and awareness

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Access to documents and observance of processes in accordance with the Freedom of Information Act.					
Participants satisfied with complaint resolution and external review processes adopted by the Information Commissioner.	86%	88%	88%	88%	

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

Service 1: Resolution of Complaints

Provides an independent review and complaint resolution process which resolves cases in a timely manner and balances the competing needs and expectations of applicants, agencies and Parliament within legislative requirements prescribed by the *Freedom of Information Act 1992*.

	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	952	872	884	875	
Less Income	14	3	3	3	
Net Cost of Service	938	869	881	872	
Adjustments ^(a)	(164)	(41)	(45)	(50)	
Appropriation for delivery of Service	774	828	836	822	

(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
Applications for external review resolved by conciliation.....	72%	65%	88%	88%	
Average cost per complaint and external review finalised.....	\$4,812	\$4,360	\$4,209	\$4,166	
Full Time Equivalents (FTEs)	8	8	8	8	

Major Achievements For 2004-05

- Dealings on matters which have been the subject of complaints have increased in complexity; however the rate of conciliation has been increased, which is the preferred alternative to formal determinations, while also maintaining a high level of satisfaction from participants.

Major Initiatives For 2005-06

- Assisting in the preparation of legislation and other arrangements to facilitate amalgamation of the Office with that of the Parliamentary Commissioner for Administrative Investigations (Ombudsman).
- Input to the Government's plans for privacy legislation.

Service 2: Advice and Awareness

Provide objective advice and information to members of the public and staff of agencies to assist in the proper lodgement and processing of applications under the *Freedom of Information Act 1992*. Propose initiatives to enhance administrative efficiency in agencies when dealing with applications received and conduct briefings and training sessions for agency staff.

	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	443	382	385	382	
Less Income	-	1	1	1	
Net Cost of Service	443	381	384	381	
Adjustments ^(a)	(61)	(15)	(17)	(20)	
Appropriation for delivery of Service	382	366	367	361	

- (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 service per application lodged ^(a)	\$57	\$55	\$55	\$55	
Full Time Equivalent (FTEs)	3	3	3	3	

- (a) Applications lodged encompasses the number of applications received and dealt with by agencies and the average cost of information, advice and other services provided by the Office across all those applications.

Major Achievements For 2004-05

- Arranging collocation of the office with that of the Ombudsman's office.
- Review of the administrative structure to plan for emerging needs and priorities to be met without seeking additional funds.

Major Initiatives For 2005-06

- To implement a restructure and redirect existing resources to meet new areas of need, such as dealing with complex complaints and planning for privacy legislation.

CAPITAL WORKS PROGRAM

The Office's planned capital works expenditure is primarily for the replacement of computer hardware and software 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
COMPLETED WORKS				
Computer and Office Equipment Replacement - 2004-05 Program	30	30	30	-
NEW WORKS				
Computer and Office Equipment Replacement - 2005-06 Program	30	-	-	30
	60	30	30	30

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	34	30	30	30	35	35	35
	34	30	30	30	35	35	35
LESS							
Drawdowns from the Holding Account	25	30	30	30	35	33	30
Internal Funds and Balances	9	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	2	5

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	875	814	830	862	885	909	930
Superannuation	83	111	112	112	112	112	112
Supplies and services	207	74	74	73	73	72	72
Accommodation	171	184	184	139	146	15	15
Capital User Charge	-	1	1	2	2	2	2
Depreciation and amortisation	31	30	30	30	30	30	30
Costs of disposal of non-current assets	1	-	-	-	-	-	-
Other expenses	27	40	38	39	46	51	53
TOTAL COST OF SERVICES	1,395	1,254	1,269	1,257	1,294	1,191	1,214
Income							
Other Revenue	14	4	4	4	4	4	4
Total Income	14	4	4	4	4	4	4
NET COST OF SERVICES	1,381	1,250	1,265	1,253	1,290	1,187	1,210
INCOME FROM STATE GOVERNMENT							
Service Appropriations	1,156	1,194	1,203	1,183	1,220	1,117	1,140
Resources received free of charge	42	39	39	38	38	37	37
Liabilities assumed by the Treasurer	6	33	33	33	33	33	33
TOTAL INCOME FROM STATE GOVERNMENT	1,204	1,266	1,275	1,254	1,291	1,187	1,210
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(177)	16	10	1	1	-	-

(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 11, 11 and 11 respectively.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	32	147	58	42	39	36	33
Restricted cash	29	-	-	3	6	9	12
Receivables	8	6	8	8	8	8	8
Amounts receivable for services.....	30	30	30	35	33	30	30
Prepayments.....	3	15	3	3	4	4	4
Total current assets	102	198	99	91	90	87	87
NON-CURRENT ASSETS							
Amounts receivable for services.....	8	8	8	3	-	-	-
Plant and equipment.....	31	29	31	31	36	41	46
Total non-current assets.....	39	37	39	34	36	41	46
TOTAL ASSETS.....	141	235	138	125	126	128	133
CURRENT LIABILITIES							
Payables	48	28	65	48	45	42	42
Provision for employee entitlements	122	103	122	122	122	122	122
Accrued Salaries	30	-	-	3	6	9	9
Total current liabilities.....	200	131	187	173	173	173	173
NON-CURRENT LIABILITIES							
Provision for employee entitlements	100	80	100	100	100	100	100
Total non-current liabilities	100	80	100	100	100	100	100
TOTAL LIABILITIES.....	300	211	287	273	273	273	273
EQUITY							
Contributed Equity	25	25	25	25	25	27	32
Accumulated surplus/(deficit)	(184)	(1)	(174)	(173)	(172)	(172)	(172)
Total equity.....	(159)	24	(149)	(148)	(147)	(145)	(140)
TOTAL LIABILITIES AND EQUITY	141	235	138	125	126	128	133

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	1,131	1,164	1,173	1,153	1,190	1,087	1,110
Capital Contribution.....	-	-	-	-	-	2	5
Holding Account Drawdowns	25	30	30	30	35	33	30
Net cash provided by State government	1,156	1,194	1,203	1,183	1,225	1,122	1,145
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(830)	(833)	(843)	(845)	(868)	(891)	(912)
Superannuation	(75)	(48)	(49)	(49)	(49)	(49)	(49)
Supplies and services	(160)	(122)	(122)	(90)	(90)	(90)	(90)
Accommodation.....	(134)	(98)	(98)	(139)	(146)	(15)	(15)
Capital User Charge.....	-	(1)	(1)	(2)	(2)	(2)	(2)
Goods and Services Tax	(34)	(22)	(22)	(22)	(22)	(22)	(22)
Other.....	(22)	(59)	(57)	(35)	(29)	(34)	(36)
Receipts							
Goods and Services Tax	31	12	12	12	12	12	12
Other receipts	15	4	4	4	4	4	4
Net cash from operating activities.....	(1,209)	(1,167)	(1,176)	(1,166)	(1,190)	(1,087)	(1,110)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(34)	(30)	(30)	(30)	(35)	(35)	(35)
Net cash from investing activities.....	(34)	(30)	(30)	(30)	(35)	(35)	(35)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	(87)	(3)	(3)	(13)	-	-	-
Cash assets at the beginning of the reporting period	148	150	61	58	45	45	45
Cash assets at the end of the reporting period.....	61	147	58	45	45	45	45

(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	31	12	12	12
Revenues from the Executive Vehicle Scheme.....	4	4	4	4
Other Revenue	11	-	-	-
TOTAL	46	16	16	16

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

HEALTH

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 30

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
DELIVERY OF SERVICES							
Item 64 Net amount appropriated to deliver services	496,302	518,991	528,636	584,589	610,790	636,209	636,248
Item 65 Contribution to Hospital Fund ^(a)	2,056,403	2,207,019	2,262,971	2,379,677	2,499,913	2,669,180	2,879,503
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	630	630	630	649	668	688	709
- Lotteries Commission Act 1990	75,000	76,120	76,589	78,667	79,907	81,166	82,446
Total appropriations provided to deliver services	2,628,335	2,802,760	2,868,826	3,043,582	3,191,278	3,387,243	3,598,906
CAPITAL							
Item 146 Capital Contribution	58,992	54,106	62,553	57,752	57,029	24,233	18,558
GRAND TOTAL	2,687,327	2,856,866	2,931,379	3,101,334	3,248,307	3,411,476	3,617,464

(a) As a result of changes to the scope of activities funded by the Hospital Fund, a realignment of Items 64 and 65 was made. The 2003-04 actuals have been changed for comparability.

MISSION

The mission of the State health system is dedicated to ensuring the best achievable health status for all of the Western Australian community. In particular, the system will deliver:

- *strong public health and preventive measures to protect the community and promote health;*
- *high quality acute and chronic health care to those in need;*
- *appropriate health, rehabilitation and domiciliary care for all stages of life; and*
- *a continuing and cooperative emphasis on improving the health status of our Indigenous, rural and remote and disadvantaged populations.*

SIGNIFICANT ISSUES AND TRENDS

- Released in March 2004, the Health Reform Committee's (HRC) final report 'A Healthy Future for Western Australians' sets out a clear plan for major health reform. This report, for the first time, provides a long term vision and road map for the future of health care in Western Australia. The report recommends a fundamental reconfiguration of the Western Australian health system over the next 10 to 15 years. Government subsequently endorsed 85 of the 86 recommendations.
- The Health Reform Implementation Taskforce (HRIT) was established on 2 August 2004 to coordinate and drive the State-wide health reform program. One of the first tasks of the HRIT was to identify 10 major program areas for grouping the 102 health reform projects of varying sizes, complexities, costs and timeframes. While full implementation of the recommendations will span a number of years, significant change is already evident within the health system.

- Strategic directions have been developed for the health reform agenda and the health system as a whole, and build on the vision provided by the HRC's final report. The Western Australian Health Strategic Directions 2005 identifies six priority areas under which the activities of the health system will operate. Coordinating activities within this framework will provide better direction to enable the health system to be more accountable and sustainable.
- The strategic framework promotes the building of community partnerships and strong leadership, the nurturing and support of the health workforce and the effective stewardship of public health system resources. The framework will not only assist in meeting the health needs of Western Australians today, but also to respond to the State's health needs in the future.
- Under the goal 'to deliver a 'Healthy' Western Australia', the six strategic directions or priority areas are:
 - 'Healthy' workforce;
 - 'Healthy' hospitals;
 - 'Healthy' partnerships;
 - 'Healthy' communities;
 - 'Healthy' resources; and
 - 'Healthy' leadership.
- The Western Australian Health Strategic Directions 2005 focuses on the major goals for the public health system and identifies the objectives and actions that will be pursued during the next five years. This framework focuses on the six key areas which the Department of Health (DOH) will direct significant and tangible support to improve health services, and enable the system to better deliver its core objective of providing high-quality, safe patient care. The areas are being addressed in a systematic and coordinated manner across the health system in alignment with the health reform program.

Healthy Workforce

- The health system workforce is foundational to the delivery of health reform. It is essential that the health system has appropriate workforce planning tools to enable the system to prepare the workforce to meet demand, ensure that workforce shortages are minimised, that opportunities are provided for training and professional development and that a high standard of knowledge and skills is achieved and recognised.
- Work has begun to establish conjoint clinical staff appointments after an extensive review of relevant industrial awards and agreements.
- The Strategic Workforce Advisory Group has been established and will be responsible for the creation of the Health Workforce Strategic Plan and Action Plan.
- Following overwhelming interest from across the health system, 'The Leading 100 Program' for emerging Health leaders commenced in March 2005.
- A trial of the web-based planning system for workforce needs is underway in the Great Southern region and at Sir Charles Gairdner Hospital. The Workforce Needs Priority Planning System will enable better alignment of health workforce supply with health service demand.

Healthy Hospitals

- The DOH is committed to providing a range of quality health care services and improving efficiency and access to hospital services throughout the community. This will involve a significant hospital building and capital redevelopment program over the next 13 years which will result in better alignment and integration of clinical services and processes, and increased State-wide clinical support networks.
- A Clinical Services Framework has been developed as a first stage in the development of a comprehensive Clinical Services Plan, which will provide a framework for achieving equity of access to comprehensive secondary and tertiary services across the metropolitan area.
- The Government has purchased the 95-bed Kaleeya Hospital in East Fremantle and the 61-bed Galliers Private Hospital in Armadale to increase bed numbers in the public health system and reduce waiting lists for elective surgery.

- Funding has been provided to permanently maintain the 130 increase in the number of general medical hospital beds in the metropolitan area. The Government has also provided funding to open an additional 221 beds to meet the increased demand for inpatient admissions over the winter 2005 period.
- A major development in ambulatory care is underway that will significantly increase the number and range of services that patients can receive in their home or settings other than hospitals. As these initiatives are progressed, there will be a commensurate reduction in demand for hospital beds for these patients, providing capacity for the health system to better manage peak demands from emergency cases and elective surgery.
- A range of other initiatives are also underway that will give rise to financial and capacity benefits for the health system in clinical, clinical support and corporate areas. Broadly, these include better demand management initiatives, hospital cost efficiency initiatives and revenue generating initiatives.
- A single pathology service combining the PathCentre and the pathology divisions of Fremantle Hospital, Royal Perth Hospital and King Edward and Princess Margaret Hospitals, will be effective from July 2005. The qualitative service and economic benefits expected to be realised over time, include better demand management, service rationalisation, economies of scale in purchasing and procurement, and support for and expansion of teaching and research.
- Professor Ian Constable AO from the Lions Eye Institute has been appointed the State-wide Director of Ophthalmology to oversee a range of ophthalmology reforms in the public sector. A new initiative to fast track cataract patients is currently underway at Osborne Park Hospital.

Healthy Partnerships

- There is an increased focus on creating stronger links and partnerships with other government agencies, non-government organisations, consumers, community groups, private providers, health professionals and the Commonwealth Government, all of whom have an interest in the well being of our health system.
- In partnership with local general practitioners (GPs), after-hours GP clinics have opened at Royal Perth Hospital, Fremantle Hospital, Joondalup Health Campus and Rockingham/Kwinana District Hospital.
- Agreement has been reached with the Health Consumers Council (HCC) to provide regular feedback on system performance through the Office of Safety and Quality. In collaboration with the HCC, the development of metropolitan Community Advisory Councils is also progressing well.
- An evaluation of the Western Australian Country Health Service (WACHS) District Health Advisory Councils was completed, and a workshop with the Network of Council Chairs was held in Perth in April 2005. A program to strengthen the alignment of the Councils with area health service management teams will commence immediately.

Healthy Communities

- At the centre of our health system is community health, which encompasses the promotion of health, illness prevention, early detection of disease and access to affordable community based health care services. Work in this area is focused on improving lifestyles, promoting the prevention of ill health, and implementing long term, integrated health promotion programs in collaboration with government and non-government agencies, GPs and community groups. Priority is being given to improving the management of community based chronic disease and on expanding equitable and accessible services in the community.
- A State Cancer Taskforce has been formed which is in the process of developing a State Cancer Plan. The Department will use this framework in developing up to 10 clinical streams that will underpin all policy and service development.
- A comprehensive 'Mental Health Strategy 2004-2007' was launched in late 2004, outlining a range of initiatives to be undertaken to bring about major reform for Western Australia's mental health system.
- The WACHS has collaborated with the South West Area Health Service (SWAHS) in undertaking the SWAHS' Healthy Communities Project.

Healthy Resources

- The health reform agenda aims to deliver a sustainable, equitable and accountable health care service to the people of Western Australia. The focus is on sustainable resourcing and the effective management of health budgets. Accountability for health system performance and the best management of assets are priorities for the system.
- Metropolitan Health Services are being reconfigured into two areas, the North Metropolitan Area Health Service (NMAHS) and the South Metropolitan Area Health Service (SMAHS). A new Chief Executive has been appointed to the NMAHS and processes to commence recruiting a Chief Executive to the SMAHS position are underway.
- The delineation of roles between the DOH (Royal Street office) and the State's Area Health Services is near completion, with the Royal Street office devolving a range of service delivery responsibilities, including accountability for budget management, to Area Health Services, and focusing largely on a strategic and monitoring role.
- A strategic review of Health Supply has been conducted, which focuses on changes to its organisational structure and business strategies to effectively deliver procurement reforms. Implementation of the review's recommendations is progressing, and significant financial benefits are anticipated in 2005-06 and future years.
- Key corporate reforms consistent with the whole of government Functional Review Implementation Taskforce recommendations are progressing. The Health Corporate Network (DOH's Shared Service Centre) will commence limited operational services on 1 July 2005, with the bulk of services transitioning from December 2005 to June 2006. Efficiency gains will be realised in 2006-07 and beyond.

Healthy Leadership

- An increased focus on recognising, developing and supporting health system leaders will create an environment that identifies, nurtures and promotes strong leadership at all levels within health care services and the community. This is vital to the successful implementation of the health reforms and the effectiveness of the health system as it moves into the future.
- Consistent with the HRC's final report recommendations, the State Health Executive Forum has been formed.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the DOH'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
Decisions taken prior to State Election				
Mental Health Strategy	43,840	23,925	-	-
Decisions taken since State Election				
Continuation of Additional 130 Public Hospital Beds provided in 2004-05	33,100	34,900	36,800	38,900
2005-06 Winter Demand Strategy	27,600	-	-	-
Contractual commitments to support the Winter Bed Strategy	9,995	11,651	12,362	13,116
Elective Surgery Waitlist Initiative	10,000	10,000	10,000	10,000
Good Health Policy	2,500	2,500	5,000	5,000
Enhanced Cancer Services	5,725	6,229	6,762	7,326
Dental Care	1,000	1,000	1,000	1,000
Ambulance Cover for Pensioners	14,000	14,000	14,000	14,000
Initiatives to Support Nurses	3,100	3,100	3,100	3,100
Peel Region Health Services	1,000	1,000	1,000	1,000
Obstetrics	600	600	600	600

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
SERVICES							
<i>Service 1:</i>							
Prevention and Promotion	294,576	320,632	307,203	313,795			
<i>Service 2:</i>							
Diagnosis and Treatment	2,573,968	2,648,865	2,808,578	2,968,252			
<i>Service 3:</i>							
Continuing Care	204,021	239,449	223,904	228,725			
Total Cost of Services	3,072,565	3,208,946	3,339,685	3,510,772	3,665,373	3,868,230	4,082,566
<i>Less Income.....</i>	<i>443,589</i>	<i>409,375</i>	<i>463,589</i>	<i>472,819</i>	<i>472,644</i>	<i>479,536</i>	<i>482,210</i>
Net Cost of Services	2,628,976	2,799,571	2,876,096	3,037,953	3,192,729	3,388,694	3,600,356
Adjustments ^(a)	(641)	3,189	(7,270)	5,629	(1,451)	(1,451)	(1,450)
Appropriation provided to deliver Services.	2,628,335	2,802,760	2,868,826	3,043,582	3,191,278	3,387,243	3,598,906
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	58,992	54,106	62,553	57,752	57,029	24,233	18,558
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	2,687,327	2,856,866	2,931,379	3,101,334	3,248,307	3,411,476	3,617,464

(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 Director General and the Treasurer.

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

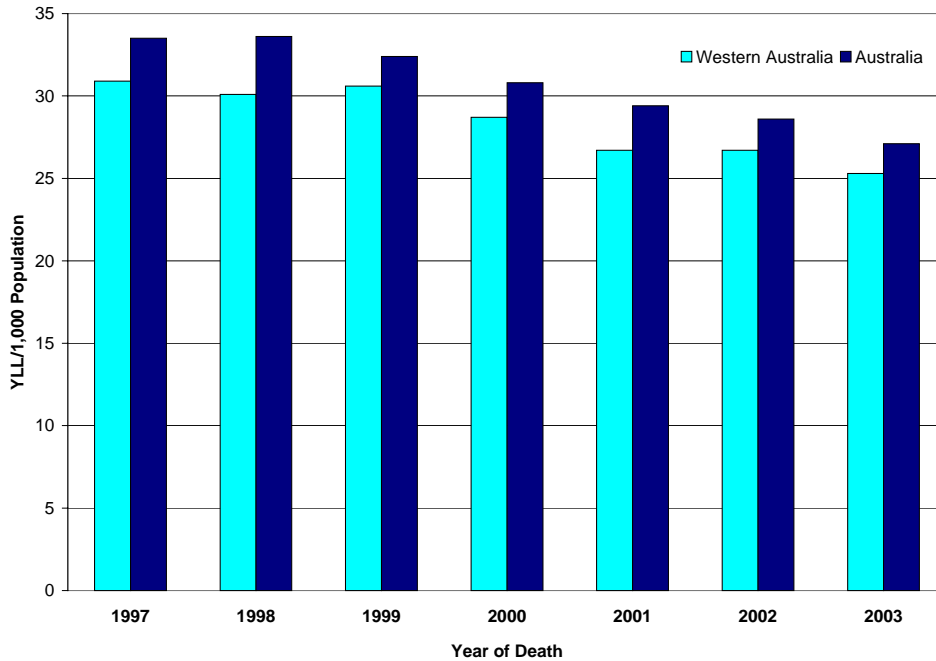
Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level 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.	Improvement in health by a reduction in the incidence of preventable disease, injury, disability, premature death and the extent and impact of drug abuse.	1. Prevention and Promotion
	Restoration of the health of people with acute illness.	2. Diagnosis and Treatment
	Improvement in the quality of life for people with chronic illness and disability.	3. Continuing Care

Outcome: Improvement in Health by a Reduction in the Incidence of Preventable Disease, Injury, Disability, Premature Death and the Extent and impact of Drug Abuse.

Key Effectiveness Indicator

Years of Life Lost (YLL) per 1,000 population due to preventable disease or injury, Western Australia and Australia 1998-2003^{(a) (b)}



- (a) The desired outcome of effective intervention is to reduce the prevalence of modifiable risk factors of preventable disease and injury, ultimately resulting in a reduction in the loss of life due to preventable disease or injury. Measuring the impact of these deaths using only the number of cases takes no account of the difference between death at a younger or older age. An alternative measure, which does take the age of death into account, is the number of Years of Life Lost (YLL). This provides an estimate of the extra years of life that would have been gained had the person lived to the age expected based on the life expectancy for the whole population. To ensure meaningful comparison of the YLL between populations, the YLL per 1,000 population is standardised to the 2001 Australian population to account for differences in the age profile of the population.
- (b) The preventable proportion of total YLLs was attributed to ten modifiable risk factors independently using established associations between disease and the risk factors. The YLLs attributed to each risk factor were then summed to obtain an indication of the preventable YLLs. This final sum may not be equivalent to the YLLs attributed to the risk factors if interactions between them were considered. The risk factors measured were alcohol consumption level, total blood cholesterol, fruit and vegetable intake, hypertension, illicit drug use, obesity, occupational exposure, physical inactivity, tobacco use and unsafe sex.

Outcome: Restoration of the Health of People with Acute Illness.

Key Effectiveness Indicator

Percentage of acute hospital separations that are discharges to home (excluding inter-hospital transfers) ^(a)

Admission type by age group	Percentage of those discharged to home to total separations				
	2000-01	2001-02	2002-03	2003-04	2004-05 ^(b)
Under 40 years	99.2	99.3	99.3	99.3	99.1
40-49 years	98.8	98.8	98.9	98.9	97.8
50-59 years	98.7	98.6	98.5	98.5	98.4
60-69 years	97.5	97.2	97.3	96.9	97.0
70-79 years	94.2	94.2	93.6	92.2	93.2
80 years and over	85.2	84.4	82.5	75.7	77.6
All ages	96.9	96.7	96.3	95.3	95.6

- (a) An indirect measure of the extent to which people have been restored to health after an acute illness is that they are well enough to be discharged home after hospitalisation. The percentage of people discharged home over time provides an indication of whether or not the public health system is becoming more or less effective in restoring people to health. This indicator shows the percentage of all discharges from hospitals that are discharges to home (excluding inter-hospital transfers). As older patients are less likely to be discharged to home than younger people, the information has been presented by age group.

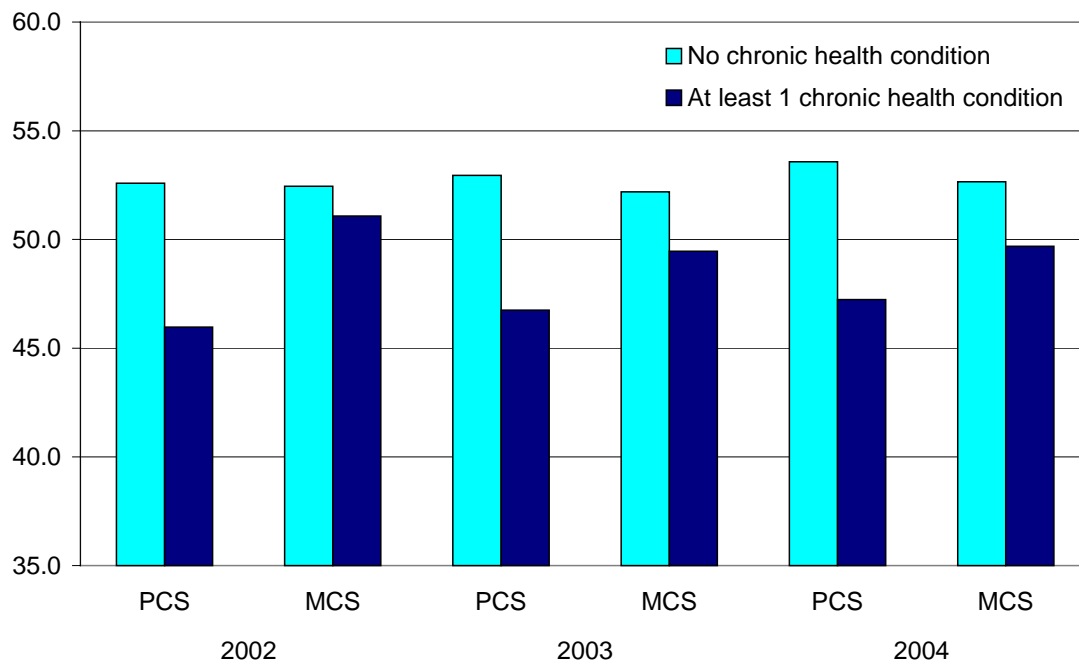
- (b) Year to date data for 2004-05.

Outcome: Improvement in the Quality of Life for People with Chronic Illness and Disability.

Key Effectiveness Indicator

Self-reported health status of people with chronic disability ^{(a) (b) (c) (d)}

Medical Outcomes Short Form 8 (SF-8) scores for people with at least one chronic health condition compared with people who had no chronic health condition 2002, 2003, 2004



- (a) People who reported having at least one chronic health condition (e.g. arthritis) were compared with those who reported having no chronic health condition.
- (b) In 2004, the Physical Component Score (PCS) was statistically significantly higher than the PCS in either 2002 or 2003 but there was no difference in the Mental Component Score (MCS) across the three years for people who had no chronic health conditions.
- (c) In all three years, the PCS score was significantly higher for those who had no chronic health condition compared with those who had at least one chronic health condition.
- (d) In 2003 and 2004, people who had no chronic health condition had a significantly higher MCS score compared with those who had at least one chronic health condition.

Service 1: Prevention and Promotion

Prevention and promotion services aim to improve the health of Western Australians by reducing the incidence of preventable disease, injury, disability, and premature death.

Service 1 differs from the other two service groups in that it primarily focuses on the health and wellbeing of populations, rather than on individuals. Public, Aboriginal, child and community and mental health programs define populations that are at-risk and ensure that appropriate interventions are delivered to a large proportion of these at-risk populations.

Components of this service include:

- population health;
- child, community and primary health care;
- cancer prevention and detection;
- communicable disease control;
- environmental health;
- genomics;
- health promotion;
- Aboriginal health;
- health information;
- preventive health services; and
- drug and alcohol strategy coordination, prevention and treatment services.

Population health

Population health aims to improve the health of Western Australians by reducing the incidence of preventable disease, injury, disability, premature death and the extent and impact of drug abuse. It focuses on the health and wellbeing of populations, rather than on individuals and delivers appropriate interventions for at risk populations.

Child, community and primary health care

Child and community health services include a range of community based services, which focus on improving the overall health of Western Australians. This objective is achieved by developing health promotion and prevention and early intervention activities, supporting early child development, enhancing and ensuring universal access to community services, building capacity, while targeting interventions to those at higher risk of poor outcome where maximum health benefits can be gained. Childhood preventive screening, ongoing child health development programs to enhance child and family health and wellbeing are delivered by child health nurses, school health nurses and a range of health professionals including clinical psychologists, occupational therapy and speech therapists and pathologists.

Cancer prevention and detection

Cancer prevention and detection services aim to reduce the incidence of premature death from cancer. These services include provision of policy advice and development of cancer screening initiatives with a strong focus on early detection of cancer. Examples of services include breast and cervical cancer screening.

Communicable disease control

Communicable disease control includes a range of strategies aimed at reducing the incidence and effects of communicable diseases. Services provided include immunisation programs, maintenance of a communicable disease notifications register and disease outbreak control.

Environmental health

Environmental health includes a range of strategies to minimise the likelihood of morbidity or mortality as a result of environmental factors. Examples of these strategies include issuing licenses to regulate the use of dangerous chemicals, sampling and monitoring the safety of food and water and control programs for vector borne diseases such as runnelling programs.

Genomics

Genomics is responsible for coordinating a strategy plan and policy framework for the integration of human genetics into population health. Genomics evaluates and monitors programs for their ethical, economic and social impact and promotes early detection to reduce the burden of genetic disorders.

Health promotion

A key strategy to prevent disease, injury or premature death is the promotion of a healthy lifestyle and education about appropriate preventive health behaviours. Examples of the services provided include health promotion campaigns, tobacco control legislation and health promoting environments.

Aboriginal health

The level of ill health across almost all health conditions is significantly higher for Aboriginal people than for non-Aboriginal people. All State funded service providers are required to make provision for appropriate services to the Aboriginal population. The Office of Aboriginal Health has responsibility for the funding of specific gap closing programs and related policy, which endeavours to reduce the differential between the health of Aboriginal and non-Aboriginal Western Australians.

Health information

Health information focuses on the management and development of health related information. Information is an important element in determining, assessing and improving the strategies employed in health prevention and promotion, and for planning service delivery across the whole health system. Health information also includes maintenance of population health data sets, analysis of morbidity patterns and trends, and provision of health information to other agencies and the general public.

Preventive health services

Preventive health services are delivered across the health system. For example, some programs associated with hospital services may have a strong education and promotion component.

Drug and alcohol strategy coordination, prevention and treatment services

Drug and alcohol strategy coordination, prevention and treatment services include the provision of drug and alcohol policy advice to government and support for the coordination, development and implementation of drug and alcohol policy across government. It also includes planning and coordination across government and the not-for-profit sector of prevention, treatment and education initiatives related to drug and alcohol use. Other aspects of these services are: drug and alcohol related education and prevention programs; provision of specialist treatment and support services for individuals and their families experiencing drug and alcohol related problems; funding and support for services in the non-for-profit sector; and development of the capacity of workforces in mainstream and drug specialist services to respond to drug and alcohol related problems.

	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	294,576	320,632	307,203	313,795	\$8.1 million less funding from the Commonwealth Government for vaccinations.
Less Income	38,872	64,342	45,349	32,705	
Net Cost of Service	255,704	256,290	261,854	281,090	
Adjustments ^(a)	(52)	260	(594)	460	
Appropriation for delivery of Service	255,652	256,550	261,260	281,550	

(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 community health occasion of service ^(a)	\$79.37	\$83.98	\$84.13	\$89.18	
Average cost per screening assessment ^(b)	\$35.10	\$34.30	\$34.28	\$36.31	
Average cost per drug and alcohol related problem (episode of treatment) ^(c)	\$1,646.00	\$1,650.00	\$1,741.00	\$1,767.00	
Average cost per health promotion campaign ^(d)	\$317,867.50	\$452,114.00	\$388,509.09	\$365,000.00	Campaigns can vary in range and number from year to year.
Average cost per microbiological/chemical sample	\$34.34	\$31.92	\$34.34	\$34.34	
Average cost per monitoring inspection.....	\$196.75	\$205.19	\$196.75	\$196.75	
Average cost per vaccine distributed to the community ^(e)	\$18.68	\$22.78	\$23.68	\$23.68	
Average cost per mental health unit engaged in preventative services ^(f)	\$130,028.78	\$165,715.00	\$137,376.95	\$143,246.78	
Average cost per hospital-based preventative occasion of service ^(g)	\$109.83	\$117.89	\$114.73	\$119.85	
Average cost per Public Health Unit ^(h)	\$1,693,613	\$1,687,622	\$1,681,752	\$1,771,273	
Average cost of School Dental per child enrolled and under care	\$85.05	\$84.80	\$84.00	\$86.40	
Average cost per Health Call Centre	\$28.89	\$25.87	\$28.60	\$28.16	
Average cost per Non Government Organisation not already included in services ⁽ⁱ⁾	\$136,302.98	\$150,789.03	\$148,205.07	\$153,030.63	
Full Time Equivalents (FTEs)	2,170	2,321	2,233	2,280	

- (a) Community health occasions of service are the provision of primary and community health services by a range of health service professionals in a community setting.
- (b) These figures include breast cancer and cervical cancer screening.
- (c) These figures were reported separately for the first time last year. Previously it was included as part of the non-government organisations line.
- (d) Includes DOH and Drug and Alcohol Office programs.
- (e) Includes childhood immunisation and adult influenza vaccines.
- (f) These units provide preventative mental health services. A substantial proportion of these services is provided through Graylands Hospital.
- (g) These activities relate to prevention programs based at hospital facilities.
- (h) These units provide a variety of community services including clinics on smoking, diabetes, men's health and other activities related to communicable disease control, environmental health and planning.
- (i) Only those non-government organisations for which quantities and costs have not been already attributed to other outputs are reported here. For example, smaller health promotion campaigns are retained in this item.

Major Achievements For 2004-05**Population Health**

- In response to the review of the *Health Act 1911* a public discussion paper is being drafted, proposing a risk based approach to public health risks. This will allow both generic and targeted treatment of public health issues, for example, communicable diseases and safe drinking water.
- Professional support on major environmental issues and events affecting the Western Australian community, such as the Kwinana Environmental Health Forum and Wagerup's potential expansion, has been provided.
- A model to estimate the burden of disease associated with serious chronic diseases such as heart disease, respiratory diseases and cancer has been completed. The model will be a valuable tool to guide and support health system policy and planning in Western Australia. Information generated by the model has been reported in a series of seven bulletins published in 2004-05.
- Work has commenced on developing a chronic disease prevention plan, and the Department is actively involved in the development of the national chronic disease strategy.
- Work has commenced on the development of a coordinated chronic disease prevention strategy for community health, allied health and general practice staff.

- The evaluation of the Port Hedland liquor licensing restrictions imposed by the Director, Liquor Licensing is currently in progress. Baseline data has been collected and analysed, and a final report is expected mid 2005.

Child, Community and Primary Health Care

- An advisory group to revise language services in Health Care Policy Guidelines and Best Practice Guidelines in Health Care for Culturally and Linguistically Diverse Groups has been established. The Personal Health Record has been translated into four major language groups including Vietnamese, Arabic, Chinese and Indonesian. Translated materials have been made available via the Child and Community Health Website and a revised Female Genital Mutilation (FGM) Information Booklet has been produced and translated into four community languages. A cross-cultural seminar on cultural diversity has been provided to Community Health Managers.
- Work with key stakeholders identified that a broader plan for chronic disease reflecting both prevention and management should be undertaken. A key activity has been participation in developing the National Chronic Disease Strategy that has been ongoing over 2004-05 and will potentially provide a framework for the State strategy.
- A revised publication 'Guidelines for Responding to Child Abuse, Neglect and the Impact of Family and Domestic Violence' has been completed and will be published in 2005.
- Research into reducing unplanned pregnancy has commenced to inform State-wide policy and planning.
- A Sensitive Parenting Program has been developed. This work involves the analysis of international and national research data on infant and child development to identify ways to promote secure infant/parent attachment.
- Training programs in line with the agreed State Wide Training Strategy have been implemented for Child and Community Health Nurses and Health Workers.
- A partnership has been established with Edith Cowan University to develop a Health Promoting Schools Training Framework for School Health Nurses. A Memorandum of Understanding between the DOH and the Department of Education and Training, which will support the delivery of school health services, has been signed off.
- A comprehensive set of policies covering the early years has been developed involving staff from the regions. These policies include the Birth to School Entry Universal Prevention and Early Detection Schedule and the School Health Early Detection Services.
- The Shaken Baby Syndrome Prevention Program was piloted and an analysis of the implementation by Community Child Health Nurses is in progress.
- Support for the development of strategies for reducing the demand on the acute care system has continued. For example, in the North Metropolitan Area, Community Health Nurses work with Divisions of General Practice to provide a community-based clinical service for patients with chronic conditions. These people would otherwise have attended hospital and out-patient clinics. A Primary Care Summit has been scheduled for June 2005 and will inform further programs.
- Recommendations of the 'New Visions: Community Health Service for the Future' report are being incorporated into planning and training programs in regional areas.
- The development of primary care services in Paraburdoo and Wickham continued with particular focus on enhancements to child, community and primary health care.
- The Kimberley Region has continued with the expansion of the Primary Health Care Access Program in partnership with the Commonwealth Government and the Kimberley Aboriginal Medical Services Council Inc. Additional remote clinic staff have been appointed, new programs initiated, new equipment purchased and a capital expansion program commenced that includes new staff accommodation and the design phase of new clinics for both the Kalumbaru and Warmun remote clinics.

Cancer Prevention and Detection

- Resources and strategies targeted at women with disabilities and women from non-English speaking backgrounds were developed. These groups of women currently under-utilise the cervical screening service.

- An automated secure data transfer system has been implemented between three of the eight laboratories and the Cervical Cytology Registry. The remaining five laboratories have been offered this service but have yet to request implementation.
- In response to a declining trend in cervical screening participation among young women (18-30 years) a campaign was conducted between 22 February and the 31 March, which included advertising as well as the development of educational resource material aimed at young women.
- A permanent Rockingham Breast Screening Clinic was established to meet current and projected demand in the region.
- A breast x-ray reading service for BreastScreen Northern Territory was provided, as well as support for the breast assessment service. This agreement has enabled continuity of service for a target population of approximately 8,000 each year.

Communicable Disease Control Directorate

- Planning and preparedness for infectious disease threats, including Pandemic Influenza, and agents of Bioterrorism (e.g. smallpox, anthrax), continued to develop between the Commonwealth and State/Territory Governments. The Western Australian Influenza Advisory Pandemic Committee was formally convened in response to the threat of Avian Influenza.
- As a unique initiative, whooping cough booster vaccinations were provided free of charge to Years 7 to 12 students in response to the largest whooping cough epidemic in Western Australia since 1997. The epidemic was controlled due to this rapid public health action.
- The 'Western Australian Indigenous Sexual Health Strategy 2005-2008' was prepared in collaboration with government and non-government agencies.
- Sexual health teams were appointed in the Pilbara, Kimberley and Goldfield regions to support, coordinate and augment existing sexual health services for Aboriginal people.
- In response to the recommendations of the Gordon Inquiry, the Government has committed to inter-departmental reporting of sexually transmissible infections (STIs) diagnosed in children. More specifically, it has been agreed by the Government that all notifications (under the Infectious and Venereal Disease provisions of the *Health Act 1911*) of STIs in children under 14 years of age, will be reported by the Director of the Communicable Disease Control Directorate to nominated officers in the Department for Community Development and the Western Australian Police Service. In addition, where public health disease control staff become aware that a notified STI in a child aged 14 to 16 years of age may be a result of sexual abuse, then these cases are similarly reported. This inter-departmental protocol commenced on 1 July 2004 and has been successfully implemented without the requirement for legislative amendment at this stage.
- Pneumococcal vaccines for children up to two years of age and persons 65 years of age or over were introduced in January 2005. The incidence of pneumococcal disease is expected to halve in the next few years.
- A Chlamydia Campaign was initiated to increase public awareness on the risks of infection to encourage testing with their GP. This campaign will continue into 2005-06. GPs were updated on best practice management of Chlamydia infection.
- The State Health Related Infection Strategic Advisory Committee developed key position statements on health care acquired infection and the management of multi-resistant organisms (e.g. Vancomycin-resistant Enterococci and Methicillin-Resistant Staphylococcus Aureus) in both hospitals and residential care facilities.
- Group C meningococcal vaccinations were provided at school free of charge for Years 1 to 7 students, completing the school-based component of the National Group C Meningococcal Vaccination Program. This Program targets children and teenagers who turned between one and 19 years of age in 2003. Group C meningococcal infections will become rare in vaccinated age groups.

Environmental Health

- Analysis of the data collected during the first year of implementing the Stimulant Regulatory Scheme is being undertaken which will result in a report that is intended to be publicly available. The information will provide a better picture of the State's prescribing patterns.
- The Office of Food Safety has been created and an officer has been appointed to manage the function. Work on establishing networks with stakeholders is continuing.
- A Health Impact Assessment (HIA) Interagency Committee has been established to provide guidance to the Department on how HIA can be applied to development activities to protect and enhance the health and wellbeing of the Western Australian community, without unnecessarily hindering the development process. This committee has been tasked with identifying the mechanisms for the development and implementation of HIAs in Western Australia while maximising the link to any existing processes and policies, and with developing recommendations to Government.
- The Environmental Health Foundation has been established under the *Health Legislation Administration Act 1984*. The foundation has been established in accordance with the directions of the Ministerial Council on Health, Environment and Industry Sustainability.
- The DOH and other agencies have continued to interface with a number of local communities, including Kwinana and Yarloop, with respect to local health concerns.
- The Expert Medical Panel evaluation of the recommendations of the Kimberley Chemical Use Review panel is still ongoing. The Pesticides Advisory Committee has developed a strategic plan and implementation of this will form the next stage of the process.

Genomics

- An interdepartmental working party was established with the Department of Justice to examine the recommendations from the Australian Law Reform Commission (ALRC) Inquiry into the Protection of Genetic Information (2003), particularly in relation to privacy issues. The Department participated in the ALRC Inquiry into Gene Patents through public and professional stakeholder consultation.
- Assessments of the economic and social benefits of genetic services in providing testing and counselling for familial cancers, prenatal diagnosis, newborn screening, genetic testing, new technologies and the ethics of genetic service provision were undertaken.
- The DOH has contributed to the development of nationally consistent policies by taking a lead role in the development of policies relating to the storage of neonatal blood samples, centres of genetic testing, genetic counselling and the education of health professionals.

Health Promotion

- Primary prevention of chronic diseases continued with successful programs and media campaigns in priority areas of smoking, nutrition and physical activity, including Quit, 'Go for 2 and 5' and Find 30. These include initiatives targeted at Aboriginal people.
- The extension of injury prevention programs targeting the priority areas of falls in the elderly and drowning, include the State-wide framework for the 'Prevention of Falls in Older Adults 2004-2007: Stay On Your Feet', and the 'Western Australian Water Safety Framework 2004-2007: A Strategic Plan for the Prevention of Drowning, Near-Drowning and Related Incidents'.
- Implementation of changes to legislation restricting smoking in enclosed public places, following the tabling of the Final Report of the Review into the Operation and Effectiveness of Part IXB of the *Health Act 1911* and the *Health (Smoking in Enclosed Public Places) Regulations 1999* in June 2003.
- The Centre for Rural and Remote Oral Health has established agreements with the University of Western Australia, the University of Queensland, and Griffith University on the Gold Coast to address common issues and develop linked strategies in oral health education.

- The Institute for Child Health Research, in collaboration with the Division of Mental Health and the Australian Network for Promotion, Prevention and Early Intervention for Mental Health (Auseinet) undertook a State-wide audit of Mental Health Promotion and Illness Prevention initiatives that will further inform the Mental Health Promotion and Illness Prevention Action Plan.
- Over 100 Year 7 teachers were trained to implement the Optimistic Thinking Skills program and the Aussie Optimism for Parents and Families Program. In addition, 80 Year 6 teachers were trained to implement the Social Life Skills program. These programs aim to enhance the capacity of schools to promote social and emotional wellbeing, thereby enhancing mental health and preventing depression and anxiety.
- Over 400 Positive Parenting Program (Triple P) Level 4 facilitators were trained and approximately 180 Level 4 Group Triple P Programs were delivered by health services. Triple P is an evidence-based universal treatment intervention for children aged three to four years with behavioural problems.
- Western Australia became a funding partner of the national depression initiative Beyondblue. This initiative aims to increase awareness and understanding of depression, anxiety and related disorders throughout Australia.

Aboriginal Health

- Strategies in the key priority areas of alcohol and other drugs, health promotion, social and emotional wellbeing and mental health were developed. Implementation will commence in 2005-06 in partnership with the Australian Government and the Aboriginal community controlled health sector following extended community consultation.
- An Aboriginal primary health care strategy has been developed in accordance with recommendation 15 of the HRC's final report, and will be implemented in partnership with the Commonwealth Government and the Aboriginal community controlled health sector.
- Funding contracts have been revised to target communities' primary health care needs rather than specific diseases, enabling better management of chronic diseases and their underlying risk factors.
- The development of an Aboriginal early years health strategy has been integrated with a whole-of-government approach and a draft strategy will be released in 2005-06.
- A formal program integrating the shared policy, planning and funding roles of State and Commonwealth government departments is underway to achieve pooling of funds where appropriate, linked contracting and joint program development and management.
- The Best Practice Model 'A Framework for the Western Australian Aboriginal Community Controlled Health Services' for administration and governance has been reviewed and implementation will continue.
- The Office of Aboriginal Health contract management plan and procurement strategy were developed and implemented and are consistent with the DOH's policy.
- Tenders for the Looma clinic upgrade have been called and it is expected that construction will be completed in 2005.
- A Ngoongar Family Diabetes Project was established in Tambellup in partnership between the WACHS, Edith Cowan University and the Southern Aboriginal Corporation. The project developed, documented and evaluated a collaborative model for the provision of diabetes intervention programs in a rural Aboriginal Community, and is able to be replicated in other communities.

Health Information

- The *Human Reproductive Technology Amendment Act 2004* and the *Acts Amendment (Prohibition of Human Cloning and Other Practices) Act 2004* were passed to amend the *Human Reproductive Technology Act 1991*. These amendments included establishment of approval for diagnostic testing of embryos, development and implementation of changes to embryo storage approval procedures and development and the approval of protocols for use of In-vitro Fertilisation (IVF) to avoid transmission of infectious diseases such as the Human Immunodeficiency Virus (HIV).
- The development of a Human Research Ethics Committee to scrutinise departmental research is being progressed.

- The Department has developed software that enables ready provision of midwives data to child health nurses as well as assisting midwives to meet their legislative requirement to notify births to the DOH.
- Data from the Health Insurance Commission's Medical Benefits Schedule and Pharmaceutical Benefits Scheme has been linked to core DOH collections. The linkage is the first of its kind in Australia and will enable assessment of patterns of care in different settings and the interaction between Western Australian and Commonwealth Government-funded health services.

Preventative Health Services

- The Dental Health Service provides free public oral health treatment to schoolchildren between pre-primary and Year 11 (Year 12 in remote locations) across the State via the school dental program. The program incorporates a significant proportion of preventative and promotion activities both in conjunction with treatment programs and through active liaison with parents and teachers. In 2004-05, approximately 250,000 students were enrolled and under care.
- The Leonora Community Health Centre was completed in August 2004, providing improved and more accessible facilities for the delivery of services to the Leonora community
- A Diabetes Complication Screening Clinic was implemented in the Great Southern region. The clinic has improved the rate of referral of diabetic patients who are at risk of developing, or have already developed, complications arising from their diabetes, and provides quicker access to treatment.
- A sexual health project was introduced at high schools in Geraldton using SMS messages to respond to student issues.

Drug and Alcohol Strategy Coordination, Prevention and Treatment Services

- The Western Australian Alcohol Plan was completed following an extended stakeholder consultation. The Plan outlines a range of initiatives to mitigate the problems associated with hazardous and harmful alcohol use. Some State-wide and local strategies, consistent with the Plan, have been implemented in 2004-05, including alcohol accords, alcohol control and alcohol education initiatives.
- The Western Australian Alcohol and Other Drug Sector Quality Framework has been developed. This provides a model of continuous quality improvement to promote better outcomes for consumers, based on performance expectations that encompass sector certified best practice. Implementation commenced in October 2004 and will continue throughout 2005.
- Next Step Drug and Alcohol Services is seeking accreditation through the Quality Improvement Council (QIC), which includes the adoption of clinical governance standards. In order to assess the extent to which the service had achieved the QIC standards a developmental review was conducted by the Institute of Healthy Communities Australia Ltd in August 2004. Next Step is currently addressing the Review's recommendations in order to meet the accreditation requirements by November 2005. These requirements are consistent with the clinical governance standards implemented by the DOH's Office of Safety and Quality in Health Care.
- The Western Australian Aboriginal Alcohol and Drug Plan Strong Spirit Strong Mind has been developed to final draft stage ready for circulation to stakeholders for endorsement. This will occur prior to 30 June 2005. The Plan recognises that alcohol and drug use among Aboriginal people is to a large extent intertwined with broader social issues. The Plan identifies activities such as capacity building, partnership development, workforce development, access and equity and culturally appropriate ways of working in decreasing the problems associated with hazardous and harmful alcohol use in Aboriginal communities.
- Pilot early intervention court diversion programs for certain drug offences were implemented in five regional locations. This included the implementation of a Pre-sentence Opportunity Program and Supervised Treatment Intervention Regime (Bunbury, Rockingham and Northam) for adult offenders and an Indigenous Diversion Program that specifically targets Aboriginal persons in rural and remote locations (Carnarvon and Broome). A Young Person's Opportunity Program was also implemented in the metropolitan area. Various culturally secure resources were also developed to support all diversion programs.

Major Initiatives For 2005-06**Population Health**

- Develop a Health Protection and Promotion Plan to guide the development and implementation of population health policy and programs.
- Develop and implement a targeted falls prevention campaign to reduce the number of falls and subsequent high utilisation of hospital beds.
- Continue legislative reform activities in the areas of the *Health Act 1911* and the *Tobacco Control Act 1990*.
- Draft instructions to progress review of the *Poisons Act 1964*.

Child, Community and Primary Health Care

- Implement the Community Child Health Universal Contact Schedule.
- Revise the Community Child Health Resource Manual, 1996.
- In partnership with key stakeholders and expert groups, commence the development of a Western Australian Child and Youth Health Plan.
- Training initiatives will be developed and rolled out across all Area Health Services to support the implementation of new guidelines and policies including:
 - a training course to support the implementation of the 'Guidelines for Responding to Child Abuse, Neglect and the Impact of Family and Domestic Violence';
 - development of a facilitators manual on Early Years Nutrition; and
 - development of an annual training program for Community Health staff focussing on professional development and clinical updates.
- 'Guidelines for Responding to Family and Domestic Violence' will be developed.
- The five year planning framework for the State's 12 non-government women's health centres will be implemented. This includes initiatives addressing physical activity in women, the health of women in motherhood, and the health and wellbeing of women as they age.
- A five year planning framework for regional sexual assault services, including specific services addressing the recommendations of the Gordon Inquiry, will be completed and implementation will commence.
- A visiting midwifery service in Esperance will be introduced to provide support to new mothers in the Esperance community. The service will provide routine postnatal care, and assistance with issues such as jaundice, feeding problems, and parentcraft.
- A senior Child and Adolescent Mental Health clinician will be appointed, who will have responsibility to coordinate the Child and Adolescent Mental Health Service team across the Pilbara and Kimberley regions.
- An initial group of six rural communities (Albany, Esperance, Kalgoorlie, Karratha, Manjimup/Pemberton, Toodyay/York) will participate in a collaborative program with Curtin University and the Institute for Child Health Research to increase the capacity of rural communities to undertake activities that are known to improve the mental health of people living in their community.
- Establish a new Community Mental Health Clinic in Bunbury.
- Pilot the introduction of case-management and care pathways in the South West, using electronic health records, with a number of projects including:
 - Chronic Disease Management; and
 - Child Development Services.

- Introduce elements of a Child Development Model in the South West, a goal focussed assessment and intervention service which aims to identify children experiencing developmental problems, regardless of the cause, and to offer interventions towards meeting agreed goals relating to improved functional capacity.
- Introduce service guidelines for primary health services in the South West to ensure equitable, predictable and uniform access to services regardless of where consumers reside.

Cancer Prevention and Detection

- Develop a strategic plan to guide the future operations of BreastScreen Western Australia in light of an ageing population, changing demographics, staff shortages and technological advances.
- Develop a business case to assess the potential relocation of the Cannington Breast Cancer Clinic and describe the extent of growing demand in the local area.
- Develop client information on breast interventional procedures in line with the Breast Fine Needle Aspiration Cytology and Core Biopsy: A Guide for Practice, National Breast Cancer Centres.
- Implement the National Open Disclosure Standard (Australian Council for Safety and Quality in Health Care recommendation to the Australian Health Ministers Conference) in respect to clients and their GPs following an interval cancer diagnosis within twelve months of screening.
- Data matching software will be implemented to perform all computer-based data matching tasks at the Cervical Cytology Register.
- Monitor progress of the National Health and Medical Research Council's (NHMRC) review of Guidelines for the Management of Asymptomatic Women with Screen Detected Abnormalities and begin implementation of any changes endorsed by the NHMRC.

Communicable Disease Control

- Refine and update the Human Epidemic Plan under West Plan.
- Focus on improving immunisation rates in Western Australia with a commitment to improve the quality and safety of all immunisation service provision.
- Pneumococcal, Group C meningococcal and whooping cough booster vaccinations will continue to be promoted to maximise the coverage and health impact of these new vaccines.
- A Western Australian Hepatitis C Prevention, Treatment and Care Strategy will be developed.
- Prepare a discussion paper on Communicable Diseases as part of the review of the *Health Act 1911*.

Environmental Health

- Provide health input to managing development proposals in Western Australia such as those of Worsley Alumina, Alcoa in Wagerup and BHP in Port Hedland.
- Publish the Code of Practice for the Design, Construction, and Operation, Management and Maintenance of Aquatic Facilities and draft enabling regulations.
- Investigate the operation of solarium operators in Western Australia for compliance with standards AS/NZS 2635: 2002 Solaria for Cosmetic Purposes. Propose possible legislation options to enHealth Council for consideration at the national level.
- Following an industry request, implement a regulated requirement for food safety plans across the dairy industry that will improve the safety and market access for Western Australian dairy products.
- Implement the Australian Standard for the Hygienic Production of Pet Meat within the pet meat industry.

- Progress primary production standards for poultry as described in Chapter 4 of the Food Standards Code Australia.
- Define the extent and timing of dispersal of key mosquito species involved in Ross River virus transmission to improve and focus mosquito management programs.
- Define the mosquito fauna and associated public health risks in the Wheatbelt region in collaboration with the University of Western Australia (UWA).
- Oversee the implementation of the revised training package for the urban pest management industry. The implementation process will include consultation with industry and an agreement on the entry requirements for persons requiring a provisional licence.
- Community based greywater reuse guidelines will be developed, to complement the Code of Practice for the Reuse of Greywater in Western Australia. The Code primarily addresses reuse of greywater in residential premises.
- Prepare Wastewater Reuse Guidelines including potable aquifer recharge requirements for consultation.
- Review of Western Australian Guidelines for Direct Land Application for Biosolids and Biosolids Products 2002 will be carried out with regard to issues raised through their current application and national and international policy.
- The draft Country Sewage Policy will be finalised following regional key stakeholder public forums.
- Internal government consultation on HIA will be completed and the HIA discussion document will be released to the public for consultation during 2006. The results of this consultation phase will be presented to Government.
- Implement additional physical security measures for radioactive sources in line with international recommendations in order to minimise the possibility of unlawful use.

Genomics

- Conduct health economic evaluation of genetic testing, with specific focus on breast, ovarian, and bowel cancers in gene testing in Western Australia.
- Develop genetic privacy guidelines consistent with the National Health Privacy Principles and the Australian Law Reform Commission recommendations on human genetic privacy.
- Assess public attitudes to genetic population based research and epidemiology, specifically relating to the use of a Guthrie card for research. A Guthrie card is a piece of absorbent paper on which the blood sample from a newborn is stored. Guthrie cards are used to check for genetic and metabolic disorders.
- Implementation of General Practitioner Education programs through Aus Biotech, the Royal Australian College of General Practice, Human Genetics Society of Australasia and the UWA Department of General Practice.
- In partnership with the UWA and the Telethon Institute for Child Health Research undertake a study on behalf of Food Standards Australia and New Zealand to inform decision making on mandatory fortification of flour products with folate to reduce neural tube defects.

Health Promotion

- Conduct a legislative review of *Health (Smoking in Enclosed Public Places) Regulations 2004* of Part IXB of the *Health Act 1911*.
- Implement renewed strategies addressing childhood obesity, Aboriginal health promotion and preventable chronic diseases.
- Implement a new social marketing approach to falls prevention with the Stay on Your Feet mass media campaign.
- Implement Government decisions with respect to the *Tobacco Control Act*, including smoking in government buildings and prisons.

- Coordinate the development of an across government and community sector suicide prevention strategy.
- Finalise the Mental Health Promotion and Illness Prevention Action Plan.

Aboriginal Health

- Develop and implement a 12 month capacity building plan supporting governance training and staff professional development for contracted services, in conjunction with continuing to support the implementation of the Best Practice Model 'A Framework for the Western Australian Aboriginal Community Controlled Health Services' for administration and governance.
- Support implementation of a range of quality improvement initiatives in Aboriginal community controlled services, such as primary care collaborations and the Cooperative Research Centre's ABCDE program.
- Further integrate contract outputs, reporting and management with the Commonwealth Government Office of Aboriginal and Torres Strait Islander Health as part of the State and Commonwealth integration program that also includes policy and planning.
- Support implementation of policy, services reform and workforce development initiatives under the Western Australian Health Aboriginal cultural respect implementation framework in area health services and the Department.
- Support the development and implementation of an Aboriginal early years strategy across government.
- The completion of the new Looma Remote Clinic, including new facilities to support community health prevention and promotion activities.
- Broome Health Service and Population Health are establishing an integrated Well Women's Health Clinic with extended hours and scope of service to improve access for Indigenous women to a range of services including Sexual Health, PAP smears, birth control, breast examination and menopause.

Health Information

- The DOH will commence a centralised collection of outpatient data from July 2005. This will facilitate planning of services for non-admitted patients and assist the Department to meet national reporting requirements.
- Data from a number of government agencies will be linked to enable research into factors influencing health and other outcomes in children. The research, which will be undertaken by the Institute of Child Health Research, is supported by a \$2 million grant from the Australian Research Council.

Preventative Health Services

- The school dental program will continue with its focus of providing registered schoolchildren with an annual oral health check. Approximately 250,000 are enrolled and under care for 2005-06. Three new senior allied positions will be established to deliver services to both the acute and primary health care sector.

Drug and Alcohol Strategy Coordination, Prevention and Treatment Services

- Implement the 'Western Australian Drug and Alcohol Strategy 2005-2009' with the vision of providing access to the best services and programs to prevent, reduce and delay alcohol and other drug-related harm within the State. This includes the development of Agency Drug and Alcohol Action Plans by key social and human service government departments to achieve an across-government approach to address alcohol and other drug problems within the Western Australian community.
- Implement the initiatives identified in the Western Australian Alcohol Plan to decrease the problems associated with hazardous and harmful alcohol use. These initiatives include a new alcohol education program, alcohol control initiatives, workforce development program and support for communities experiencing problems associated with hazardous and harmful alcohol use. These activities will target young people and communities experiencing alcohol-related problems.

- Partnership arrangements for the implementation of the Western Australian Aboriginal Alcohol and Drug Plan Strong Spirit Strong Mind will be developed, and priority setting and implementation of the Plan's activities will occur. Initial priorities will include the further development of workforce initiatives in the accredited Alcohol and Other Drugs training agenda and a cultural awareness program undertaken for staff working in both the government and non-government sectors.
- Develop and implement the 'Western Australian Volatile Substance Use Plan 2005-2009'. This Plan will provide a framework for a coordinated, integrated response to reducing volatile substance use related harm in Western Australia, involving whole-of-government and community activity. Actions will include the development of information resources for the community and retailers of volatile substances, provision of training to organisations that offer treatment services, encouragement of integrated service delivery between treatment agencies, and support for community initiatives that focus on strategies that are relevant and appropriate for local needs.

Service 2: Diagnosis and Treatment

The objective for diagnosis and treatment services is to improve the health of Western Australians by restoring the health of people with acute illness (or other health conditions such as pregnancy).

Components of this service include:

- admitted care;
- ambulatory care;
- emergency services;
- specialist mental health services;
- support services;
- oral health services; and
- other supporting services such as patient transport and the supply of highly specialised drugs.

Admitted Care

Admitted care services are services to hospital inpatients which involves an admission to a hospital and can cover one or more days. The type of services admitted patients may receive include one or a combination of the following:

- obstetric care;
- services to cure illness or provide definitive treatment of injury;
- surgery;
- relief of symptoms or a reduction of severity of injury or illness (excluding palliative care);
- protection against exacerbation and/or complication of an illness and/or injury which could threaten life or normal functions; and
- diagnostic or therapeutic procedures.

Ambulatory Care

Ambulatory care services are services provided in hospital to patients who do not undergo the formal hospital admission process. These include same day procedures, outpatient attendances, pre-admission assessments and short term rehabilitation. Examples of the types of services provided are some forms of renal dialysis and chemotherapy, high technology diagnostic services, specialist medical services, post-operative nursing services, and cardiac rehabilitation. This service group includes those services focussing on improving the integration between hospital and community based care with the aim of providing seamless care to patients and encouraging appropriate use of health services.

Emergency Services

Emergency services are services provided to treat people with sudden onset of illness or injury of such severity and urgency that they need immediate medical help which is either not available from their GP, or for which their GP has referred them for treatment. Emergency departments provide a range of services from immediate resuscitation to urgent medical advice. An emergency department patient may undergo a formal admission process to become an admitted patient, or be treated and discharged directly from the emergency department without admission.

Specialist mental health services

Specialist mental health services provide acute inpatient assessment, treatment, consultancy and emergency services for individuals requiring admission for diagnostic conditions as specified in the Mental Health program (admitted patient program) and a comprehensive range of community services for people with mental health disorders which may include emergency assessment and treatment services, case management services, psycho geriatric assessment and day programs which may be provided in a clinic environment or in the patient's own home (non-admitted patient program).

Support services

Support services are services provided to maximise the outcomes of other diagnosis and treatment services. These include patient transportation, the provision of highly specialised drugs, and patient information systems.

Oral health services

Dental services are provided for financially and/or geographically disadvantaged adults throughout the state. Additionally residents of Aged Care Facilities are offered a free oral examination annually with the prescription of a personal care plan. Eligible residents can access subsidized dental care.

Outpatient dental services are provided through government funded dental clinics, itinerant services, visiting services and through private dental practitioners who participate in the metropolitan patient dental subsidy scheme, country patient dental subsidy scheme and the orthodontic patient subsidy scheme. Other oral health services provided by health services are not recorded as dental services, but as either episodes of inpatient care (weighted separations) or non-admitted patient occasions of service.

	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	2,573,968	2,648,865	2,808,578	2,968,252	
Less Income	300,779	262,925	308,659	320,927	
Net Cost of Service	2,273,189	2,385,940	2,499,919	2,647,325	
Adjustments ^(a)	(533)	2,649	(6,039)	4,676	
Appropriation for delivery of Service	2,272,656	2,388,589	2,493,880	2,652,001	

(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 weighted separation at public hospitals ^(a)					
- metropolitan surgical	\$3,863.35	\$4,512.39	\$4,210.38	\$4,463.00	
- metropolitan medical	\$3,947.67	\$4,750.48	\$4,326.22	\$4,585.79	
- rural surgical	\$3,061.64	\$3,628.14	\$3,253.68	\$3,448.90	
- rural medical	\$4,023.84	\$4,456.79	\$4,378.77	\$4,641.49	
- mental health	\$6,237.74	\$7,686.72	\$6,839.47	\$7,249.84	
- waiting list ^(b)	\$3,060.26	\$3,237.96	\$2,868.13	\$2,870.20	
Average cost per public mental health bed day ^(c)	\$567.98	\$564.52	\$603.74	\$639.96	
Average cost per public hospital non admitted occasion of service ^(d)	\$121.70	\$117.89	\$127.13	\$132.80	
Average cost per mental health non admitted occasion of service	\$228.59	\$205.20	\$239.15	\$251.11	
Average cost per emergency department occasion of service ^(e)	\$235.14	\$230.38	\$245.63	\$256.58	
Average cost per adult dental service patient ^(f)	\$346.86	\$326.54	\$329.55	\$329.69	
Average cost per other occasion of service ^(g) ..	\$407.74	\$402.86	\$443.19	\$436.50	
Average cost per PATS trip ^(h)	\$333.94	\$306.69	\$324.58	\$324.61	
Average cost per publicly funded privately provided episode of care ⁽ⁱ⁾	\$2,014.55	\$2,352.33	\$2,040.28	\$2,092.55	
Average cost per publicly funded privately provided occasion of service ⁽ⁱ⁾	\$209.36	\$321.52	\$268.96	\$343.64	The mix of contracted services has changed with more costly emergency services being performed relative to outpatient services.
Average cost per other NGO not included in other services ^(j)	\$1,750,107.3	\$1,761,175.9	\$1,856,118.8	\$1,924,736.8	
Full Time Equivalents (FTEs)	20,972	21,824	21,619	22,107	

- (a) Weighted separation is a measure of the complexity of a hospital separation using average weight for episodes that have the same diagnosis and treatment. Western Australia uses the Australian National Diagnostic Related Groups (AN-DRG) version 4.2. Mental health activity is defined as any activity that occurs in a mental health special ward.
- (b) The waiting list refers to the additional contracted elective activity for persons waiting for non-emergency treatment, and includes only privately managed public output. Waiting list allocation to public hospitals is included in general activity.
- (c) Mental health bed days represent activity for long stay patients in selected mental health units.
- (d) Non-admitted occasions of service represent activity in public hospital outpatient departments.
- (e) Emergency department occasions of service represent patients who have attended a formal emergency department for treatment, regardless of whether they are subsequently admitted to hospital, or treated and returned home.
- (f) Adult dental services represent the provision of subsidised dental care to financially and geographically disadvantaged persons throughout the State. It includes the services delivered through several metropolitan dental clinics, the Oral Health Centre, and rural and remote dental programs.
- (g) Other occasions of service includes highly specialised drugs, limb services for amputees, and other smaller services not elsewhere described.
- (h) The Patient Assistance Travel Scheme (PATS) figures include all associated overhead costs which may not directly contribute to the average cost of an assisted trip.
- (i) The publicly funded privately provided activity represents aggregated service delivery contracted to a range of private organisations.
- (j) Only those non-government organisations for which quantities and costs have not been attributed to other services are included here.

Major Achievements For 2004-05**Admitted Care**

- Reduction of waiting lists continues to be an area of focus. In September 2004, the Minister for Health launched an \$8 million initiative to enable an extra 2,000 Western Australians to be offered surgery before June 2005. This initiative targeted patients requiring operations in the areas of greatest demand, including orthopaedic (1,148 cases), ear, nose and throat (273 cases), gynaecology (62 cases) and 566 general surgery cases. Additional hospital beds, which were opened for emergency admissions during the peak winter months provided the capacity for this initiative.
- As a result of State Government initiatives, there has been a decline in the number of patients on waitlists, from 18,745 people in January 2004 to 15,798 people in January 2005.

- The 95-bed Kaleeya Private Hospital was acquired in January 2005 and integrated into the South Metropolitan Area Health Service. It will provide additional beds for Winter 2005 and assist in the waitlist reduction and Ambulatory Care programs.
- The 61-bed Galliers Private Hospital was acquired in February 2005 and integrated into the South Metropolitan Area Health Service. It will provide additional beds for Winter 2005 and assist in the waitlist reduction program.
- Plastic surgery services resumed at Fremantle Hospital. Two specialist plastic surgeons have been recruited.
- Capital works at Princess Margaret Hospital (PMH) and King Edward Memorial Hospital (KEMH) sites have provided significantly improved facilities for the assessment, diagnosis and care of women and children. Major improvements completed in the 2004-05 financial year include:
 - upgrade of the KEMH Emergency Department (ED);
 - renovation and upgrade of the Delivery Suite and Adult Special Care Unit at KEMH; and
 - establishment of a comprehensive Maternal Fetal Assessment Unit at KEMH.
- In response to recommendations of the Gordon Inquiry, services at the Sexual Assault Resource Centre have been expanded specifically with respect to medical and forensic support to country areas, counselling outreach services, provision of State-wide education and training and employment of an Aboriginal liaison officer. The Child Protection Unit has established a therapeutic unit for children who are victims of abuse and their families, and has expanded acute care to provide after hours social work and medical services.
- A vascular surgery training program was established at Fremantle Hospital with endorsement by the Royal Australian College of Surgeons. A Training Registrar position has been established, and two specialist vascular surgeons appointed.
- A draft Chronic Respiratory Disease Clinical Service Improvement Framework was developed establishing clear standards for prevention, detection, screening, management, treatment, and rehabilitation for chronic respiratory disease that will lead to major improvements in quality and access to services.
- Pre-admission clinics at Kalgoorlie Regional Hospital have been enhanced through the use of telephone and videoconference facilities, enabling pre-admission processes to be conducted with patients at remote locations. This strategy has reduced levels of stress and anxiety for patients, reduced their length of stay and improved discharge planning processes.
- A stoma therapy service has been introduced in Narrogin providing services for in-patients, outpatients and community based clients.
- The new medical services model for Geraldton Regional Hospital was fully implemented, including salaried medical practitioners and the provision of a dedicated 24 hour medical service.
- A review of specialist services was completed, resulting in the development of a 10 year plan for specialist services across the WACHS. The plan includes priorities for funding, establishing linkages with the metropolitan services for joint appointments, support and upskilling for specialists in the country, and the enhancement of tele-health services. Implementation of the plan commenced during 2004-05 and will be progressed incrementally.
- A pilot project designed to increase the number of paediatric patients treated locally within the Pilbara Gascoyne region has been successfully implemented. The project has resulted in additional paediatric services for the region, including outreach services to towns and communities within the region, and a reduction in the number of patients needing to be referred to Perth for treatment.
- The opening of four additional intensive care unit isolation rooms at Royal Perth Hospital (RPH) has provided a facility to ensure that more isolation rooms are available for the treatment of infectious patients from across Western Australia.
- Outdated intensive care unit monitors at RPH were replaced. This will allow RPH intensive care unit to offer state of the art monitoring of critically ill patients.

- Construction of the \$13 million State Cancer Centre at Sir Charles Gardiner Hospital (SCGH) has commenced. The Centre will reduce the waiting time for Western Australian patients to obtain radiation therapy treatment. Two additional specialist radiation treatment machines, linear accelerators, costing \$3.5 million each will be purchased, almost doubling the treatment capacity available at SCGH. The State Cancer Centre will be equipped with the resources needed to treat and care for patients with a range of cancers.
- SCGH has replaced its equipment in radiology with a \$2 million Computerised Tomography (CT) scanner. The latest scanner makes testing for cancer, heart problems and other health conditions more comfortable for patients and leads to improved diagnosis.
- The new Telstra Burns Reconstruction and Rehabilitation Centre was established at RPH in February 2005. The centre provides world-leading services in burns management and reduces the rehabilitation time for patients.
- The establishment of a lung transplant service at RPH. This service allows patients to remain in Western Australia whilst waiting for a transplant, rather than being relocated to the eastern states. This should provide significant improvements to patients' quality of life.

Ambulatory Care

- Work progressed on the Discharge Liaison Pharmacy Service Project with the completion of the developmental project work, the establishment of stakeholder groups and the recruitment of staff. The Discharge Liaison Pharmacy Service Project targets chronic and complex patients with complex medication regimes and/or a history of non-compliance, as well as patients who have experienced an adverse drug event. The service is designed to improve communication between primary and tertiary health care providers by providing an electronic medical discharge summary to the GP within 12 hours of discharge. Linkage between the tertiary provider, GP and community based pharmacists has also been developed. Hospital staff provide follow up at a patient's home within 48 hours of discharge to assess at-risk patients. The project is designed to develop and promote service design efficiencies at the interface between the primary, tertiary and community sectors for further implementation at a health system wide level.
- The Enhanced Primary Care Chronic and Complex Discharge Project is a partnership project between primary and tertiary health care providers to assist patients in a smooth, timely and safe transition from hospital to home. The project provides an avenue for improving links between GP and public hospitals, and increasing GP involvement in planning patient care to achieve better outcomes for patients with chronic and complex care needs. This is a pilot project which is anticipated to be completed by 30 June 2005.
- Developed a multi disciplinary discharge planning process with the use of Enhanced Primary Care (EPC) Medicare item numbers. A multi disciplinary team from the North Metropolitan Area Health Service worked collaboratively with the Perth and Hills and the Canning Divisions of General Practice to develop the process. Key achievements for this project are:
 - increased use of multi-disciplinary discharge planning EPC Medicare items from zero to 40 in the first six months of the Program;
 - increased transfer of management of patients with chronic conditions to GPs in collaboration with allied health community-based services;
 - reduced readmission of chronic and complex patients following acute admissions for the targeted patients; and
 - use of the community based Home Medicine Review by 50% of the participating program patients.
- The Medical Inpatient Long Stay Project located at North and South Metropolitan Area Health Services has expanded pulmonary rehabilitation services within its geographical catchment areas to reduce the incidence of emergency presentations and readmissions of patients who have chronic obstructive pulmonary disease (COPD). Achievements related to this project are:
 - an increase in the referral rate to pulmonary rehabilitation programs by General Physicians at RPH, Swan Districts Hospital and Bentley Health Service by 87% during the trial period;
 - following the establishment of this program, Fremantle Hospital has experienced a 10% decrease in emergency department presentations for COPD patients and a 7% decrease in the readmission rate of COPD patients within 28 days during the trial period;
 - reduced readmission rate in the patient group receiving pulmonary rehabilitation services;
 - establishment of hospital and community based eight week pulmonary rehabilitation programs and support groups for patients with COPD; and
 - best practice evidence based guidelines have been adopted for the management of inpatients with COPD.

- The Western Australian General Practitioner Hospital Integration Program is part of a national demonstration program aimed at improving the communication processes for the consumer at the interface between primary health care providers and tertiary level public hospitals. This program has achieved:
 - successful initiation of a number of projects with a focus on patient flow and transitional care between the tertiary and primary care interface at the Joondalup Health Campus (JHC) and the SCGH ED;
 - decreases in patient journey times for discharged patients and a decrease in waiting times for admission at the JHC, and a decrease in total length of stay in EDs for discharged patients at SCGH during the trial period; and
 - communication and relationship building between GP and trial hospital sites supported by implementation of an infrastructure for timely faxing of quality patient discharge information to GPs, development of a GP data base, review of outpatient clinic demand; recurrent funding for fast track streaming within SCGH ED and continuation of the JHC streaming process with required consultant staff funded through income generated by efficiencies in waiting times.
- Development of a patient hand held record referred to as 'My Health Record'. The aim of the health record is to assist in improving quality of life for people with chronic illness by establishing a simple, practical method for keeping track of all information concerning their medical condition in a single place. The health record will improve communications between health care providers and patients.
- Trial of the Western Australian 'My Health Record' across the Perth metropolitan area involving patients with chronic obstructive pulmonary disease recruited through the SCGH Department of Respiratory Medicine and the community through both GPs and chronic disease management specialists.
- New after hours GP clinics were established and are operational at Fremantle, Royal Perth and Rockingham/Kwinana Hospitals, and the existing clinic at JHC was enhanced to increase patient throughput. A review of metropolitan ED usage and after hour services identified two additional areas of need, and planning is well advanced.
- A Consultant Nephrologist commenced at Armadale Health Services in 2004-05 resulting in improved Renal Services. The presence of the consultant allows for a review of patients on dialysis and aids in the resolution of dialysis specific problems negating the need for the patient to return to the parent hospital for assessment.
- Medical outreach services in the Goldfields South East Region have been enhanced with the employment of a full time salaried obstetrician/gynaecologist providing services across the region, and the specialist paediatrician from Kalgoorlie Regional Hospital providing a visiting clinic service in Ravensthorpe.
- An outpatient chemotherapy service is now operational for the community of Northam and surrounding districts.
- A review of health services provided in Gnowangerup has been completed, leading to the establishment of a home based nursing service for elderly clients living in the community, and an improved focus on the health needs of the Aboriginal people in the community.

Emergency Services

- The \$30 million investment in the 2004 Winter Demand Strategy resulted in significant improvements in two headline measures of emergency demand performance (ambulance diversion and triple by-pass) affecting Perth's teaching hospital EDs. Significantly, the number of hours over the winter period (May to September) when teaching hospital EDs experienced ambulance diversion declined by 78% between 2003 and 2004, and the occurrence of triple by-pass (when all three adult tertiary EDs are on ambulance diversion simultaneously) declined by 89%.
- The Residential Care Line (RCL) was established to provide appropriate care for the frail elderly living in residential care facilities who have complex health care needs. The RCL is a 24-hour seven-day week telephone service that triages telephone enquiries from residential aged care facilities, provides advice on care and is the access point for outreach services for Residential Aged Care Facilities. The provision of timely intervention is designed to reduce the incidence of inappropriate or avoidable transfer of residents in aged care facilities to EDs of the major metropolitan public hospitals and their admission to an in-patient acute hospital bed. The RCL is now available to all 199 Residential Aged Care Facilities in the Western Australian metropolitan area.
- Completion of the ED redevelopment at SCGH. This redevelopment will provide a safe, comfortable and private environment for patients whilst delivering operational efficiencies.

- Construction of a new helipad-landing site at SCGH. This will provide a clear safe flight approach for helicopters transporting patients.
- Deployment of the Western Australian Medical Relief team to Aceh and the Maldives in response to the Asian Tsunami.
- Total revision of WESTPLAN Health and WESTPLAN Human Epidemic, State disaster plans under the responsibility of the DOH.

Specialist Mental Health Services

- The draft Western Australian Aboriginal Social and Emotional Wellbeing and Mental Health Strategy has been developed and community consultations initiated.
- An emergency counselling disaster response model was developed and endorsed by a subcommittee with cross government representation. The model includes the development of a set of competencies for emergency counselling, a process for assessment of those competencies and training recommendations.
- A specialist after-hours mental health telephone service, Rurallink, for the rural communities in Western Australia was launched on 2 September 2004. Rurallink enables the provision of a 24-hour rural community mental health service.
- The implementation of the current version of the mental health clinical information system, known as PSOLIS, was completed in all public Mental Health Services in December 2004.
- All public Mental Health Services in Western Australia are now routinely collecting information on consumer outcomes.
- The mental health clinical governance framework has been developed. Projects to commence the implementation of the National Practice Standards for the Mental Health Workforce and improving safety in mental health services have been established.
- Clinical Practice Guidelines have been developed to ensure evidence based practice occurs in a consistent manner across Mental Health Services.
- The Western Australian Mental Health Safety Guidelines have been developed and are being implemented. The first priority area, installing duress systems, is being progressed throughout the State.
- Expansion of Mental Health Emergency Services across metropolitan hospital sites commenced with the appointment of Mental Health Liaison nurses in JHC, SCGH, RPH, Bentley, Armadale and Fremantle Hospitals and on-duty psychiatric registrars at RPH, SCGH and Swan Districts Hospital. These additional staff members assist ED personnel through the provision of psychiatric assessment, treatment and support for persons presenting with psychological problems in order to improve access and reduce waiting times.
- An initiative to increase access to Adult Inpatient Mental Health Services commenced with:
 - the confirmation of funding for 10 additional secure beds in Graylands Hospital for mental health patients who need a secure environment for treatment; and
 - the provision of additional psychiatrist services to Albany Hospital to ensure that inpatient mental health services in this area are maintained.
- Extension of the State-wide postnatal depression services commenced with the distribution of non-recurrent capacity building grants to non-government organisations and the development of a website to provide information on service development.
- Child and Adolescent Mental Health Services were developed in the Mirrabooka area.
- Adult Mental Health Services were expanded in the Mirrabooka area.
- A State-wide community-based Eating Disorders Service was created.

- The Clarkson Community Centre/Clinic trialled customised services to Children of Parents with Mental Illness (COPMI). COPMI is recognised as an area of marked need with the higher than average rate of mental illness in these children as they develop.
- Holding beds have been established in the RPH ED to provide a safe and secure environment for both patients and staff.
- The WACHS has established second psychiatrist positions in each region, and has established an expert mental health nurse position in the ED of Geraldton Regional Hospital.

Support Services

- Development of system wide hospital patient food and nutritional standards and a common 20-day patient menu for metropolitan hospitals has been completed. These new standards and menu provide a sound base for establishing improved contracts for the provision of food products to public hospitals.
- The WACHS has established a service in Perth to coordinate and assist Patient Assistance Transport Scheme clients travelling to Perth from remote communities.
- A dedicated Specialist Centre has been established at Kalgoorlie Regional Hospital for salaried specialist services in: obstetrics and gynaecology; general medicine and paediatrics; and providing patients with a single point of contact for these services.
- A community based Cancer Support Service was established in Narrogin offering library and other information services and advice on complimentary therapies.
- The WACHS has completed a Stage One review of rural and remote transportation policies, resources and key issues. Stage 2 will commence early in 2005-06.
- Successfully introduced the picture archiving and communication system (PACS). PACS provides digital images of scans, ultrasounds and x-rays, which can be viewed on computers throughout the metropolitan area. Accessing images using this method aids diagnosis and analysis, prevents film being misplaced and saves film-processing costs.
- The *Health Legislation Amendment Act 2004* was assented to on 24 November 2004. The purpose of this Act was to make amendments to various Acts administered by the health portfolio, including the:
 - *Health Act 1911*;
 - *Health Services (Quality Improvement) Act 1994*;
 - *Hospitals and Health Services Act 1927*; and
 - *Queen Elizabeth II Medical Centre Act 1966*.
- In 2004 the Government approved a new medical indemnity scheme for salaried medical officers. The scheme provides each salaried medical officer with an individual indemnity covering medical treatment liability claims that might arise during the course of his or her employment. The indemnity provides a binding and legally enforceable document, which delivers a high degree of certainty, transparency and security to medical practitioners. In return, the indemnity requires full and open support for quality improvement practices such as medical audit and the reporting and investigation of adverse events, formalising arrangements already occurring.
- As a special initiative for rural and remote doctors, medical indemnity is now also being provided for doctors treating private patients in public hospitals.
- Three agreements covering, respectively, the placement of medical students, nursing students and allied health students were further developed. The agreements provide, for the first time, a standard approach to regulating access by staff and students from the universities and TAFE colleges to public hospitals.
- Quality and safety initiatives progressed during 2004-05 include the development of guidelines to support improved reporting, management and investigation of complaints, adverse events and sentinel events by Western Australian public hospitals, ensuring the delivery of safe and quality diagnosis and treatment services. Achievements include:
 - the publication of revised guidelines to support improved reporting, management and investigation of complaints in State public hospitals to ensure the delivery of safe and quality diagnosis and treatment services; and
 - the development of a training package, including a video, to help staff in regional and remote areas learn how to report adverse events.

- Provided training programs in clinical incident investigation and root cause analysis to clinicians in Western Australian health service areas. The provision of root cause analysis training will ensure the delivery of safe and quality diagnosis and treatment services through improved management and investigation of adverse events and sentinel events by Western Australian public hospitals. Achievements include:
 - provided training to an additional 256 health service staff across 13 health service sites in the use of the Root Cause Analysis methodology for investigating the root causes of adverse events;
 - increased utilisation of the Root Cause Analysis methodology. The number of investigations carried out by hospital staff following adverse events has risen significantly; and
 - formed a group of senior clinicians to review the findings of investigations into adverse events and to circulate State-wide alerts where urgent attention is required by health services to prevent similar events happening elsewhere.
- Credentialing and clinical privileges processes contribute to the delivery of safe and quality diagnosis and treatment services by ensuring that medical professionals provide evidence of qualifications, including registration or equivalent training, experience and clinical competence, that are relevant to a particular health service in which clinical privileges are requested. Key achievements include:
 - distribution of the Australian Council of Safety and Quality in Health Care's Standard for Credentialing and Defining the Scope of Clinical Practice to Western Australian Health Services; and
 - audit of the development of health service specific policies and procedures in line with the National Standard.
- Developed and implemented morbidity and mortality audit systems in Western Australian public hospitals. These systems will support the delivery of safe and quality diagnosis and treatment services by improving the provision of information to clinicians, health care managers and policy makers on system failures and issues that need to be addressed to improve the safety and quality of clinical care. Key achievements include:
 - continued support of the Western Australian Audit of Surgical Mortality, which has demonstrated significant improvements in the safety and quality of health care provided to the Western Australian public, including the reported improvement in appropriate use of Deep Vein Thrombosis prophylaxis;
 - clinicians are now required to participate in prescribed clinical audit activities, such as the Western Australian Audit of Surgical Mortality, as part of the clinical governance standard; and
 - medical practitioners are now required to participate in prescribed clinical governance activities, including clinical audit, as part of the medical indemnity agreement.
- Through the Postgraduate Medical Council of Western Australia, developed a core curriculum for junior doctors in order to improve their education and learning experiences and to facilitate the teaching of these skills by their clinical supervisors. Key achievements include:
 - reviewed other national and international core curriculum for pre-vocational medical education and training;
 - developed a framework for the Western Australian Core Curriculum for Pre-vocational Doctors (those in their first and second postgraduate year); and
 - developed a standardised End of Term Assessment Form, in line with the key focus areas articulated in the Western Australian Core Curriculum for pre-vocational doctors.
- Developed a standard for Clinical Governance in the Western Australian health system to assist clinicians and health service managers to develop and implement systems and processes that demonstrate accountability for the delivery of safe and quality diagnosis and treatment services. Key achievements include:
 - commenced the Clinical Governance Implementation Project to oversee implementation of a State-wide clinical governance framework;
 - developed a number of policies and background papers to support the implementation of a State-wide Clinical Governance framework in Western Australian public hospitals;
 - developed a Clinical Governance Standard for Western Australian health services; and
 - recognition of the requirement of medical practitioners to participate in clinical audit and safety and quality activities through the medical indemnity agreement.
- Developed policy and tools to support the practice of providing patients with sufficient information and discussing their diagnosis and treatment options to enable them to make an informed decision about their preferred treatment (informed consent). Established the Western Australian Informed Consent Advisory Committee to review the DOH's informed consent policy and requirements for the implementation of good practice in informed consent.
- Developed and implemented standardised evidence-based clinical guidelines for the management of acute stroke in EDs at four metropolitan hospitals in Western Australia.

- Commenced scoping and planning for the Department's 10 year \$335 million Information Management Capital Investment Plan.
- Developed a Strategic Directions paper for Information Management and Information and Communications Technology in support of Health Reform and the Information Management Capital Investment Plan and other planned business initiatives.
- Broadband telecommunications infrastructure was rolled out to hospitals and health clinics in 53 regional towns through the Department's participation in the National Communications Fund (NCF) project, completed on schedule in February 2005, in which the DOH was partnered by the Department of Education and Training, and the Department of Premier and Cabinet.
- Management of telehealth services was transferred to the WACHS. As part of the DOH's participation in the NCF project, Internet protocol-based videoconferencing equipment was upgraded, and a substantial part of the regional wide-area network was upgraded to broadband.
- The increasing emphasis on e-health for primary health delivery and support under health reform initiatives escalated the Department's work programs with key State and Commonwealth agencies, including the Office of E-Government, HealthConnect and the National Health Information Group, national standards development under Standards Australia and the newly formed National e-Health Transition Authority, to which Western Australia now provides base funding together with the other jurisdictions under the Australian Health Ministers' Advisory Council or AHMAC cost share formula.
- The multi-year program to ensure compliance of the management of DOH's current manual and electronic records with the *State Records Act 2000* requirements commenced, achieving:
 - completion of the Department's Records Management Functional Thesaurus;
 - completion of the Department's Retention and Disposal Authority;
 - approval by the State Record Commission of the Department's Record Keeping Plan, incorporating the Thesaurus and the Retention and Disposal Authority; and
 - submission of a whole-of-health business case for electronic document record management system.
- Renewed the InfoHealth Alliance contract with DMR/Fujitsu for a period of three years with two optional extensions of one year, commencing in June 2005, to provide core information systems and technology support to health services State-wide.

Oral Health Services

- The Government committed funding of \$2 million to the Dental Waitlist Initiative in 2004-05. The program has been extremely successful in reducing the number of persons on the waitlist from 20,000 in June 2004 to approximately 12,300 persons at the end of March 2005, with the average waiting time for care at 7.3 months.
- The Centre for Rural and Remote Oral Health established a new visiting dental service at the Geraldton Aboriginal Medical Service and continued to plan for oral health service development at the Aboriginal Medical Services in Roebourne and Warburton.
- The Department provided over \$6 million to the Oral Health Centre of Western Australia to support dental treatment of health care cardholders. Additional funding in excess of \$300,000, was provided to reduce dental waitlist as part of an overall dental waitlist strategy.
- A new adult dental clinic was opened in Cockburn to improve access and service provision in the rapidly expanding Southern metropolitan corridor. The opening of the Cockburn clinic has significantly reduced travelling time for patients who previously were required to travel to either the Fremantle or Rockingham clinics for treatment.
- In January 2005, the Minister for Health approved the introduction of salary incentives aimed at attracting and retaining dental officers, therefore addressing the State shortfall in public dental officers. It is expected that this will result in an increase in dental officers, with a corresponding increase in the number of public patients treated.
- Following approval of the Australian Dental Council, the Rural Dental Scheme has been developed. Overseas dentists have been recruited on a restricted visa and registration to Albany (two dentists), Bunbury (two dentists), Kalgoorlie, Meekatharra and Newman.

- New dentists for Exmouth, Fitzroy Crossing and Port Hedland have been arranged. Negotiations continue with dentists for Geraldton, Bunbury and Busselton. An overseas dentist with full registration has been recruited for the Mt Henry training facility.

Other

- HealthDirect is a telephone triage service which provides the public with round the clock access to registered nurses, health information and advice using a freecall 1800 number. In November 2004, HealthDirect reached a milestone when it received its one-millionth call. The service was initially launched in May 1999.
- Opened the Goatcher clinical research unit at RPH Shenton Park campus. The unit is nationally recognised for its contribution to clinical rheumatology trials.
- A joint venture between RPH and Murdoch University analysing the human immunodeficiency virus has been awarded US\$9.8 million for research.

Major Initiatives For 2005-06

Admitted Care

- The Elective Surgery Strategy will treat an additional 2,000 patients in 2005-06. The Strategy will focus on orthopaedics, specifically hip, knee and shoulder surgery. It is anticipated that 1,321 orthopaedic cases will be treated. An additional 679 cases consisting of multiple specialities will be completed in 2005-06.
- Develop a Chronic Respiratory Disease Clinical Service Improvement Framework that draws upon the knowledge and expertise of consumers, clinicians, service planners, policy-makers and the non-government sector. It is under the auspices of the Respiratory Reference Group (RRG), the first of a number of panels to be formed as part of the Western Australian Strategy for Chronic Disease Management. The RRG brings together health professionals, health service managers and partner agencies in Western Australia.
- Commence the development of a Trauma Unit at RPH.
- Maintain current plastic surgery services for trauma admissions to Fremantle Hospital (introduced in 2004-05). This will facilitate acceptance of referrals for plastic surgery for residents of the South Metropolitan area. This initiative will also facilitate the management of trauma at Fremantle Hospital and the performance of major reconstructive procedures by a multidisciplinary team of specialists from Plastic Surgery, Orthopaedic Surgery, and Ear, Nose and Throat departments.
- Increase elective plastic surgery throughput at Kaleeya Hospital.
- Introduce an after-hours, emergency angioplasty service for Fremantle Hospital. This will allow the current adhoc acute coronary angioplasty service to be formalised and expanded. Patients who present to any of the South Metropolitan Area Health Service EDs will be able to be transferred at any time to the Cardiac Catheter Theatre at Fremantle Hospital without impacting upon the service currently provided. This initiative will:
 - contribute to the overall reduction in morbidity and mortality associated with ischaemic heart disease;
 - provide an alternative management option for acute patients; and
 - reduce the overall hospital stay for acute patients.
- Develop a Stroke Unit at Fremantle Hospital. It is proposed that the Head of the Stroke Unit will be appointed in 2005-06.
- Increase the capacity of community hospitals, such as Swan Health Service, to provide elective non-acute services closer to patients.
- Reconfigure Kalamunda Health Service to meet the needs of the local community.
- SCGH will obtain a \$750,000 replacement gamma camera. The camera is used in nuclear medicine imaging technology and captures images that allow doctors to make more precise diagnoses. It is also used in some forms of treatment. The technology is painless for patients, safe and cost effective.

- Acquire two mobile image intensifiers for use in operating theatres, worth \$400,000. These machines are similar to x-ray machines, and allow doctors to create live images of patients' internal organs and musculo-skeletal system during surgical procedures. These machines can image patients from almost any angle and can be used by a number of specialty surgical fields.
- Two bypass machines for use in theatres will be purchased for \$600,000. Originally known as heart-lung machines, they are essential equipment required during heart and aortic surgery. The machines continue to pump blood through a patient's body whilst their heart is stopped for surgery. Moreover, SCGH will use the bypass machines during liver transplant surgery.
- The State-wide Obstetric Support Unit will ensure the highest standard of maternity care is provided to the Western Australian community. The service will work collaboratively within a network of metropolitan and country services to provide support and direction in:
 - development of policy and standards;
 - clinical quality and safety activities;
 - workforce development;
 - professional support and advice;
 - facilitation of links between specialist services including paediatrics, neonatology and anaesthetics;
 - promotion of alliances between metropolitan, rural and remote obstetric services;
 - collection, comparison, analysis and dissemination of data and information; and
 - coordination of current and future outreach obstetric support services (both outreach and at KEMH), for example the Medical Specialist Outreach Assistance Program, GP upskilling and postgraduate medical education.
- The Transitional Care – Paediatric to Adult Services Program will develop an education and liaison framework for improving the transition of chronically sick adolescents into the adult health sector. The program will look at joint clinics, orientation programs through EDs, and education sessions for both the patients and the staff. This is a joint initiative between Princess Margaret Hospital and adult hospitals.
- Recruitment of new specialists to the WACHS for a Paediatric Registrar in the Goldfields South East region, an Obstetrician/Gynaecologist in the Great Southern and a General Physician in the Kimberley region.
- Enhance medical services provided from Merredin Hospital to include procedural services in obstetrics and surgery.
- A new model for the delivery of surgical services in the Pilbara Region from Port Hedland, Nickol Bay Hospital and Newman Hospital is being developed and will expand the application of telehealth support for surgical patient care. This model will include a clearly defined scope of sustainable surgical services to be delivered on site at Port Hedland, Karratha and Newman. The model will explore the potential to increase and develop the use of telehealth services in the diagnosis and ongoing management of patient care, including diagnostic procedures such as colonoscopies in the West Pilbara.
- Progress the development of a Radiotherapy Unit located at Bunbury Regional Hospital and network with other South West Area Health Service districts and tertiary providers as a component of a cancer collaborative.
- Expand the Acute Psychiatric Unit in Bunbury.
- Progress the redevelopment and/or replacement of Busselton District Hospital as a sub-regional facility serving the Lower South West.
- Consult and plan for the capital redevelopment of the Harvey and Yarloop facilities to provide a service model and capital solution to better suit the needs of the district.
- Commence operations of new hospitals in Geraldton and Halls Creek.
- Commence construction of Stage One redevelopment of the Port Hedland Regional Hospital.
- Re-establish a sustainable specialist medical care service at Kalgoorlie Regional Hospital.

Ambulatory Care

- Implement the Discharge Liaison Pharmacy Service Project, which targets chronic and complex patients with complex medication regimes and/or a history of non-compliance as well as patients who have experienced an adverse drug event.
- The Medical Inpatient Long Stay project, located at the North and South Metropolitan Area Health Services, will develop Clinical Practice Improvement Project plans which focus on patients with heart failure, and the subsequent discharge practices for these chronic and complex clients.
- Progress the GP-Hospital Integration Program through a Memorandum of Understanding between the DOH, Divisions of General Practice and community care sectors.
- Undertake an evaluation which will be used to inform planning for a broader extension of the Western Australian 'My Health Record' during 2005-06.
- Redevelop the Day Chemotherapy Unit at Fremantle Hospital.
- Open after-hours GP clinics at the Swan Districts Hospital and in the Bentley area in July 2005.
- Establish satellite renal dialysis services in the Cannington and Stirling localities.
- Investigate options to improve the Home Dialysis Program.
- Enhance treatment and associated services for cancer patients living in country communities through the proposed introduction of cancer co-ordinators based in the regions.
- Implement a program to reduce the need for hospitalisation of patients suffering with COPD.
- Relocate the Outpatient Department at RPH to the former Perth Dental Hospital site to provide improved outpatient facilities.
- Appoint a second psychiatrist in Kalgoorlie, enabling the expansion of outreach services to Esperance, Norseman, Leonora and Laverton, and the enhancement of after-hours emergency services to acutely ill patients.
- Increase medical imaging capacity in the country, including the commissioning of a CT Scanner in Broome, installation of the Picture Archiving and Communication System in the new Geraldton Regional Hospital and upgrades to ultrasonography equipment in regional areas.
- Explore alternative models of GP service delivery as part of initiatives to strengthen private medical practice in rural Western Australia. The current medical service model in Exmouth is provided through the public health system. Private practice initiatives are expected to be implemented in Exmouth during 2005-06 and these initiatives will promote continuity of care.

Emergency Services

- An additional 221 general medical beds will be opened over the 2005 winter period to meet projected demand increases for admission to public hospitals in the metropolitan area. This additional capacity is expected to maintain the winter improvements in ED performance achieved under the 2004 strategy.
- Further enhance disaster preparedness and response arrangements, including the development of plans for vulnerable populations, including aged and frail patients, the integration of general practitioners and community health staff into the disaster response and the development of disaster medical assistance teams.
- Kalgoorlie Regional Hospital and the Goldfields South East Mental Health Service will participate in the Mental Health Emergency Care Interface Project conducted by the National Institute of Clinical Studies. The project aims to implement best practice initiatives to improve outcomes for mental health patients presenting at hospital EDs. The project will focus on strategies to ensure optimum assessment, treatment and referral of all such patients.

- Improve networking of emergency and retrieval services across the South West, supported by infrastructure investment in remote communications and diagnostic technology.
- Introduce a new district after-hours emergency medical service for the Eastern Wheatbelt from Merredin Hospital.

Specialist Mental Health Services

- Develop and implement mental health consumer and carer participation policies to promote and guide consumer and carer involvement in mental health policy, planning and service delivery.
- Commence the implementation of the Western Australian Aboriginal Social and Emotional WellBeing and Mental Health Strategy.
- Continue the expansion of Mental Health Emergency Services across metropolitan hospital sites with the establishment of 19 ED observation beds in various hospitals including RPH, Graylands and Fremantle Hospitals. This will assist in reducing the delay that occurs in patient management between the initial triaging of a mental health patient in the ED and admission, if required, to an inpatient bed.
- Continue the initiative to increase access to Adult Inpatient Mental Health Services with the establishment of eight additional beds in Armadale Hospital and 20 additional beds in Bentley Hospital. Additional psychiatrist services will be provided to Geraldton and Bunbury Hospitals. In addition, three beds of the 'Mother-Baby Unit' at Graylands Hospital will be transferred to KEMH and developed into a single Tertiary Maternal Mental Health Service that will provide a comprehensive State-wide eight bed inpatient service for women with serious mental illness associated with childbirth.
- Implement workforce and safety initiatives to improve the knowledge and skills of the mental health workforce. Mental health staff will be provided with improved education and training in key areas of clinical practice such as assessment, clinical risk assessment and management of aggression and violence.
- Continue the development, expansion, coordination and training of Postnatal Depression services as directed by areas of greatest need. This expansion will be informed by State-wide service mapping and research initiatives.

Support Services

- Develop a business case and definition of requirements for a system wide automated menu system as part of the implementation of the Food Services Review. This will enhance food service performance reporting, patient and meal tracking, reduce food wastage and errors in meal delivery.
- Expand Telehealth, including the continued implementation of clinics for neurology, geriatric medicine and medical consultations, and the commencement of pain management clinics.
- Revise documentation and publications about the Patients Assisted Travel Scheme so that the documentation will be more accessible and understandable to users.
- Work is continuing towards the introduction of a Health Practitioner Bill package which will introduce nine new health practitioner registration Acts, including dental and nurses legislation. Work is also underway on the introduction of new pharmacy registration legislation, based on an extensive National Competition Policy review, and the introduction of new medical practitioner registration legislation.
- A Bill to repeal the *Alcohol and Drug Authority Act 1974* and to provide for transitional arrangements will be introduced into Parliament.
- Reviews of the *Poisons Act 1964* and the *Mental Health Act 1996* have recommended changes to these Acts, which will be progressed in 2005-06. It is intended to have the Bills ready for introduction into Parliament in 2006-07.
- Develop a discussion paper for consultation regarding introduction of legislation to regulate practitioners of Chinese medicine.
- Publish revised guidelines to support improved reporting, management and investigation of adverse events and sentinel events by Western Australian public hospitals.

- Collect, analyse and report aggregated State-wide complaints, adverse events and sentinel events data in Western Australian public hospitals. This data will be used to improve the delivery of diagnosis and treatment services by identifying and managing health care system issues identified by the data.
- Develop a sentinel event investigation standard in order to ensure investigations into adverse events are done systematically and the recommendations are achievable by the health sector.
- Develop a video (DVD) training package to supplement the training in the Root Cause Analysis methodology to carry out investigations into the causes of adverse events.
- Compile and publicly release a report on adverse events, including sentinel events, in Western Australia.
- Develop strategies and educational resources to support Western Australian health services in the further implementation of the National Standard for credentialing, including distribution of national resources provided by the Australian Council of Safety and Quality.
- Provide continued support of the Western Australian Audit of Surgical Mortality.
- Review and analyse the findings of the Western Australian Audit of Surgical Mortality Annual Report for 2004. Remedial activities to improve the safety and quality of health care in Western Australian health services will be initiated.
- Develop a measurement tool for clinical governance that includes a requirement for clinical audit to be carried out in Western Australian Hospitals.
- Finalise the Western Australian Core Curriculum for Pre-vocational Doctors.
- Trial the standardised End of Term Assessment Form for junior doctors across Western Australian teaching hospitals.
- Develop and implement the State-wide clinical governance framework by June 2006.
- Review and update the guidelines for qualified privilege, following the release of the amended legislation of the *Health Services (Quality Improvement) Act 1994*, to support system-wide learning from the activities of quality improvement committees.
- Improve the South West area-wide Patient Assisted Transport Service call centre to streamline consumer access to information and assistance and provide information on service gaps and out-of-region referral patterns for ambulatory and specialist services.
- Further develop case management in mental health services in the South West with emphasis on a multi-disciplined approach (in conjunction with the expansion of the acute psychiatric unit at Bunbury Regional Hospital and new community mental health premises).
- Stage Two of the WACHS transportation review will examine trends and future demand for inter-hospital patient transfer services.
- Manage renewal of the InfoHealth Alliance contract, and the contract extension process, including contract novation and contract variations, and resolution of any contract disputes. Core hospital application and infrastructure support services are provided through this contract.
- Engage with health services, other State and Commonwealth Government agencies, carriers and community groups in improving regional telecommunications, including:
 - continued enhancement of bandwidth and service quality across the health regional network following the National Communications Fund project;
 - supporting whole-of-government procurement strategies and the State Communications Policy; and
 - developing rural communications network proposals for funding.
- Support the DOH's 10 year Information Management Capital Investment Plan by developing business cases, funding submissions, policy and strategy, cash flow reporting, and undertaking a specifications review for procurement processes.

- Manage the DOH's participation in and financial support of national e-health and related information technology standards development and projects, including the work programs of:
 - the National e-Health Transition Authority (NEHTA) and Standards Australia, to provide Information and Communications Technology (ICT) standards and policies supporting system interoperability and health information exchange at the point of care, on a national basis; and
 - the Commonwealth Department of Health and Ageing's Health Connect and Eastern Goldfields Regional Reference Site projects, to provide tested and standardised frameworks for clinical information systems in Western Australia, supporting continuum of care.
- Coordinate the development and publication of endorsed NEHTA Information Management and ICT standards for national standardisation of e-health.
- Develop information management policies to provide system-wide controls over shared services, disposal of computing assets, directory services, incident response, information security classification, the strategic applications development environment, web content management, managed operating environments, software license management, project roles, accountability and post implementation reviews.
- Pilot the introduction of case-management and care pathways, using electronic health records, with a number of projects including:
 - Cardiovascular health and rehabilitation;
 - Chronic Health Conditions; and
 - Cancer Care Coordination.

Oral Health Services

- Funding of \$1 million for the Dental Waitlist Initiative has been identified for the 2005-06 year. This is expected to maintain the current wait list levels.
- New dental clinics are to be established in Joondalup, Kununurra and Bunbury. The Joondalup clinic will improve access and service provision to eligible patients in the growing Northern metropolitan corridor.
- Continue recruitment initiatives to attract additional overseas registered dentists.
- Develop and implement improved criteria progression classification system for dentists.
- Commence the development of a new Dental Health Clinic in Bunbury.

Other

- The Pensioner Ambulance Policy is a policy framework and implementation approach for pensioner ambulance services in line with the Government's election commitment to provide free ambulance services for aged pensioners and a 50% subsidy for other seniors. The Policy comes into effect on 1 July 2005.
- Develop a single entry telephone system through the Health Call Centre for outpatient referrals, bookings, cancellations and enquiries relating to outpatient services. A complementary project is to be developed to allow a postoperative telephone review of patients to avert unnecessary outpatient appointments.

Service 3: Continuing Care

Continuing care services are provided to people and their carers who require support with moderate to severe functional disabilities and/or a terminal illness to assist in the maintenance or improvement of their quality of life.

Services provided in this output include:

- community based services;
- rehabilitation services;
- specialist geriatric services;
- palliative care services;
- residential aged care services;
- home care dental services; and
- support services.

Community based services

Community based services comprise community based care and support to maintain and enhance, as far as possible, a person's quality of life. These include domestic assistance, nursing care, allied health care, personal care and care and support for people with long term disabilities to ensure an optimal quality of life. They also cover community based psychiatric care services, services for people with acquired brain injury, and the provision of specialised drugs, equipment and blood products.

The Home and Community Care (HACC) program aims to assist people to be more independent at home and in the community, enhancing their quality of life and thereby preventing their inappropriate admission to long term residential care. The program is targeted towards frail aged people, younger people with disabilities and their carers. It provides services such as domestic assistance, personal care, home maintenance and/or modification, delivered meals, respite care, transport, allied health care, nursing, assessment and referral, case management, case planning, review and coordination, education, training and information.

Rehabilitation Services

Rehabilitation is a specialist area of health care that targets people with a loss of function from any cause, either congenital or acquired. Rehabilitation services include people (children, adolescents and adults) following an acute catastrophic event, who need an initial period of rehabilitation and may or may not need long term follow-up; and people with a progressive or chronic recurring condition, who need episodes of rehabilitation over a long period.

Specialist geriatric services

Specialist geriatric services include community rehabilitation services and falls clinics, post acute and home care services, rehabilitation specialist clinics, memory clinics and services provided at Parkinson's Disease centres of excellence.

Palliative care services

Palliative care services aim to provide multi-disciplinary care and support for terminally ill people and their families and carers, and include both inpatient and home based services. Education and advisory services are available to assist health professionals, particularly those in rural areas.

Residential aged care services

Residential aged care services are for people assessed as being no longer able to live in their own home (e.g. nursing home services, nursing home type services in public hospitals and hostel services).

Home care dental services

Home care dental services are provided through a domiciliary service to eligible patients unable to access public dental clinics for medical reasons.

Support services

Support services are provided to maximise the outcomes of other services for people with chronic illness and disabilities, such as transportation and volunteer support programs.

	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	204,021	239,449	223,904	228,725	
Less Income	103,938	82,108	109,581	119,187	
Net Cost of Service	100,083	157,341	114,323	109,538	
Adjustments ^(a)	(56)	280	(637)	493	
Appropriation for delivery of Service	100,027	157,621	113,686	110,031	

(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 Home and Community (HACC) Care hour of home care	21.92	24.44	22.87	22.84	Increased efficiency in service delivery.
Average subsidy per HACC client meal	1.98	2.24	1.98	2.05	
Average cost per HACC transport trip	7.88	8.92	7.58	7.58	
Average cost per generic specialised service ^(a)	147.00	325.00	322.00	322.00	
Average cost per country Nursing Home/Nursing Home Type Patient bed day..	190.41	201.83	201.83	213.94	
Average cost per home based palliative care service ^(b)	3,079.90	3,302.86	3,287.15	3,477.80	Hospital based palliative care services declined in 2003-04 after 3 years of linear increases. This resulted in the forecasts being higher than the actuals.
Average cost per hospital based palliative care service ^(c)	701.75	697.41	600.18	688.54	
Average cost per Care Awaiting Placement bed day	137.48	161.80	161.00	143.00	Additional beds in the system, making it more cost efficient.
Average cost per State Government Nursing Home (SGNH) subsidised bed day ^(d)	9.96	10.28	10.10	10.30	
Average cost per SGNH hour of care provided.	58.38	62.57	62.93	64.76	
Average cost per private sector contracted bed day ^(e)	32.54	35.14	35.84	36.95	Increased efficiency in service delivery.
Average cost per private sector hour of care ...	19.68	28.48	24.86	24.60	
Average cost per private sector contracted other occasion of service	113.05	115.84	109.63	114.62	
Average cost of per Non Government Organisation not already included in services ^(f)	224,775.11	184,315.84	205,637.07	213,556.07	
Full Time Equivalent (FTEs)	1,415	576	1,441	1,480	

- (a) Geriatric specialised services comprise assessments by aged care assessment teams, and selected geriatric inpatient and outpatient care and specialised preventative and restorative clinics. Commonwealth Minimum Dataset definition of aged care assessment by aged care assessment teams has improved the data collection process.
- (b) Home based palliative care services are more appropriate for clients and are more cost beneficial to the health system.
- (c) Includes palliative care services provided in the public sector and private sector contracts.
- (d) The State Government Nursing Home program involves more than the provision of services and/or subsidies; however all related expenses have been apportioned to identified outputs.
- (e) These relate to services contracted with private providers and involve a range of different outputs not easily groupable. All related expenses have been apportioned to the cost of identified outputs.
- (f) Only those non-government organisations for which quantities and costs have not been already attributed to other services are reported here. For example, HACC services are reported as a separate output measure.

Major Achievements For 2004-05**Community Based Services**

- Increased the delivery of the number of units of Home and Community Care (HACC) Services through a funding increase of \$10.34 million.
- Implemented a State-wide training program concentrating on Falls Prevention and Intervention Strategies for community care workers who provide services to 'at risk' clients living independently in their own homes.
- Completed the second year of a three year cycle of a systemic Financial Management Review of financial accountability and governance processes within agencies, in order to ensure the efficient and effective use of funds provided through the HACC Program.
- Established the Alliance for the Prevention of Elder Abuse Western Australia with senior representation across a number of government departments with a primary role to identify and address system-wide issues relating to the prevention of elder abuse.
- Developed a specific centre based day care program that targeted homeless people eligible for services under the HACC Program and in response to the State Government's Homelessness Strategy.
- Continued to utilise the 'State Aged Care Plan for Western Australia 2003-2008' as a local area planning tool, to guide the development and enhancement of community-based services for older people.
- Implemented a range of opportunities through the HACC program for the development of community-based dementia services as identified in the 'Dementia Action Plan for Western Australia 2003-2006'.
- Formally launched the 'Carers' Action Plan for Western Australia 2004-2007', which identifies community-based service development opportunities to support informal unpaid providers of care in the community.
- Formally launched the 'Leadership in Aged Care Plan for Western Australia 2004-2008', which identifies opportunities for the Western Australian Aged Care Advisory Council to provide high-level strategic, leadership to benefit the State's older population.
- Developed a project plan and contract variations for service implementation and operational guidelines for the Disease Coaching Project. This project provides a 'phone coaching' service by registered nurses at the Health Call Centre to provide support and patient education to improve self-management of chronic conditions.
- Completed the Service Standards for Non-government Providers of Community Mental Health Services and the Agency Self-Assessment Guide and Supporting Resources Kit.
- Developed the draft Western Australian Aboriginal Social and Emotional Well Being and Mental Health Strategy and initiated community consultation.
- Completed the Community Options 100 service model and chose sites to accommodate 30 people currently residing at the Murchison Ward of Graylands Hospital, who are able to live in supported accommodation in the community in the metropolitan area.
- Completed draft plans to establish a new extended care services in the community for 20 of the long term mentally ill inpatients at Graylands Hospital in Murchison ward have been completed. The plans will be finalised early 2005-06, with implementation to follow.
- Commenced the expansion of Community Mental Health Services with the recruitment of additional staff in the community based mental health service in Fremantle Hospital and the Wheatbelt Mental Health Service, and the establishment of an Eating Disorders Service in the North Metropolitan area.

Rehabilitation Services

- Completed the 'Statewide Rehabilitation Services Plan for Western Australia' and commenced financial analysis of initiatives related to the Plan.
- Commenced a comprehensive planning phase for the 'Pathways Home Program' to extend the range of community rehabilitation and step-down services through the construction of purpose built sub-acute care centres with the formation of a Project Technical Reference Group and Rehabilitation and Mental Health Planning Groups.
- Released the Technical Bulletin for the DOH public health system in-patient rehabilitation programs allowing comparison of benchmark outcomes for inpatients undergoing rehabilitation across all metropolitan in-patient rehabilitation units.
- Continued to progress strategies identified in the 'State Aged Care Plan for Western Australia 2003-2008' to strengthen capacity in the delivery of rehabilitation services.

Specialist Geriatric Services

- Formally launched the 'Transitions' Action Plan for Western Australia 2004-2007, which identifies opportunities for service development for older people at transition points across the continuum of acute/aged care services.
- Commenced the integration process for the HACC Program and the Aged Care Assessment Program to streamline the comprehensive assessment of clients who receive services from the HACC Program.
- Contributed to the development of a national model for care coordination for the Aged Care Assessment Program to improve the coordination of care older people at the hospital/community care/residential aged care sector.
- Continued progress towards the trial of electronic assessment instruments and data transfer processes through State based pilot sites within the Aged Care Assessment Program as part of a national focus on e-commerce in the Aged Care Assessment Program with the aim of promoting greater efficiency and effectiveness in the delivery of aged and community care services in Western Australia.
- Distributed the 'Towards Best Practice Manual' to all Aged Care Assessment Team delegates across Western Australia, providing a substantive practice framework for reference by team members.

Palliative Care Services

- Review of palliative care telephone outreach services completed.
- Continued implementation of the Program of Experience in the Palliative Approach, funded by the Commonwealth Government, with approximately 23 placements facilitated.
- The outreach service of the Palliative Care Unit at Northam Hospital has been expanded to outlying district hospitals, and staff are available to provide support and advice to patients, General Practitioners and nursing staff.

Residential Aged Care Services

- Improved equity of access to aged care services in the Kimberley Region with the opening of a 10 bed high care residential facility in Kununurra in March 2005.
- Continued with the Western Australian Transitional Care Service Pilot Project, allowing on average, 60% of clients on the program to be discharged home and/or remain living in the community, with or without the support of community care services.
- Extended the Care Awaiting Placement Program intended to reduce pressure on public hospitals to a total of 44 beds in the North Metropolitan Region and includes secure beds targeted at residential aged care residents who have dementia.
- Commenced a 50 place Intermittent Care Service for the older person with multiple complications and co-morbidities in the South metropolitan region.

- Finalised and distributed the publication of Department Operational Circular regarding Transitional Care Options for Older West Australians including the Care Awaiting Placement Program.
- Contributed land and \$2.2 million for the establishment of a new residential aged care facility to benefit aged care residents of Collie.
- Collaborated with the Australian Government and local residential aged care provider, Churches of Christ to plan for Seniors Care Options in Carnarvon to improve access to services for complex care clients in Carnarvon and surrounding region.
- Completed the evaluation for the Western Australian pilot site in the National Evaluation of the Innovative Care Rehabilitation Services Pilot.
- Commenced tendering process for the construction of Stage 1 of the Port Hedland Regional Hospital - Residential Aged Care Facility.

Support Services

- The Multi Purpose Service (MPS) Leading Practice Project will be completed by 30 June 2005. There will be a new MPS Agreement that supports Integrated District Health Service models. Multi Purpose Services will provide a greater range of service options.

Major Initiatives For 2005-06

Community Based Services

- Implement dementia specific initiatives in line with the 'Dementia Action Plan for WA 2003-2006' including a dementia specific education and training program for acute care sector staff and a 'teaching' centre based day care program for the community care sector.
- Implement a medication training program for community care support workers to develop competencies in the management and/or administration of client medication.
- Develop common arrangements across a range of community care programs in consultation with the Commonwealth Department of Health and Ageing in order to streamline administrative processes and provide a more seamless and effective service to community care clients.
- Negotiate a new Amending Agreement with the Commonwealth Department of Health and Ageing for the operation of the HACC Program in Western Australia.
- Implement opportunities through the HACC program and other avenues for the development of community-based services to assist informal providers of care in the community as identified in the 'State Aged Care Plan, Carers' Action Plan for Western Australia 2003-2007' and the 'Dementia Action Plan for WA 2003-2006', thus supporting care recipients to remain in their own homes for as long as possible.
- Progress the strategic leadership role of the Western Australian Aged Care Advisory Council as articulated in the 'Leadership in Aged Care Plan for Western Australia 2004-2008' to provide high level, aspirational direction for the State's response to the health and aged care needs of older people.
- Initiate an initial group of 20 patients with high hospital utilisation into the Disease Coaching Project, which provides a 'phone coaching' service by registered nurses at the Health Call Centre.
- Develop a Non-Government Organisation (NGO) Strategic Plan describing the role and function of the NGO sector within the broader mental health context and key service priorities.
- Commence the implementation of the Service Standards for Non-government Providers of Community Mental Health Services using the Agency Self-Assessment Guide and Supporting Resources Kit and the mentoring capacity of larger NGOs.

- Expansion of Community Mental Health Services will continue through the following programs:
 - recruitment drives to appoint additional staff in Mental Health Community Services;
 - commencement of the establishment of two Multi Systemic Therapy services for at risk young people, aged 12 to 16 years will be established, one in the North Metropolitan area and one in the South Metropolitan area;
 - commencement of the establishment of Day Therapy Services for adults with a mental illness in Sir Charles Gairdner, Bentley, Armadale and Fremantle Hospitals and in the Rockingham-Kwinana area. It is envisaged that these services will minimise readmission following episodes of inpatient care and to reduce unnecessary hospitalisation; and
 - commencement of the establishment of the Intensive Community Youth Service through the recruitment of mental health staff to support homeless youth in the South Metropolitan area who are at risk of developing a mental illness.
- Initiatives to provide alternatives to acute admission will continue through the following programs:
 - commencement of the construction of Community Supported Residential Units to provide 200 places in cluster accommodation with up to 24 hour support in locations including the metropolitan area, Albany, Bunbury, Busselton and Geraldton, and provision of additional funding to the Licensed Psychiatric Hostel sector to provide improved quality of personal care support services to residents with a serious and persistent mental illness;
 - commencement of the construction of a Specialist Residential Service to accommodate 20 people currently residing at the Murchison Ward of Graylands Hospital who are unable to live in the community;
 - commencement of the construction of the Community Options 100 Service to accommodate 30 people currently residing at the Murchison Ward, who are able to live in supported accommodation in the community;
 - expansion of the Mental Health Psychosocial Support Program to increase non-government psychosocial support services for people with severe and persistent mental illness to assist them to live in their own home in the community; and
 - commencement of the implementation of non-government services to support 50 homeless people with mental illness in the metropolitan area.
- The 'Mental Health Strategy 2004-07' aims to increase the capacity of mental health services to meet the increase in demand. This will include:
 - 16-bed interim Intermediate Care service to be established at Mt Hawthorn Hospital;
 - Adult Rehabilitation Services are to be expanded to include the Joondalup/Clarkson area; and
 - Creation of a Community Studio for Art Therapy, within an appropriate area.

Rehabilitation Services

- Complete financial analysis of the recommendations in the 'Statewide Rehabilitation Services Plan for Western Australia' and commence phased implementation of initiatives.
- Progress the implementation of the 'Statewide Rehabilitation Plan for Western Australia' with the development of a range of transitional rehabilitation services across the continuum of care.
- Continue to progress the strategies identified in the 'State Aged Care Plan for Western Australia 2003-2008' to strengthen capacity in the delivery of rehabilitation services.
- Progress the implementation of the 'Pathways Home Program' through the development of service planning specifications for two Sub-Acute Care Centres and planning for professional infrastructure development.
- Supported Community Residential Accommodation Units in Bunbury and Busselton for people living with mental health conditions in the community.

Specialist Geriatric Services

- Promote Aged Care Assessment Teams as the provider of comprehensive assessments for eligible clients receiving services through the HACC Program.
- Commence roll out of care coordination and data recording within a framework of nationally accepted definitions and guidelines through effective liaison with all Aged Care Assessment Teams in Western Australia. This will extend to the design and implementation of training for Aged Care Assessment Teams.

- Update the Towards Best Practice Manual to reflect current policy initiatives and related changes to the practice framework to include care coordination and the interface between the Home and Community Care and the Aged Care Assessment Program in relation to comprehensive assessment and care coordination.
- Implement opportunities identified in the Transitions' 'Action Plan for Western Australia 2003-2007' to strengthen specialist geriatric services for older people across the aged/acute continuum of care.

Palliative Care Services

- Continue the implementation of the Program of Experience in the Palliative Approach, funded by the Commonwealth Government, to provide palliative care placements for nurses, allied health professionals and patient carers. The program will also be expanded to include up to 33 medical practitioners.
- Further enhance palliative care in the country through initiatives including a Hospital In the Home Program to provide increased community based palliative care in Broome, and the development of partnerships with community organisations and the Division of General Practice in the Pilbara.

Residential Aged Care Services

- Progress the development of a three year Transition Care Plan for Western Australia to mainstream Transition Care and Intermittent Care Services in order to assist in reducing pressures in the public hospital system and contribute to improving the quality of life of elderly people who are eligible for the service.
- Encourage involvement of private and non-government providers in the provision of aged care services outside of Busselton and Bunbury. Support the redevelopment of Hillview Nursing Home in Collie as a non-government venture.

Support Services

- Form a cancer collaborative, including metropolitan, private sector, non-government providers and South West Area Health Service to provide South West residents with a suite of services across the care continuum for people living with cancer.

CAPITAL WORKS PROGRAM

The planned capital expenditure for 2005-06 is \$220.4 million. The program addresses new areas of need, while progressively reconfiguring and renewing existing health infrastructure to ensure continuing high standards of health care. The capital works program table below details capital projects completed in 2004-05, and those beginning or continuing in 2005-06. The table excludes all projects commencing beyond 2005-06.

Major initiatives include the continuation of the health reform program to develop metropolitan general and tertiary hospitals, the development of regional resource centres in rural areas and the enhancement of existing mental health facilities across the State.

North Metropolitan Area Health Service:

- commence development of the Joondalup Health Campus to expand the emergency centre and associated support services plus provide additional mental health beds;
- continue planning for the development of the Central Tertiary Hospital and planning for the redevelopment of Royal Perth Hospital consistent with the Clinical Services Plan;
- complete construction of the new dental clinic at Joondalup;
- progress the redevelopment of Kalamunda Hospital; and
- complete construction of Stage One of the State Cancer Centre, to house two new linear accelerators for radiotherapy treatment for people with cancer throughout the State.

South Metropolitan Area Health Service:

- commence the development of Rockingham-Kwinana General Hospital;
- continue planning for the new Fiona Stanley (Southern Tertiary) Hospital;
- complete construction of the Mandurah Community Health Centre Stage One at Peel Health Campus;
- commence planning for the Mandurah Community Health Centre Stage Two at Peel Health Campus; and
- commence the expansion of the Peel Health Campus Emergency Department.

South West Area Health Service:

- complete construction of the Margaret River Hospital upgrade;
- commence the development of a new cancer radiotherapy facility, a new mental health clinic and additional mental health beds at the South West Health Campus; and
- commence the development of a replacement dental clinic at Bunbury.

Western Australian Country Health Service:

- complete construction of a new clinic at Warburton;
- commence construction of the Stage One redevelopment of Broome Hospital as the regional resource centre for the Kimberley Health Region;
- install a new Computerised Tomography Scanner in Broome to service the Kimberley Region;
- develop other projects in the Kimberley Health Region, including projects at Derby, Halls Creek, Kununurra, Wyndham and Fitzroy Crossing;
- finalise planning for new health service facilities at Denmark;
- continue the \$15 million program (\$2.9 million in 2005-06) for renewal of country housing to attract and retain country staff;
- progress construction of the new aged care facility at South Hedland;
- commence planning of the Albany Regional Hospital development;
- commence planning of the Hedland Regional Resource Centre – Replacement Stage Two; and
- continue construction of a new health facility at Moora.

State-wide Developments:

- continue the thirteen year \$245 million hospital equipment replacement program (\$48.4 million in 2005-06) aimed at providing better services for patients and a better work environment for staff;
- continue the \$253 million program to maintain the existing capital infrastructure of our health facilities (\$13.6 million in 2005-06), including the replacement of building services components, hospital plant and equipment and the undertaking of other minor building works;
- develop the information management capital plan that outlines the key investments and operational budgets required to deliver effective and efficient information management support for the Department's clinical and administrative business; and
- continue the implementation of broadband network services of between four and ten megabytes per second to 57 Health sites in 53 rural and regional towns in Western Australia. This will provide capability for the delivery of enhanced clinical and administrative information services outside the metropolitan area.

	Estimated Total Cost	Estimated Expenditure to 30-6-05	Estimated Expenditure 2004-05	Estimated Expenditure 2005-06
	\$'000	\$'000	\$'000	\$'000
WORKS IN PROGRESS				
Equipment				
Communication Infrastructure.....	11,000	3,576	3,500	4,216
Equipment Replacement - Clinical.....	245,500	35,800	35,800	48,400
SCGH - State Cancer Centre Stage 1	12,271	1,600	1,480	10,671
Hospitals, Health Centres and Community Facilities				
Broome Regional Resource Centre - Redevelopment Stage 1.....	25,000	500	500	2,400
Carnarvon Hospital - Redevelopment	1,900	402	325	1,498
Carnarvon Sobering Up Centre	500	10	10	490
Community Health Facilities Expansion State-wide.....	6,202	2,400	1,378	3,802
County Staff Accommodation	15,068	168	168	2,900
Denmark Multi Purpose Centre - Planning and Upgrade.....	500	250	100	250
Emergency Demand - GP Clinics.....	1,860	1,360	24	500
Fremantle Hospital - Developments	6,000	4,413	1,195	1,587
Geraldton Regional Resource Centre - Redevelopment.....	49,000	42,645	33,000	5,074
Graylands Hospital - Redevelopment Planning	600	84	50	191
Hedland Regional Resource Centre - Replacement Stage 1 - Residential Care Facility.....	14,650	6,000	6,000	7,000
Hedland Regional Resource Centre - Replacement Stage 2	65,000	500	500	5,500
Joondalup Dental Clinic.....	2,200	345	200	1,855
Kalamunda Hospital - Redevelopment Stage 1.....	5,700	1,425	600	4,075
Kimberley - Various Health Project Developments.....	44,830	15,023	12,485	14,000
Kununurra - New Dental Clinic and Development	6,800	200	200	1,400
Land Acquisition.....	5,750	2,687	2,650	3,063
Margaret River Hospital - Upgrade.....	3,430	450	403	2,880
Mental Health Initiatives - Strategies	11,900	500	500	6,900
Moora Multi Purpose Centre - Redevelopment.....	8,687	700	700	4,800
Morawa Multi Purpose Centre - Fees and Initial Works.....	890	238	50	652
North Perth Dental Extension.....	300	10	5	290
Pathways Home Program.....	23,000	20	20	3,282
Port Hedland Regional Resource Centre - Interim Works	2,505	2,316	705	189
Rockingham Kwinana Hospital - Redevelopment Stage 1	72,976	200	200	3,000
RPH and Shenton Park Hospital - Developments	24,500	14,238	3,500	7,726
Southern Tertiary Hospital - New Stage 1.....	420,000	500	500	1,700
Warburton Clinic - Replacement	3,930	800	405	3,130
Wyndham Multi Purpose Centre - Replacement.....	4,500	200	200	1,000
Imaging				
Picture Archive and Communication System - Stage 1 Metro and Country	6,500	3,938	714	2,562
Information and Communication Equipment and Infrastructure				
Corporate and Shared Services Reform - Health Corporate Network	12,813	6,813	5,700	6,000
Information Technology and Communication Infrastructure	335,000	500	500	22,000
Other Projects				
Carryover - Various	1,780	1,037	390	200
Infrastructure Planning	11,700	1,753	1,367	2,384
Minor Works - Buildings and Services	253,430	20,000	20,000	13,586
State-wide Condition Audit - Stage 2.....	18,032	17,262	2,161	770
COMPLETED WORKS				
Equipment				
Engineering Asset Works Management System Stage 2	4,200	4,200	497	-
Fremantle Hospital - MRI Scanner.....	4,300	4,300	4,300	-
Hospital Equipment and Maintenance - State-wide	43,221	43,221	629	-
Hospitals, Health Centres and Community Facilities				
Albany Regional Resource Centre - Paediatric Ward Upgrade	1,155	1,155	14	-
Ambulatory Day Surgery Initiative	1,700	1,700	1,700	-
Galliers Purchase of Private Lease Armadale	15,300	15,300	15,300	-
Kaleeya Hospital	16,400	16,400	16,400	-
Mental Health State-wide Initiatives	42,000	42,000	1,941	-
Osborne Park Hospital - Theatre Replacement	11,350	11,350	1,707	-
Perth Dental Hospital Devolution.....	2,380	2,380	780	-
Rockingham Kwinana Hospital - Emergency and Ward Upgrade	8,400	8,400	1,123	-
RPH - Telstra Burns Centre.....	3,000	3,000	2,189	-
SCGH - Emergency	9,630	9,630	759	-
South Metropolitan Dental Clinic.....	1,500	1,500	874	-
Southeast Coastal Multi Purpose Services - Stage 1	3,928	3,928	35	-
Staff Accommodation - Stage 2.....	5,000	5,000	731	-
Swan and Other Metro Secondary Hospital - Upgrades	4,000	4,000	470	-
Women and Children's Health Service - Developments	32,750	32,750	9,974	-
Imaging				
Organ Imaging Equipment (non teaching) 1998-99.....	10,066	10,066	141	-
Other Projects				
Motor Vehicles - Special 1999-2000.....	1,226	1,226	261	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
NEW WORKS				
Hospitals, Health Centres and Community Facilities				
Albany Regional Resource Centre - Redevelopment Stage 1	20,000	-	-	4,000
Armada Kelmscott Hospital - Development Stage 1	75,000	-	-	1,000
Bunbury Dental Clinic - Replacement	2,500	-	-	500
Central Tertiary Hospital - Development Stage 1	345,050	-	-	1,000
Fremantle Hospital - Reconfiguration Stage 1	65,000	-	-	2,000
Joondalup Health Campus - Development Stage 1	24,000	-	-	3,000
King Edward Memorial Hospital - New Stage 1	152,600	-	-	1,000
Mandurah Community Health Centre - Development Stage 2	3,200	-	-	300
Peel Health Campus - Emergency Department	3,000	-	-	700
South West Health Campus - Inpatient Mental Health Unit Expansion	5,500	-	-	500
South West Health Campus - New Mental Health Clinic	2,500	-	-	2,500
South West Health Campus - Radiotherapy Facility	6,500	-	-	2,000
	2,662,560	412,369	198,010	220,423

(a) The table above includes all projects either commenced and/or completed in 2004-05 or 2005-06, but excludes all projects commencing in 2006-07 and the out years.

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	118,026	162,100	198,010	220,423	214,850	225,021	299,800
Working capital requirement							
Other working capital	31,000	-	-	-	-	-	-
Loan and Other Repayments	10,620	9,706	9,706	11,193	11,771	12,412	13,358
	159,646	171,806	207,716	231,616	226,621	237,433	313,158
LESS							
Asset Sales	-	5,700	4,546	900	900	900	900
Commonwealth Grants	700	3,500	-	6,005	-	-	-
Drawdowns from the Holding Account	80,000	42,103	42,103	32,267	13,605	1,569	-
Funding included in Department of Treasury and Finance - Administered Item ^(a)	-	61,152	95,552	133,933	154,737	210,731	293,700
Internal Funds and Balances	17,305	3,868	2,454	-	-	-	-
Other	2,649	1,377	508	759	350	-	-
Capital Contribution	58,992	54,106	62,553	57,752	57,029	24,233	18,558

(a) Funding for Health's Capital Works Program for health reform and related broader health initiatives have been appropriated as a Department of Treasury and Finance Administered Item. Health will be required to submit business cases, including planning details to Government for approval to access funding from the global funding.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,527,092	1,571,408	1,676,544	1,777,074	1,851,530	1,961,447	2,087,336
Superannuation	140,052	142,285	147,451	149,435	154,685	161,658	171,702
Grants and subsidies ^(c)	291,853	311,649	327,459	337,365	346,774	366,457	376,420
Supplies and services	215,963	238,938	224,033	233,343	242,916	249,839	259,190
Accommodation	41,182	38,807	42,737	40,468	41,356	43,666	44,787
Finance costs	14,394	13,514	13,514	12,777	11,682	11,285	9,651
Capital User Charge	93,500	99,300	99,300	111,303	123,837	136,236	142,009
Depreciation and amortisation	89,394	91,241	92,568	89,027	93,963	98,536	100,712
Direct patient support	358,035	394,904	395,468	448,449	466,502	491,261	523,373
Indirect patient support	77,233	87,493	83,074	80,632	83,465	88,307	93,794
Visiting medical practitioners	71,095	74,062	83,619	86,433	90,470	95,718	101,665
Private sector contracts	127,905	130,390	132,890	135,701	143,347	151,413	159,923
Costs of disposal of non-current assets	4,945	-	-	-	-	-	-
Other expenses	19,922	14,955	21,028	8,765	14,846	12,407	12,004
TOTAL COST OF SERVICES	3,072,565	3,208,946	3,339,685	3,510,772	3,665,373	3,868,230	4,082,566
Income							
User charges and fees	72,548	71,314	72,776	76,669	76,669	76,669	76,669
Grants and subsidies	267,233	234,918	284,078	287,845	287,169	292,244	292,923
Interest revenue	9,755	8,071	7,417	7,452	7,455	7,456	7,458
Rent	1,902	1,800	1,155	1,129	1,132	1,136	1,142
Donations	5,856	4,699	4,179	3,543	3,538	3,539	3,538
Health fees and recoveries	33,999	33,342	34,547	35,027	35,088	35,137	35,239
Proceeds from disposal of non-current assets ..	1,313	-	-	-	-	-	-
Other Revenue	50,983	55,231	59,437	61,154	61,593	63,355	65,241
Total Income	443,589	409,375	463,589	472,819	472,644	479,536	482,210
NET COST OF SERVICES	2,628,976	2,799,571	2,876,096	3,037,953	3,192,729	3,388,694	3,600,356
INCOME FROM STATE GOVERNMENT							
Service Appropriations	2,628,335	2,802,760	2,868,826	3,043,582	3,191,278	3,387,243	3,598,906
Resources received free of charge	1,752	1,511	1,451	1,451	1,451	1,451	1,451
Liabilities assumed by the Treasurer	2,998	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	2,633,085	2,804,271	2,870,277	3,045,033	3,192,729	3,388,694	3,600,357
SURPLUS (DEFICIENCY) FOR THE PERIOD	4,109	4,700	(5,819)	7,080	-	-	1
Extraordinary items	(695,962)	-	-	-	-	-	-
Prior Period Adjustment	464	-	(12,582)	-	-	-	-
Other (expense)	(3,311)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(694,700)	4,700	(18,401)	7,080	-	-	1

(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 24,557; 24,721 and 25,293 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	80,754	104,144	67,092	58,345	58,005	57,905	57,905
Restricted cash	69,222	6,532	67,222	67,322	67,422	67,522	67,522
Investments	-	2,456	-	-	-	-	-
Receivables	51,747	53,183	52,624	53,501	53,501	53,501	53,501
Inventories.....	23,501	26,094	25,091	25,242	25,242	25,242	25,242
Interest receivable.....	1,156	-	1,156	1,156	1,156	1,156	1,156
Amounts receivable for services.....	42,103	37,922	32,267	13,605	1,569	-	-
Prepayments.....	3,912	4,760	3,889	3,866	3,866	3,866	3,866
Total current assets	272,395	235,091	249,341	223,037	210,761	209,192	209,192
NON-CURRENT ASSETS							
Amounts receivable for services.....	104,420	198,358	204,107	311,215	436,064	567,055	700,222
Land and Buildings.....	1,525,498	1,571,334	1,635,248	1,649,356	1,690,081	1,736,275	1,808,608
Investments	2,996	6	2,996	2,996	2,996	2,996	2,996
Plant and equipment.....	201,897	246,382	222,385	253,795	267,067	263,597	268,057
Intangibles.....	-	-	-	6,370	14,539	17,820	16,286
Other.....	76,083	79,481	166,930	244,239	322,275	402,127	525,054
Total non-current assets.....	1,910,894	2,095,561	2,231,666	2,467,971	2,733,022	2,989,870	3,321,223
TOTAL ASSETS.....	2,183,289	2,330,652	2,481,007	2,691,008	2,943,783	3,199,062	3,530,415
CURRENT LIABILITIES							
Superannuation	1,111	14,870	666	666	666	666	666
Payables	100,274	145,497	113,574	128,124	118,393	103,814	103,814
Provision for employee entitlements	251,113	282,511	295,705	320,518	344,664	367,108	391,060
Borrowings.....	8,236	8,449	8,236	8,236	8,236	8,236	8,236
Interest payable	2,183	2,113	2,183	2,183	2,183	2,183	2,183
Finance leases	3,098	2,948	3,125	3,152	3,152	3,152	3,152
Accrued Salaries	34,842	33,260	36,413	40,911	47,275	61,854	61,854
Other.....	15,076	11,868	5,361	5,361	5,361	5,361	5,361
Total current liabilities.....	415,933	501,516	465,263	509,151	529,930	552,374	576,326
NON-CURRENT LIABILITIES							
Superannuation	2,878	168,942	-	-	-	-	-
Provision for employee entitlements	59,455	69,920	68,758	75,631	83,940	93,951	102,453
Borrowings.....	203,378	198,480	196,714	190,050	183,215	176,270	169,325
Finance leases	83,832	80,563	80,763	61,420	56,594	51,127	44,714
Total non-current liabilities	349,543	517,905	346,235	327,101	323,749	321,348	316,492
TOTAL LIABILITIES.....	765,476	1,019,421	811,498	836,252	853,679	873,722	892,818
EQUITY							
Contributed Equity.....	346,567	261,271	511,704	707,098	922,231	1,157,195	1,469,453
Accumulated surplus/(deficit)	(92,129)	607,271	(110,530)	(89,672)	(89,672)	(89,672)	(89,671)
Reserves	1,163,375	442,689	1,268,335	1,237,330	1,257,545	1,257,817	1,257,815
Total equity.....	1,417,813	1,311,231	1,669,509	1,854,756	2,090,104	2,325,340	2,637,597
TOTAL LIABILITIES AND EQUITY	2,183,289	2,330,652	2,481,007	2,691,008	2,943,783	3,199,062	3,530,415

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	2,506,991	2,670,900	2,736,872	2,922,869	3,064,860	3,256,252	3,465,740
Capital Contribution.....	58,992	54,106	62,553	57,752	57,029	24,233	18,558
Holding Account Drawdowns	80,000	42,103	42,103	32,267	13,605	1,569	-
Net cash provided by State government	2,645,983	2,767,109	2,841,528	3,012,888	3,135,494	3,282,054	3,484,298
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,505,502)	(1,529,218)	(1,634,747)	(1,740,888)	(1,812,706)	(1,914,193)	(2,054,881)
Superannuation	(142,096)	(142,285)	(147,450)	(146,737)	(151,987)	(158,990)	(171,702)
Grants and subsidies	(291,853)	(311,648)	(327,459)	(337,365)	(346,774)	(366,457)	(376,420)
Supplies and services	(206,578)	(197,393)	(190,770)	(227,096)	(232,336)	(236,154)	(251,014)
Accommodation.....	(41,182)	(40,857)	(42,391)	(40,986)	(41,526)	(43,968)	(44,787)
Finance costs	(14,324)	(22,071)	(13,703)	(12,789)	(11,852)	(11,361)	(10,020)
Capital User Charge.....	(93,500)	(99,300)	(99,300)	(111,303)	(123,837)	(136,236)	(142,009)
Direct patient support.....	(360,179)	(419,423)	(420,463)	(455,279)	(467,525)	(502,611)	(523,373)
Indirect patient support	(77,696)	(100,493)	(96,171)	(83,208)	(86,227)	(93,447)	(93,792)
Visiting Medical Practitioners	(71,521)	(80,062)	(84,033)	(86,433)	(90,470)	(95,718)	(101,665)
Private sector contracts	(127,905)	(130,390)	(132,890)	(135,701)	(147,347)	(155,413)	(159,923)
Goods and Services Tax	(120,894)	(136,538)	(136,538)	(147,565)	(148,575)	(148,575)	(148,575)
Other.....	(7,326)	(12,716)	(13,789)	(9,058)	(15,237)	(12,002)	(11,219)
Receipts							
User charges and fees.....	68,558	71,314	72,776	76,668	76,669	76,670	76,669
Grants and subsidies	270,283	234,918	284,078	287,846	287,169	292,244	292,923
Interest received	8,599	8,071	7,417	7,452	7,455	7,456	7,458
Rent receipts.....	1,342	1,800	1,155	1,129	1,131	1,136	1,142
Donations receipts.....	5,856	4,669	4,149	3,543	3,538	3,539	3,538
Goods and Services Tax	125,221	135,671	135,671	146,698	148,575	148,575	148,575
Health fees and recoveries	33,999	33,342	34,547	35,027	35,089	35,137	35,239
Other receipts	50,983	54,569	58,707	60,464	60,907	62,672	66,689
Net cash from operating activities.....	(2,495,715)	(2,678,040)	(2,741,204)	(2,915,581)	(3,055,866)	(3,247,696)	(3,457,147)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(118,026)	(162,100)	(198,010)	(220,423)	(214,850)	(225,021)	(299,800)
Proceeds from sale of non-current assets	3,808	5,700	4,546	900	900	900	900
Equity Contribution receipts.....	-	61,152	95,552	133,933	154,737	210,731	293,700
Net cash from investing activities.....	(114,218)	(95,248)	(97,912)	(85,590)	(59,213)	(13,390)	(5,200)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(8,413)	(6,681)	(6,681)	(6,357)	(6,017)	(5,688)	(5,688)
Other payments for financing activities.....	(10,878)	(3,025)	(11,393)	(14,007)	(14,638)	(15,280)	(16,263)
Net cash from financing activities	(19,291)	(9,706)	(18,074)	(20,364)	(20,655)	(20,968)	(21,951)
NET INCREASE/(DECREASE) IN CASH HELD	16,759	(15,885)	(15,662)	(8,647)	(240)	-	-
Cash assets at the beginning of the reporting period	135,939	129,023	152,698	137,036	128,389	128,149	128,149
Cash assets at the end of the reporting period.....	152,698	113,138	137,036	128,389	128,149	128,149	128,149

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
EXPENSES							
Receipts paid into Consolidated Fund	730,408	770,043	792,127	818,223	865,654	915,888	962,945
TOTAL ADMINISTERED EXPENSES ^(b)..	730,408	770,043	792,127	818,223	865,654	915,888	962,945
INCOME							
Grants and subsidies	730,408	770,043	792,127	818,223	865,654	915,888	962,945
TOTAL ADMINISTERED INCOME ^(c)	730,408	770,043	792,127	818,223	865,654	915,888	962,945

- (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 PAYMENTS AND RECEIPTS

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Receipts paid into Consolidated Fund	(730,408)	(770,043)	(792,127)	(818,223)	(865,654)	(915,888)	(962,945)
TOTAL ADMINISTERED CASH OUTFLOWS	(730,408)	(770,043)	(792,127)	(818,223)	(865,654)	(915,888)	(962,945)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	730,408	770,043	792,127	818,223	865,654	915,888	962,945
TOTAL ADMINISTERED CASH INFLOWS	730,408	770,043	792,127	818,223	865,654	915,888	962,945

- (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
Prevention and Promotion	44,435	26,883	54,954	40,710	41,197	42,354	36,789
Diagnosis and Treatment	142,385	118,129	151,591	158,898	155,876	167,090	177,358
Continuing Care	105,033	166,637	120,914	137,757	149,701	157,013	162,273
TOTAL	291,853	311,649	327,459	337,365	346,774	366,457	376,420

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
OTHER STATE SERVICES							
Receipts paid into Consolidated Fund	730,408	770,043	792,127	818,223	865,654	915,888	962,945
TOTAL	730,408	770,043	792,127	818,223	865,654	915,888	962,945

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
COMMONWEALTH GRANTS							
Grants and Subsidies	730,408	770,043	792,127	818,223	865,654	915,888	962,945
TOTAL	730,408	770,043	792,127	818,223	865,654	915,888	962,945

TRUST ACCOUNT DETAILS

Hospital Fund

The purpose of the fund is to hold funds to give effect to the provisions of the *Hospital Fund Act (1930)*. The *Hospital Fund Act (1930)* is managed as part of the Diagnosis and Treatment output.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance	683	-	7,044	-
Receipts:				
Appropriations	2,155,290	2,082,543	2,138,401	2,265,317
Other	75,000	76,120	76,589	78,667
	2,230,973	2,158,663	2,222,034	2,343,984
Payments	2,223,929	2,158,663	2,222,034	2,343,984
CLOSING BALANCE	7,044	-	-	-

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 services provided by Health Statistics Branch.....	3	-	-	5
Proceeds from services provided by Environmental Health Services	1,082	970	932	925
Proceeds from services provided by Community Support Services	1,588	1,401	1,439	1,476
Proceeds from services provided by Health Promotion Services	612	696	774	698
Proceeds from services provided by Miscellaneous Services.....	748	516	713	746
Proceeds for services provided by the Drug and Alcohol Office (DAO)	297	75	150	150
GST input credits	48,039	50,685	52,900	55,399
GST receipts on sales.....	970	973	1,267	1,210
Commonwealth Specific Purpose Programs ^(a)				
Acquired Immune Deficiency Syndrome (Sexual Health)	384	100	-	-
Aboriginal Torres Strait Islanders Health - Regional Aboriginal Environmental Health Enhancement	300	300	300	-
Blood Transfusion Service	2,059	-	-	-
Building Solid Families	785	785	785	785
Clinical Preceptor Program	56	-	86	86
Council of Australian Governments (COAG) Commonwealth funded initiatives and programs relating to the Western Australian Drug Abuse Strategy Office.....	-	5,000	3,921	4,411
DAO - Keeping In Touch Program	-	-	40	-
Home and Community Care	67,951	75,161	74,314	81,065
Homeless Youth.....	194	252	217	221
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
Public Health - COAG Needle and Syringe Program	1,989	978	978	1,003
Public Health - Data Linkage	47	-	-	-
Public Health - ENHealth Council	249	238	258	258
Public Health - Falls Prevention for Older People	18	-	-	-
Public Health - Foodborne Disease Sentinel Site (OzFoodNet).....	80	-	49	-
Public Health - Food Chain Newsletter.....	27	-	-	-
Public Health - Hep C - Education and Prevention.....	251	236	247	247
Public Health - HIV Positive Aboriginal Program.....	13	-	-	-
Public Health - Human Quarantine Program	16	17	17	18
Public Health - Increase Consumption of Fruit and Vegetables	-	-	120	-
Public Health - National Donovanosis Eradication Project	50	50	-	-
Public Health - National Indigenous Immunisation	584	443	448	448
Public Health - National Indigenous Cadetship	3	-	-	-
Public Health - National Obesity Taskforce.....	61	-	-	-
Public Health - Pneumococcal Disease Program	-	15	15	15
Public Health - Ross River Virus	35	35	20	-
Public Health - Sexual Health Programs	-	-	137	100
Public Health Outcome Funding Agreement	22,372	21,100	29,027	21,715
Public Health Outcome Funding Agreement - Meningococcal Vaccine Program	6,348	6,340	6,341	973
Specialist Services - Kimberley/Pilbara	137	-	-	-
Veterans Home Care.....	1,810	1,246	1,245	1,283
TOTAL	160,482	167,977	177,276	174,104

(a) Some Commonwealth programs are not listed as the revenue is retained under the Hospital Fund. The more significant programs include High Cost Drugs, the Aged Care Assessment Program, Multi-Purpose Services, Rural Health Services, Telehealth and partial revenue from Home and Community Care.

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

WESTERN AUSTRALIAN ELECTORAL COMMISSION

PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS

DIVISION 31

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
DELIVERY OF SERVICES							
Item 66 Net amount appropriated to deliver services	2,589	15,939	17,607	2,530	7,108	2,732	18,730
Amount Authorised by Other Statutes							
- Electoral Act 1907	215	220	288	253	261	269	277
- Electoral Distribution Act 1947	551	-	-	-	-	-	-
- Industrial Relations Act 1979	56	56	56	56	56	56	56
Total appropriations provided to deliver services	3,411	16,215	17,951	2,839	7,425	3,057	19,063
CAPITAL							
Capital Contribution	371	-	-	-	173	-	136
GRAND TOTAL	3,782	16,215	17,951	2,839	7,598	3,057	19,199

MISSION

To provide impartial and independent electoral services and promote public awareness of electoral matters.

SIGNIFICANT ISSUES AND TRENDS

- Legislation currently before Parliament regarding 'One vote, One value' may result in a significant change to electoral boundaries, which will require them to be amended between each election. This will have an impact on the Commission's ongoing operations with a distribution of boundaries every four years instead of eight years as at present. It will further impact on advertising strategies prior to elections, to ensure electors are aware of boundary changes.
- Work will commence on the redevelopment of the Commission's Electoral Roll Management System. The current system has been in place for 20 years, and this four year program will introduce many new technology advances to assist in this function.
- Continuing development of the Election Management System will introduce integration between a number of existing systems, improving data information collection and reporting across local government and State election activities.

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
Decisions taken since State Election				
Election Management System	275	-	-	-

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
SERVICES							
<i>Service 1:</i>							
Electoral Services	6,335	16,345	18,277	5,477			
Total Cost of Services	6,335	16,345	18,277	5,477	7,549	5,681	19,351
<i>Less Income</i>	184	2,543	2,543	43	2,543	43	2,543
Net Cost of Services	6,151	13,802	15,734	5,434	5,006	5,638	16,808
Adjustments ^(a)	(2,740)	2,413	2,217	(2,595)	2,419	(2,581)	2,255
Appropriation provided to deliver Services.	3,411	16,215	17,951	2,839	7,425	3,057	19,063
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	371	-	-	-	173	-	136
TOTAL CONSOLIDATED FUND APPROPRIATIONS	3,782	16,215	17,951	2,839	7,598	3,057	19,199

(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 Outcome	Service
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	All electors are able to participate in impartial, effective and democratic elections or referenda conducted by the Commission.	1. Electoral Services

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: All electors are able to participate in impartial, effective and democratic elections or referenda conducted by the Commission.					
Participation rate of electors in Parliamentary elections	n/a	86%	91%	n/a	No State general election in 2005-06.
Participation rate of electors in local government postal elections ^(b)	45%	40%	40%	n/a	No biennial local government postal elections in 2005-06.

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

(b) 2003-04 Actual relates to unscheduled local government postal elections.

Service 1: Electoral Services

Provision of an impartial, independent and efficient electoral service to Parliamentary and non-Parliamentary electoral customers.

	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	6,335	16,345	18,277	5,477	No State general election or biennial local government postal elections in 2005-06.
Less Income	184	2,543	2,543	43	
Net Cost of Service	6,151	13,802	15,734	5,434	
Adjustments ^(a)	(2,740)	2,413	2,217	(2,595)	
Appropriation for delivery of Service	3,411	16,215	17,951	2,839	

(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 elector of providing electoral services	\$4.79	\$3.94	\$3.94	\$4.02	
Average cost per elector of conducting Parliamentary elections ^{(a)(b)}	\$0.16	\$7.32	\$8.43	\$0.23	No State general election in 2005-06.
Average cost per elector of conducting local government elections ^(c)	\$5.62	\$2.77	\$2.53	n/a	No biennial local government postal elections in 2005-06.
Full Time Equivalents (FTEs)	40	42	68	42	

(a) 2003-04 Actual relates to the preparation costs of the 2005 State general election and does not represent the full cost.

(b) 2005-06 Target represents non-voters follow-up and costs associated with the State general election in 2005.

(c) 2003-04 Actual relates to unscheduled local government postal elections.

Major Achievements For 2004-05

- The Commission successfully conducted the State general election and referendum on retail trading hours in February 2005.
- The Commission successfully conducted postal voting elections for 50 local governments in May 2005.

Major Initiatives For 2005-06

- Finalise a new Joint Enrolment Arrangement with the Commonwealth. Negotiations have been conducted with the Australian Electoral Commission to formalise a replacement for the 1983 agreement. This will bring Western Australia into line with the other states that have similar agreements in place.
- Commence a redevelopment of the Commission's Electoral Roll Management System. The current system can no longer be supported due to changing technology. The new system will provide the ability to develop enhanced roll products.
- Continue with further development of the Commission's Election Management System, which will provide integration between local government and State election systems.

CAPITAL WORKS PROGRAM

The Western Australian Electoral Commission's planned capital works expenditure in 2005-06 is for ongoing asset replacement, the first stage of redeveloping the Electoral Roll Management System and development of the Election Management System which will integrate a number of existing systems, improving data information collection and reporting across local government and State election activities.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Electoral Education Centre Display Upgrade	100	100	50	-
IT System Upgrade 2003-04 Program	400	400	234	-
NEW WORKS				
Asset Replacement 2005-06 Program	50	-	-	50
Electoral Roll Management System Upgrade	790	-	-	240
Election Management System	275	-	-	275
	1,615	500	284	565

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	216	-	284	565	750	200	400
LESS	216	-	284	565	750	200	400
Drawdowns from the Holding Account	129	-	-	110	277	50	164
Funding Included in Service Appropriations ^(a)	-	-	-	455	300	150	100
Internal Funds and Balances	(284)	-	284	-	-	-	-
Capital Contribution	371	-	-	-	173	-	136

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	2,479	1,788	4,104	1,998	1,943	1,991	4,975
Superannuation	330	213	337	337	337	337	337
Consultancies expense	-	-	-	180	300	150	100
Supplies and services	2,669	13,361	13,166	2,104	4,133	2,316	13,024
Accommodation	558	487	487	487	487	487	517
Capital User Charge	132	175	-	48	54	60	58
Depreciation and amortisation	137	129	129	129	164	164	164
Other expenses	30	192	54	194	131	176	176
TOTAL COST OF SERVICES	6,335	16,345	18,277	5,477	7,549	5,681	19,351
Income							
User charges and fees	184	2,543	2,543	43	2,543	43	2,543
Total Income	184	2,543	2,543	43	2,543	43	2,543
NET COST OF SERVICES	6,151	13,802	15,734	5,434	5,006	5,638	16,808
INCOME FROM STATE GOVERNMENT							
Service Appropriations	3,411	16,215	17,951	2,839	7,425	3,057	19,063
Resources received free of charge	20	42	42	42	42	42	42
Liabilities assumed by the Treasurer	89	31	31	31	31	31	31
TOTAL INCOME FROM STATE GOVERNMENT	3,520	16,288	18,024	2,912	7,498	3,130	19,136
SURPLUS (DEFICIENCY) FOR THE PERIOD	(2,631)	2,486	2,290	(2,522)	2,492	(2,508)	2,328

(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 40, 68 and 42 respectively.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	685	1,266	1,235	213	1,205	197	1,025
Restricted cash	82	-	-	8	16	24	32
Receivables	180	1,906	1,680	180	1,680	180	1,680
Amounts receivable for services.....	-	110	110	277	50	164	278
Prepayments.....	52	53	52	52	52	52	52
Total current assets	999	3,335	3,077	730	3,003	617	3,067
NON-CURRENT ASSETS							
Amounts receivable for services.....	163	216	216	102	250	284	204
Plant and equipment.....	224	581	329	310	546	432	568
Other.....	-	-	-	-	50	50	50
Total non-current assets	387	797	545	412	846	766	822
TOTAL ASSETS.....	1,386	4,132	3,622	1,142	3,849	1,383	3,889
CURRENT LIABILITIES							
Payables	37	91	37	37	37	37	37
Provision for employee entitlements	159	324	213	267	321	355	389
Accrued Salaries	88	63	-	8	16	24	32
Total current liabilities.....	284	478	250	312	374	416	458
NON-CURRENT LIABILITIES							
Provision for employee entitlements	279	178	259	239	219	219	219
Total non-current liabilities	279	178	259	239	219	219	219
TOTAL LIABILITIES.....	563	656	509	551	593	635	677
EQUITY							
Contributed Equity.....	568	568	568	568	741	741	877
Accumulated surplus/(deficit)	255	2,908	2,545	23	2,515	7	2,335
Total equity.....	823	3,476	3,113	591	3,256	748	3,212
TOTAL LIABILITIES AND EQUITY.....	1,386	4,132	3,622	1,142	3,849	1,383	3,889

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	3,248	16,052	17,788	2,676	7,227	2,859	18,865
Capital Contribution.....	371	-	-	-	173	-	136
Holding Account Drawdowns	129	-	-	110	277	50	164
Net cash provided by State government	3,748	16,052	17,788	2,786	7,677	2,909	19,165
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,454)	(1,754)	(4,158)	(1,956)	(1,901)	(1,949)	(4,933)
Superannuation	(241)	(182)	(186)	(186)	(186)	(186)	(186)
Consultancies payments.....	-	-	-	(180)	(300)	(150)	(100)
Supplies and services	(2,496)	(13,297)	(13,244)	(2,160)	(4,216)	(2,444)	(13,152)
Accommodation.....	(558)	(487)	(487)	(487)	(487)	(487)	(517)
Capital User Charge.....	(132)	(175)	-	(48)	(54)	(60)	(58)
Goods and Services Tax	(329)	(80)	(80)	(80)	(80)	(80)	(80)
Other.....	(30)	(214)	(54)	(216)	(126)	(126)	(126)
Receipts							
User charges and fees.....	2,092	1,043	1,043	1,543	1,043	1,543	1,043
Goods and Services Tax	445	80	80	80	80	80	80
Net cash from operating activities.....	(3,703)	(15,066)	(17,086)	(3,690)	(6,227)	(3,859)	(18,029)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(22)	-	(234)	(110)	(450)	(50)	(300)
Net cash from investing activities.....	(22)	-	(234)	(110)	(450)	(50)	(300)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(929)	-	-	-	-	-	-
Proceeds from borrowings.....	661	-	-	-	-	-	-
Net cash from financing activities.....	(268)	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(245)	986	468	(1,014)	1,000	(1,000)	836
Cash assets at the beginning of the reporting period	1,012	280	767	1,235	221	1,221	221
Cash assets at the end of the reporting period.....	767	1,266	1,235	221	1,221	221	1,057

(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
Extraneous Election Recoups	191	20	20	20
Local Government Postal Election Recoups	1,847	1,000	1,000	1,500
Sale of Rolls and Maps	22	20	20	20
Sundries.....	32	3	3	3
GST Input Credits.....	445	80	80	80
TOTAL	2,537	1,123	1,123	1,623

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

Part 8

Minister for the Environment; Science

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
513	Conservation and Land Management			
	– Delivery of Services	127,198	139,955	138,562
	– Capital Contribution	11,670	13,660	11,700
	Total	138,868	153,615	150,262
532	Botanic Gardens and Parks Authority			
	– Delivery of Services	13,203	14,354	12,027
	– Capital Contribution	1,042	1,042	550
	Total	14,245	15,396	12,577
542	Environment			
	– Delivery of Services	22,527	29,717	28,722
	– Capital Contribution	-	-	358
	Total	22,527	29,717	29,080
559	Swan River Trust			
	– Delivery of Services	6,484	8,358	8,904
	– Capital Contribution	2,008	8	8
	Total	8,492	8,366	8,912
570	Zoological Parks Authority			
	– Delivery of Services	8,362	9,020	8,990
	– Capital Contribution	700	700	715
	Total	9,062	9,720	9,705
	GRAND TOTAL			
	– Delivery of Services	177,774	201,404	197,205
	– Capital Contribution	15,420	15,410	13,331
	Total	193,194	216,814	210,536

CONSERVATION AND LAND MANAGEMENT

PART 8 - MINISTER FOR THE ENVIRONMENT; SCIENCE

DIVISION 32

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
DELIVERY OF SERVICES							
Item 67 Net amount appropriated to deliver services	118,720	127,025	139,729	138,329	145,720	145,065	148,400
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	186	173	226	233	240	247	254
Total appropriations provided to deliver services	118,906	127,198	139,955	138,562	145,960	145,312	148,654
CAPITAL							
Item 147 Capital Contribution	4,802	11,670	13,660	11,700	22,250	17,001	12,911
GRAND TOTAL	123,708	138,868	153,615	150,262	168,210	162,313	161,565

MISSION

In partnership with the community, we conserve Western Australia's biodiversity, and manage the lands and waters entrusted to us, for their intrinsic values and for the appreciation and benefit of present and future generations.

SIGNIFICANT ISSUES AND TRENDS

- Implementation of the Government's 'Protecting Our Old-growth Forests' policy has resulted in the creation of 36 new national parks and nature reserves and ten new conservation parks.
- Increasing public interest in protection of biodiversity and the environment, including the further development of the proposed *Biodiversity Conservation Act* and biodiversity conservation strategy.
- The need to establish a comprehensive, adequate and representative conservation reserve system, both terrestrial and marine, throughout the state, including the southwest forest areas, the State's vast rangelands and the marine environment. The Department played a key role in the finalisation of areas to be excluded from pastoral leases for conservation at lease renewal in 2015, and in the expansion of the marine parks system including the extension of Ningaloo Marine Park to include the entire Ningaloo Reef.
- Increasing interaction with private industry, individuals and other government agencies to conserve flora and fauna on private and public lands that are not part of the formal conservation reserve system.
- Increased interstate and international recognition of Western Australia's natural attractions, resulting in continued growth of nature-based tourism.
- Continued expectation from recreational and community groups, including people with disabilities, to maintain and upgrade facilities, park infrastructure and services.
- There is a continued need to improve the involvement of the non-government sector in providing tourism and recreation services and facilities.

- Working with Indigenous communities to accommodate their aspirations for joint management and employment in conservation and land management.
- The management of State forest for timber production and biodiversity conservation has increased in complexity as a result of the new requirements of the Forest Management Plan 2004-2013.
- Management of fire for biodiversity and protection of public and private assets and the community from fire risks on Departmental land is an increasing focus of the community and the Department. Wildfire risks and costs vary unpredictably from year to year, dependent on seasonal weather conditions.
- The Department has responsibility for the on-ground management of unallocated Crown land and unmanaged reserves outside the metropolitan area and town sites, with increased expectation of improved management of fire, weeds and feral animals by neighbouring landowners and pastoralists.
- Perth Observatory is supporting efforts to have a major scientific investment (\$1 billion) and the world's largest telescope, the Square Kilometre Array, sited in Western Australia.
- The isolated location on the globe of the Perth Observatory results in continued demands for its services and for use of its facilities by international astronomical institutions as well as continued public demand for astronomical education and information services.

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
Decisions taken prior to the State Election				
Ningaloo Marine Park and Muiron Islands Marine Management Area.....	1,050	2,100	2,100	2,100
Rowley Shoals Marine Park	195	146	146	146
Montebello Islands/Barrow Island Marine Parks	573	430	430	430
Decisions taken since the State Election				
Keating Implementation - Timelines and Streamlining of Environmental Approvals.....	420	420	420	420
Indigenous Joint Management.....	1,000	1,000	1,000	1,000
Fire Management	2,750	2,750	2,750	2,750
Cane Toads.....	900	-	-	-

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
SERVICES							
<i>Service 1:</i>							
Nature Conservation	69,021	69,057	74,595	75,969			
<i>Service 2:</i>							
Sustainable Forest Management	34,436	35,180	42,741	36,928			
<i>Service 3:</i>							
Performance of statutory functions by the Conservation Commission of Western Australia	518	794	747	800			
<i>Service 4:</i>							
Parks and Visitor Services	54,716	56,860	58,473	59,704			
<i>Service 5:</i>							
Astronomical Services	1,165	1,315	1,259	1,245			
Total Cost of Services	159,856	163,206	177,815	174,646	181,771	180,680	184,022
<i>Less Income</i>	<i>47,074^(c)</i>	<i>38,749</i>	<i>39,965</i>	<i>39,319</i>	<i>39,186</i>	<i>38,947</i>	<i>38,893</i>
Net Cost of Services	112,782	124,457	137,850	135,327	142,585	141,733	145,129
Adjustments ^(a)	6,124 ^(d)	2,741	2,105	3,235	3,375	3,579	3,525
Appropriation provided to deliver Services.	118,906	127,198	139,955	138,562	145,960	145,312	148,654
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	4,802	11,670	13,660	11,700	22,250	17,001	12,911
TOTAL CONSOLIDATED FUND APPROPRIATIONS	123,708	138,868	153,615	150,262	168,210	162,313	161,565

- (a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (b) Supporting details are disclosed in the Capital Contribution Statement.
- (c) Includes income generated from individual services as well as extraordinary revenue relating to assets not previously recognised.
- (d) Includes adjustments relating to individual services as well as an adjustment to reflect the extraordinary revenue relating to assets not previously recognised.

RESOURCE AGREEMENT

The following outcome, service and financial information is the subject of a Resource Agreement signed by the Minister, the Executive Director 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	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.	Conservation of biodiversity (the variety of life forms: the different plants, animals and microorganisms, the genes they contain, and the ecosystems they form).	1. Nature Conservation 2. Sustainable Forest Management 3. Performance of statutory functions by the Conservation Commission of Western Australia
	Community understanding, enjoyment and appreciation of parks, wildlife and the natural environment and involvement in their management.	4. Parks and Visitor Services 5. Astronomical Services

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Conservation of biodiversity (the variety of life forms: the different plants, animals and microorganisms, the genes they contain, and the ecosystems they form).					
Threatened Species Management ^(b) – Number of flora and fauna that are:					
- threatened.....	538	560	561	573	
- presumed extinct.....	32	33	32	32	
- otherwise specially protected	11	11	11	11	
- priority listed	2,325	2,340	2,350	2,370	
Wildlife Utilisation ^(c) - Proportion of the most recent estimate of kangaroo populations commercially harvested:					
- Red kangaroo.....	12.5%	12.5%	13.3%	15.4%	
- Western Grey kangaroo.....	17.6%	15%	15.8%	10.5%	Increased population estimate due to inclusion of south west populations and natural population fluctuations elsewhere.
Compliance with forest management standards	91%	>95%	95%	>95%	
Outcome: Community understanding, enjoyment and appreciation of parks, wildlife and the natural environment and involvement in their management.					
Average level of visitor satisfaction with their Visitor Services Parks and visit overall.....	83%	85%	85%	85%	
Level of customer satisfaction with the services provided by the Observatory					
- very satisfied or satisfied.....	98%	97%	95%	95%	
- dissatisfied or very dissatisfied	0.6%	1%	0%	0%	

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

(b) A management system is in place to identify, protect and recover threatened species and other flora and fauna in need of conservation. The identification and listing of wildlife taxa in different categories allows their appropriate protection and management.

(c) Wildlife, such as kangaroos and a number of flora species, that are commercially harvested, must be managed to ensure sustainability.

Service 1: Nature Conservation

The development and implementation of programs for flora and fauna conservation, for threatened species and ecological communities and for commercially exploited species according to the principles of ecological sustainability; the acquisition, conservation and protection of representative ecosystems; and encouraging public awareness, understanding and support for nature conservation.

	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	69,021	69,057	74,595	75,969	
Less Income	14,034	10,788	11,068	10,844	
Net Cost of Service	54,987	58,269	63,527	65,125	
Adjustments ^(a)	(331)	397	(601)	234	
Appropriation for delivery of Service	54,656	58,666	62,926	65,359	

(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
Wildlife habitat management - cost per hectare managed	\$2.76	\$2.72	\$2.93	\$2.83	
Full Time Equivalents (FTEs)	587	598	616	645	

Major Achievements For 2004-05

- Continued with preparation of the Biodiversity Conservation Bill. A Discussion Paper on a State Biodiversity Conservation Strategy was released for public comment over the period December 2004 to April 2005. There was a high level of community interest in the discussion paper with a series of briefings conducted through March and April 2005. Preparation of the draft strategy has commenced, taking into account input received on the discussion paper. These initiatives are high priorities for Government and are intended to provide for greater cooperation and continuity in whole-of-community efforts for biodiversity conservation, along with enhanced protection for threatened species and their habitats, and threatened ecological communities.
- Significantly progressed development of a comprehensive, adequate and representative marine conservation reserve system through the expansion of the Ningaloo and Rowley Shoals Marine Parks, creation of the Montebello Islands and Barrow Island Marine Parks, and creation of the Muiron Islands and Barrow Island Marine Management Areas. An indicative management plan for the proposed Dampier Archipelago-Cape Preston marine conservation reserves was also released. Planning is well advanced for marine conservation reserves in the Geographe Bay to Cape Leeuwin area and the Walpole-Nornalup Inlets.
- Continued to make progress in the development of a comprehensive, adequate and representative terrestrial conservation reserve system. This resulted in the creation of 36 new national parks and nature reserves and 10 new conservation parks in the south west through implementation of the 'Protecting Our Old-growth Forests' policy, as well as further purchases of land for conservation reserves in the south west and in pastoral areas.

- Provided for future expansion of the conservation reserve system by reaching agreement with pastoral lessees for a further one million hectares to be progressively transferred to reserves as part of the 2015 pastoral lease expiry and renewal process, with a further 100,000 hectares to be managed for conservation by lessees with assistance from Conservation and Land Management (CALM).
- The successful wildlife recovery program 'Western Shield' was maintained and operational trials of feral cat control programs have continued. Planning commenced for full implementation of wildlife recovery in the arid and semi-arid zones through feral cat control.
- The package of biodiversity conservation incentive programs available to landholders was enhanced with establishment and funding of a new \$1 million 'Biodiversity Adjustment Scheme', a \$1.1 million 'Bushland Benefits' tender-based assistance scheme and the publication of the guidebook 'Biodiversity Incentive Programs in Western Australia'.
- A new 'State Cane Toad Initiative' was developed jointly with the Department of Agriculture and the Agriculture Protection Board and implemented in the east Kimberley, Northern Territory and statewide. Key elements of the program have been focusing on preventing establishment of cane toads in Western Australia through 'hitchhiking' toads and also programs in the Northern Territory to slow the rate of toads advancing towards Western Australia.
- The agricultural zone biodiversity survey publication was launched. It demonstrated the very significant and previously unrecognised biodiversity values of the region, as well as the identification of more than 800 species under threat from increasing salinity. The Pilbara region biodiversity survey continued.

Major Initiatives For 2005-06

- A public comment draft 'Biodiversity Conservation Strategy' and public comment draft 'Biodiversity Conservation Bill' are to be prepared as the major nature conservation output priorities.
- Commence the development of a new Herbarium and related science facilities to help underpin the State's flora conservation programs.
- There will be continued development of the marine conservation reserve system with a focus on finalising reserves for the Dampier Archipelago-Cape Preston, Geographe Bay to Cape Leeuwin and Walpole-Nornalup areas.
- There will be further progress of the 'State Cane Toad Initiative' and an increased focus on controlling pests and weeds on conservation reserves and unallocated Crown land areas, in partnership with other landholders and regional natural resource management groups. Trial operational feral cat control for wildlife recovery in the semi-arid zone will continue.
- Recovery of highly threatened flora and fauna species and threatened ecological communities will continue with plans for establishment of new populations of the Gilbert's Potoroo, Australia's most endangered mammal, among the anticipated highlights.
- A major focus will be completing the process of converting approximately five million hectares of former pastoral lease areas into public conservation reserves to bring the State closer to its targets for a comprehensive, adequate and representative reserve system.

Service 2: Sustainable Forest Management

The sustainable management of State forest and timber reserves while maintaining or enhancing nature conservation, water, recreation, landscape and other values in the long term, and encouraging public awareness, understanding and support for sustainable forest management, services and 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	34,436	35,180	42,741	36,928	The costs for 2004-05 were inflated due to higher fire suppression costs.
Less Income	14,706	12,857	13,276	13,055	
Net Cost of Service	19,730	22,323	29,465	23,873	
Adjustments ^(a)	1,864	527	547	943	
Appropriation for delivery of Service	21,594	22,850	30,012	24,816	

(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 hectare of managing State forest and timber reserves	\$27.50	\$26.90	\$34.44	\$29.75	The costs for 2004-05 were inflated due to higher fire suppression costs.
Full Time Equivalents (FTEs)	303	297	297	307	

Major Achievements For 2004-05

- Continued to implement the 'Forest Management Plan 2004-2013' which incorporated commitments from the Government's 'Protecting Our Old-growth Forests' policy.
- Increased the monitoring of compliance of forest users with management standards in the Forest Management Plan, particularly those relating to soil protection.
- Progressed the development of key subsidiary management guideline documents to the Forest Management Plan and completed other management plan milestones.
- Prepared the indicative timber-harvesting plan for 2005 in association with, and for, the Forest Products Commission and commenced development of a rolling three year timber harvesting plan.
- Completed a review of the first year of implementation of the Forest Management Plan soil management requirements and established and implemented a revised set of requirements.
- Continued the FORESTCHECK program resulting in the establishment of a total of 27 FORESTCHECK biodiversity monitoring grids in the Donnelly, Wellington and Perth Hills Districts. During the three years of FORESTCHECK, information on over 2,000 species of forest plants, animals and fungi has been gathered.
- Refined and finalised the location of fauna habitat zones in forest areas that were subject to disturbance during the year.

Major Initiatives For 2005-06

- Further develop the formal review, monitoring, compliance checking and reporting mechanisms for disturbance activities in State forest and timber reserves.
- Continue to implement the revised requirements for management of soils during timber harvesting operations in native forests.

- Expand the monitoring of *Phytophthora cinnamomi* spread and the effectiveness of disease control measures in the forest.
- Complete key subsidiary management guideline documents required by the Forest Management Plan.
- Fully develop and implement the key performance indicators for monitoring the implementation and carrying out of the Forest Management Plan.
- Prepare the indicative timber harvest plan for 2006 in association with and for the Forest Products Commission.
- Commence development of an Environmental Management System which is to conform to the AS/NZS ISO 140001 standard, to provide a systematic framework, with continuous improvement, for forest management.

Service 3: Performance of Statutory Functions by the Conservation Commission of Western Australia

The undertaking of statutory functions by the Conservation Commission of Western Australia which include: having vested in it the State's national parks, conservation parks, nature reserves, State forest and timber reserves; policy development for the preservation and community enjoyment of the State's natural environment, and promoting the appreciation of flora, fauna and the natural environment; advice to the Minister for the Environment on the development of policies for the conservation and management of biodiversity throughout the State and on the ecologically sustainable management of State forest, timber reserves and forest produce; and audit of the Department of Conservation and Land Management's and the Forest Products Commission's performance against management plans.

	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	518	794	747	800	
Less Income	-	-	-	-	
Net Cost of Service	518	794	747	800	
Adjustments ^(a)	58	-	-	-	
Appropriation for delivery of Service	576	794	747	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.

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
The average cost per management plans/significant policy submitted for the Conservation Commission's consideration....	\$23,545	\$15,568	\$11,672	\$16,000	A larger number of audits associated with the Forest Management Plan were conducted during 2004-05 in order to finalise an appropriate audit process.
Full Time Equivalent (FTEs)	3	5	5	5	

Major Achievements For 2004-05

- Developed a draft comprehensive audit assessment policy for the audit of performance against management plans to help inform ongoing management plan development and policy considerations in accordance with the Conservation Commission's statutory obligations.
- Continued to implement those elements of the 'Forest Management Plan 2004-2013' that are the responsibility of the Commission: including audit of Fauna Habitat Zones and Soil/Water Protection; and old growth reassessment and input to policies - notably soil and water protection during wet weather logging. This required significant effort during the year.
- Continued to provide effective input to the development of management plans for conservation reserves.
- Established a framework to facilitate the effective liaison with the community in the management planning process through members' involvement on management plan advisory committees.
- Initiated major review of the process of developing management plans.

Major Initiatives For 2005-06

- Ongoing input into the Biodiversity Conservation Strategy and Bill and the Government initiative to create a biodiversity commission.
- Undertake audits in accordance with policy.
- Continue to enhance the management plan development process through the review of management plans and generation of new tools and formats for management plan development.
- Continue to implement those elements of the Forest Management Plan that are the responsibility of the Conservation Commission.

Service 4: Parks and Visitor Services

Management of lands and waters; dealing with public involvement, visitation and appreciation of the natural environment on lands and waters managed by the Department, including preparing and implementing management and recreation site development plans; providing, managing and maintaining appropriate access, recreation opportunities and visitor facilities; protecting natural areas, visitors and facilities from wildfire; training Departmental staff and volunteers, working with local tourist bureaux and commercial tour operators; involving Indigenous people in park management and the provision of visitor facilities and services; providing visitor information and designing and initiating educational and interpretive activity programs which enrich visitor experience and help develop greater community awareness and support for parks, natural areas, nature-based tourism and recreation services and 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	54,716	56,860	58,473	59,704	
Less Income	18,082	14,944	15,461	15,258	
Net Cost of Service	36,634	41,916	43,012	44,446	
Adjustments ^(a)	4,313	1,817	2,159	2,058	
Appropriation for delivery of Service	40,947	43,733	45,171	46,504	

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

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 visit	\$5.01	\$5.08	\$5.32	\$5.33	
Ratio of total cost of services to operating revenue	3.03:1	3.80:1	3.78:1	3.91:1	
Full Time Equivalents (FTEs)	391	399	399	405	

Major Achievements For 2004-05

- Continued to involve Aboriginal people in natural resource management, including the development of joint management arrangements and progression of increased employment and training opportunities throughout the conservation estate.
- Further developed a 'World Class Parks System' through the strategic allocation of capital and other funding, ensuring high quality services and facilities that will enhance visitor experiences and appreciation of the Parks system.
- Established 36 new national parks and nature reserves and ten new conservation parks in the south west as part of the implementation of the State Government's 'Protecting Our Old-growth Forests' policy.
- Completed visitor infrastructure and tourist road improvement projects that were commenced in the 2003-04 financial years. Priority was given to completing capital works projects in the proposed new national parks and to the ongoing development of the Munda Biddi Mountain Bike Trail.
- Completed the planning for the Walpole Wilderness Discovery Centre and associated visitor facilities.
- In association with the Park Council, commenced a major review of access and visitor opportunities in Purnululu National Park in keeping with its status as a World Heritage area. Upgraded the airstrip, commenced improvements to internal roads and other park infrastructure and supervised the upgrading of the Purnululu National Park tour operator camps that commenced in 2003-04.
- Completed the development of the new Lesueur National Park tourist loop road and commenced the planning for associated visitor facilities.
- Appointed the design architect, Woodhead International, and commenced work on the final design and construction of the Pinnacles Desert Visitor Centre at Nambung National Park.
- Sought to further expand the Department's 'Community Involvement Program' by increasing the number of volunteers involved in conservation and community service projects that improve visitor experiences and the conservation and protection of natural areas and provided increased training and support for volunteers.
- Pursued targeted public communication and education programs such as the metropolitan based 'Nearer to Nature' program and the state-wide 'EcoEducation' program to bring about better understanding of biodiversity conservation and support for conservation programs.
- Focused on significantly increasing the area of conservation reserves covered by management plans for those parks and reserves as outlined in the current list of management plan priorities and 'road tested' the next generation of outcome-based management plans.
- Commenced the implementation of the new road classification system and road safety audit for Department managed roads in the Warren Region. When completed in 2007-08, this initiative will enable the Department to further improve decision-making on prioritising resources for road maintenance and development.
- Continued to protect existing recreation areas and facilities from wildfire, dieback and other threatening processes.

- Continued to expand and improve the Department's Recreation and Tourism Information System through the use of improved data capture and transfer technology and continued the updating of the Department's recreation assets database.
- Continued consultation on joint management arrangements for the Mitchell River National Park camping area and staff headquarters in consultation with the local Aboriginal community.
- Continued discussions and development of future management arrangements on pastoral excisions and the Coral Coast with the Department for Planning and Infrastructure, Shires and other key stakeholders.
- Completed the redevelopment of visitor access and facilities on the Leschenault Conservation Park.
- Progressed discussions on the joint funding and development of a visitor centre for Stirling Range National Park in consultation with the Gnowangerup Aboriginal Corporation and the Great Southern Development Commission.

Major Initiatives For 2005-06

- Complete the establishment of the conservation reserves resulting from implementation of the State Government's 'Protecting Our Old-growth Forests' policy, including the finalisation of boundaries following community consultation and continue with the planned upgrading of access and visitor services.
- Finalise arrangements for the establishment of Dirk Hartog Island as a national park to be included in the Shark Bay World Heritage Area. Continue discussions with the Shire of Albany and the local community for the creation of a national park at Gull Rock.
- Complete the suite of management plans for terrestrial and marine reserves within the Shark Bay World Heritage Area and finalise the area management plans for existing and new terrestrial and marine reserves such as the Walpole Wilderness Area, Cape Range National Park and Kalbarri National Park. Finalise arrangements for the nomination of Ningaloo/North West Cape as a World Heritage Area.
- Further progress the implementation of the new road classification system and road safety audit with the collection of road and bridge asset data in the Department's Swan, Southwest and South Coast Regions.
- Maintain and/or upgrade vehicle and pedestrian access to key visitor attractions and sites including boat launching and mooring facilities so that they cater for the needs of everyone in the community, including the aged and people with disabilities. Emphasis will be given to ensuring that those sites and facilities that are promoted as being wheelchair accessible incorporate universal access principles and relevant standards.
- Complete visitor infrastructure and tourist road improvement projects that were commenced in the previous financial year. In the south west, priority will be given to finishing all new parks capital works projects that have been commenced in the previous four financial years and to the ongoing planning and development of the Munda Biddi Mountain Bike Trail in the Department's South West and Warren Regions.
- Maintain all facilities in a safe and workable condition. As for previous years, efforts will be directed at ensuring existing recreation and tourism assets are inspected regularly and maintained in good condition. In the case of parks without approved management plans, the focus will be aimed at site works that will provide for the protection of environmental and cultural values and/or visitor safety.
- Continue to ensure the welfare and safety of visitors to the public conservation estate through the ongoing implementation of the Department's Visitor Risk Management system. Particular emphasis will be given to the identification and mitigation of risks associated with adventure activities such as rock fishing, abseiling and rock climbing and free-range mountain bike riding.
- Continue to protect existing recreation areas and facilities from wildfires, dieback and other threatening processes. Identify recreational assets and cultural values most at risk from wildfire and prepare integrated hazard reduction plans.
- In accordance with State Government and Departmental policies and guidelines, seek to generate increased revenue from park entry and camping fees and, where appropriate the sale of merchandise so as to further improve the delivery of visitor facilities and access across the public conservation estate.

- Embrace the wider use of new data collection and handling technologies and approaches to increase our capacity to effectively manage nature based recreation and tourism opportunities and assets. In particular, work will focus on improving web based intranet access to the Recreation and Tourism Information System (RATIS) for all of the Department's regions and districts.
- Continue to establish effective and meaningful liaison with indigenous groups through the development of joint management agreements and the progression of employment and training opportunities for Aboriginal people through the Mentored Aboriginal Training and Employment Scheme program.
- Further expand the Department's highly successful 'Community Involvement' program by increasing the range and scope of opportunities for volunteers to actively assist the Department in projects designed to protect and manage natural and cultural values and enhance visitor experiences. In particular, volunteer initiatives such as the Campground and Homestead Hosts programs will be targeted for further expansion.
- Identify and pursue opportunities to further promote the Department's 'Healthy Parks, Healthy People' program throughout the network of Regional Parks and the greater Perth Metropolitan Region and afford the community with opportunities that will enhance their physical and mental wellbeing while helping to maintain a healthy and well managed network of protected areas.
- Continue to engage key recreational user groups such as four-wheel drivers, horse riders, mountain bikers and other stakeholders in identifying and providing appropriate opportunities for sustainable use of the public conservation estate. Particular emphasis will be directed at developing and facilitating communication with peak user groups across regions and districts.

Service 5: Astronomical Services

Through the Perth Observatory, providing public information and awareness directly beneficial to the Western Australian community, and contributing to scientific research in astronomy by cooperating with national and international institutions in the acquisition, analysis, interpretation and dissemination of information.

	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	1,165	1,315	1,259	1,245	
Less Income	156	160	160	162	
Net Cost of Service	1,009	1,155	1,099	1,083	
Adjustments ^(a)	124	-	-	-	
Appropriation for delivery of Service	1,133	1,155	1,099	1,083	

(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 tour visitor ^(a)	\$41.69	\$19.40	\$32.00	\$32.00	
Cost per enquiry ^(a)	\$14.91	\$35.82	\$22.95	\$22.45	
Cost of research activities per refereed research paper	\$124,011	\$106,000	\$128,000	\$127,000	
Cost of research activities per 1,000 head of Western Australia population	\$188.00	\$210.00	\$209.00	\$208.00	
Full Time Equivalents (FTEs)	11	11	11	11	

(a) The variance in 2004-05 Estimate and 2005-06 Target as compared to 2004-05 Budget is due to improved methods of capturing data resulting in a different distribution of costs between the two indicators.

Major Achievements For 2004-05

- Implemented a high speed Internet link to Perth Observatory.
- Implemented an operational Internet telescope in collaboration with the University of California, Berkley and the Clarion University, Pennsylvania.
- Winner of an Accessible Communities award for the implementation of a viewing facility at the Perth Observatory for people with disabilities.

Major Initiatives For 2005-06

- Utilisation of Perth Observatory and associated Internet telescopes by local and overseas students.
- Implementation of a second operational Internet telescope.
- Support for National Aeronautic and Space Administration (NASA) 'Deep Impact' Comet mission with an observing program at Perth.
- Exploration of opportunities for acquisition of a larger telescope for research and public viewing.

CAPITAL WORKS PROGRAM

The Department of Conservation and Land Management's planned capital works program of \$22.6 million provides funds for tourism roads and park facilities (\$13.2 million), plant and equipment (\$3.6 million), conservation estate land purchase (\$500,000), fire fighting fleet replacement (\$2.1 million) and buildings and other works (\$3.3 million).

The Department in 2005-06 will commence building of a new Herbarium to be located at the current State Operations Headquarters site in Kensington. Total funding of \$16.2 million over three years has been allocated to this project.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Denham Office - new accommodation	950	-	-	950
Park Improvement Program				
Gnangara Park Development	2,292	1,592	500	200
COMPLETED WORKS				
Accommodation Plan - Herbarium	250	250	250	-
Conservation Land Acquisition				
2003-04 Program	557	557	110	-
2004-05 Program	200	200	200	-
D'Entrecasteaux National Park Land Acquisition	1,990	1,990	1,990	-
Emergency Cave Watering Program - Yanchep	1,150	1,150	370	-
Fire Fighting Fleet Replacement				
2004-05 Program	1,789	1,789	1,789	-
Gascoyne - Murchison Strategy				
2001-02 Program	2,111	2,111	1,432	-
2002-03 Program	1,000	1,000	1,000	-
Karri / Tingle Interpretative Centre	1,000	1,000	962	-
Leschenault Peninsula	1,580	1,580	500	-
Park Improvement Program				
2003-04 Program	2,461	2,461	249	-
2004-05 Program	8,150	8,150	8,150	-
Plant and Equipment				
2004-05 Program	3,464	3,464	3,464	-
Protecting Our Old Growth Forests - National Parks Infrastructure	9,596	9,596	2,175	-
Tourism Road Improvement Program				
2004-05 Program	4,000	4,000	4,000	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
NEW WORKS				
Biodiversity Conservation Science Centre and Herbarium - Stage 1	16,200	-	-	1,200
Conservation Land Acquisition				
2005-06 Program	200	-	-	200
Dirk Hartog Island Pastoral Lease Acquisition	300	-	-	300
Fire Fighting Fleet Replacement				
2005-06 Program	2,109	-	-	2,109
Ningaloo Marine Park	1,200	-	-	600
Park Improvement Program				
2005-06 Program	9,000	-	-	9,000
Environmental Education Centre Canning River Regional Park	1,500	-	-	500
Plant and Equipment				
2005-06 Program	3,564	-	-	3,564
Tourism Road Improvement Program				
2005-06 Program	4,000	-	-	4,000
	80,613	40,890	27,141	22,623

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	15,789	24,383	27,141	22,623	30,397	22,615	18,420
	15,789	24,383	27,141	22,623	30,397	22,615	18,420
LESS							
Asset Sales	1,151	503	503	734	721	654	644
Commonwealth Grants	791	-	-	-	-	-	-
Drawdowns from the Holding Account	3,214	4,214	4,214	4,214	2,591	-	-
Internal Funds and Balances	5,831	7,996	8,764	5,975	4,835	4,960	4,865
Capital Contribution	4,802	11,670	13,660	11,700	22,250	17,001	12,911

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	72,290	74,872	78,224	83,171	87,633	91,160	94,256
Superannuation	7,023	5,808	6,491	7,107	7,214	7,252	7,282
Cost of Goods Sold	439	540	540	550	560	560	560
Grants and subsidies ^(c)	534	329	379	335	335	335	250
Services purchased from non-government agencies	-	-	110	288	575	575	575
Consultancies expense	3,013	2,240	2,840	2,850	2,860	2,870	2,880
Supplies and services	48,302	50,887	59,818	48,953	49,016	41,729	39,119
Accommodation	4,177	3,823	3,823	3,936	3,965	3,993	4,023
Capital User Charge	11,276	12,040	12,223	13,403	15,093	16,982	18,494
Depreciation and amortisation	12,107	12,021	12,721	13,171	13,651	14,420	15,789
Doubtful Debts	27	50	50	50	50	50	50
Costs of disposal of non-current assets	668	503	503	734	721	654	644
Other expenses	-	93	93	98	98	100	100
TOTAL COST OF SERVICES	159,856	163,206	177,815	174,646	181,771	180,680	184,022
Income							
User charges and fees	18,627	17,780	17,510	17,520	17,530	17,540	17,550
Grants and subsidies	8,861	8,600	8,600	8,730	8,500	8,500	8,500
Interest revenue	1,361	1,000	1,000	1,000	1,000	1,000	1,000
Proceeds from disposal of non-current assets ..	1,262	503	503	734	721	654	644
Other Revenue	16,963	10,866	12,352	11,335	11,435	11,253	11,199
Total Income	47,074	38,749	39,965	39,319	39,186	38,947	38,893
NET COST OF SERVICES	112,782	124,457	137,850	135,327	142,585	141,733	145,129
INCOME FROM STATE GOVERNMENT							
Service Appropriations	118,906	127,198	139,955	138,562	145,960	145,312	148,654
Resources received free of charge	573	567	567	562	562	560	560
Liabilities assumed by the Treasurer	759	400	400	400	400	400	400
TOTAL INCOME FROM STATE GOVERNMENT	120,238	128,165	140,922	139,524	146,922	146,272	149,614
SURPLUS (DEFICIENCY) FOR THE PERIOD	7,456	3,708	3,072	4,197	4,337	4,539	4,485
Change in Equity arising from transfer of assets/liabilities	1	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	7,457	3,708	3,072	4,197	4,337	4,539	4,485

(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 1,295; 1,328 and 1,373 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	32,217	20,815	24,916	23,252	22,867	22,508	22,149
Restricted cash	2,634	-	-	-	-	-	-
Receivables	8,323	8,105	8,273	8,223	8,173	8,173	8,173
Inventories	2,531	3,079	2,531	2,531	2,531	2,531	2,531
Amounts receivable for services	4,214	4,214	4,214	2,591	-	-	-
Prepayments	738	687	738	738	738	738	738
Total current assets	50,657	36,900	40,672	37,335	34,309	33,950	33,591
NON-CURRENT ASSETS							
Amounts receivable for services	21,807	29,908	30,608	40,782	54,027	68,045	83,473
Land and Buildings	2,223,845	2,035,474	2,226,728	2,226,329	2,226,180	2,240,736	2,238,292
Plant and equipment	16,997	17,977	17,449	18,325	18,788	18,600	18,367
Intangibles	176	131	131	86	41	-	-
Restricted cash	-	-	-	230	460	690	920
Other	63,686	71,613	74,313	83,299	99,755	93,669	99,033
Total non-current assets	2,326,511	2,155,103	2,349,229	2,369,051	2,399,251	2,421,740	2,440,085
TOTAL ASSETS	2,377,168	2,192,003	2,389,901	2,406,386	2,433,560	2,455,690	2,473,676
CURRENT LIABILITIES							
Superannuation	219	232	-	21	41	62	83
Payables	5,808	4,476	5,794	5,794	5,794	5,794	5,794
Provision for employee entitlements	12,797	12,188	12,977	13,157	13,337	13,517	13,697
Accrued Salaries	4,016	-	-	230	460	690	920
Other	1,113	1,022	1,024	1,022	1,020	1,020	1,020
Total current liabilities	23,953	17,918	19,795	20,224	20,652	21,083	21,514
NON-CURRENT LIABILITIES							
Provision for employee entitlements	5,930	5,808	6,089	6,248	6,407	6,566	6,725
Total non-current liabilities	5,930	5,808	6,089	6,248	6,407	6,566	6,725
TOTAL LIABILITIES	29,883	23,726	25,884	26,472	27,059	27,649	28,239
EQUITY							
Contributed Equity	(220,305)	(208,787)	(206,645)	(194,945)	(172,695)	(155,694)	(142,783)
Accumulated surplus/(deficit)	406,947	405,976	410,019	414,216	418,553	423,092	427,577
Reserves	2,160,643	1,971,088	2,160,643	2,160,643	2,160,643	2,160,643	2,160,643
Total equity	2,347,285	2,168,277	2,364,017	2,379,914	2,406,501	2,428,041	2,445,437
TOTAL LIABILITIES AND EQUITY	2,377,168	2,192,003	2,389,901	2,406,386	2,433,560	2,455,690	2,473,676

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	107,059	114,883	126,940	125,097	132,015	130,594	132,526
Capital Contribution.....	4,802	11,670	13,660	11,700	22,250	17,001	12,911
Holding Account Drawdowns	3,214	4,214	4,214	4,214	2,591	-	-
Net cash provided by State government	115,075	130,767	144,814	141,011	156,856	147,595	145,437
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(68,128)	(76,250)	(81,901)	(82,602)	(87,064)	(90,591)	(93,687)
Superannuation	(6,168)	(5,403)	(6,310)	(6,686)	(6,794)	(6,826)	(6,856)
Grants and subsidies	(534)	(329)	(379)	(335)	(335)	(335)	(250)
Consultancies payments.....	(2,944)	(2,164)	(2,764)	(2,774)	(2,784)	(2,794)	(2,804)
Supplies and services	(49,417)	(53,010)	(62,051)	(51,297)	(51,657)	(44,368)	(41,758)
Accommodation.....	(2,144)	(2,158)	(2,158)	(2,266)	(2,295)	(2,323)	(2,353)
Capital User Charge.....	(11,233)	(12,040)	(12,237)	(13,403)	(15,093)	(16,982)	(18,494)
Goods and Services Tax	(6,251)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Other.....	-	(93)	(93)	(98)	(98)	(100)	(100)
Receipts							
User charges and fees.....	18,262	17,400	17,400	17,400	17,400	17,400	17,400
Grants and subsidies	9,190	8,600	8,600	8,730	8,500	8,500	8,500
Interest received	1,361	1,000	1,000	1,000	1,000	1,000	1,000
Goods and Services Tax	6,356	7,000	7,000	7,000	7,000	7,000	7,000
Other receipts	17,019	11,566	12,782	11,775	11,885	11,656	11,612
Net cash from operating activities.....	(94,574)	(112,881)	(128,111)	(120,556)	(127,335)	(125,763)	(127,790)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(16,207)	(24,383)	(27,141)	(22,623)	(30,397)	(22,615)	(18,420)
Proceeds from sale of non-current assets	1,151	503	503	734	721	654	644
Net cash from investing activities.....	(15,056)	(23,880)	(26,638)	(21,889)	(29,676)	(21,961)	(17,776)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	5,445	(5,994)	(9,935)	(1,434)	(155)	(129)	(129)
Cash assets at the beginning of the reporting period	29,406	26,809	34,851	24,916	23,482	23,327	23,198
Cash assets at the end of the reporting period.....	34,851	20,815	24,916	23,482	23,327	23,198	23,069

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
EXPENSES							
Receipts paid into Consolidated Fund	125	135	135	140	145	150	155
TOTAL ADMINISTERED EXPENSES	125	135	135	140	145	150	155
INCOME							
Regulatory Fees and Fines	125	135	135	140	145	150	155
TOTAL ADMINISTERED INCOME ^(b)	125	135	135	140	145	150	155

(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 Income'.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Receipts paid into Consolidated Fund	(125)	(135)	(135)	(140)	(145)	(150)	(155)
TOTAL ADMINISTERED CASH OUTFLOWS	(125)	(135)	(135)	(140)	(145)	(150)	(155)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines	125	135	135	140	145	150	155
TOTAL ADMINISTERED CASH INFLOWS	125	135	135	140	145	150	155
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS	-	-	-	-	-	-	-

(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
Minister for the Environment's Community							
Conservation Grants.....	196	200	200	200	200	200	200
Regional Parks Community Grants	50	50	50	50	50	50	50
Conservation Council - Biodiversity							
Conservation Officer.....	79	79	79	85	85	85	-
Friends of the Bibbulmun Track.....	-	-	50	-	-	-	-
National Trust of Australia	80	-	-	-	-	-	-
Perth Zoo.....	50	-	-	-	-	-	-
Forest Heritage Centre.....	50	-	-	-	-	-	-
Commonwealth Science and Industrial							
Resource Organisation (CSIRO) Australia....	25	-	-	-	-	-	-
Miscellaneous Grants.....	4	-	-	-	-	-	-
TOTAL	534	329	379	335	335	335	250

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
ROYALTIES							
Fauna Royalties.....	124	125	125	125	125	125	125
FINES							
Receipts from regulatory fines	1	10	10	15	20	25	30
TOTAL	125	135	135	140	145	150	155

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
Apiary site rentals	93	93	101	105
Commissions.....	4	5	5	5
Communication site fees.....	129	130	134	130
Forest leases	150	57	105	100
GST input credits	3,276	4,000	4,000	4,000
GST receipts on sales.....	3,080	3,000	3,000	3,000
Proceeds from the disposal of equipment and non-real property.....	708	503	503	734
Proceeds from sale of real property.....	443	-	125	-
Wildlife fees.....	197	200	255	255
TOTAL	8,080	7,988	8,228	8,329

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

BOTANIC GARDENS AND PARKS AUTHORITY

PART 8 - MINISTER FOR THE ENVIRONMENT; SCIENCE

DIVISION 33

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
DELIVERY OF SERVICES							
Item 68 Net amount appropriated to deliver services	10,987	13,203	14,354	12,027	11,520	12,959	13,446
Total appropriations provided to deliver services	10,987	13,203	14,354	12,027	11,520	12,959	13,446
CAPITAL							
Item 148 Capital Contribution	3,550	1,042	1,042	550	1,700	1,714	1,014
GRAND TOTAL	14,537	14,245	15,396	12,577	13,220	14,673	14,460

MISSION

To conserve and enhance Kings Park and Botanic Garden and Bold Park with the community.

SIGNIFICANT ISSUES AND TRENDS

- The bushland in Kings Park and Botanic Garden is reaping the benefits of extensive research and several years of capital works funding with restoration programs well advanced in key areas and weed infestation significantly reduced. A similar program has commenced in Bold Park and will take at least a decade to show the same large scale benefits.
- Bushland conservation in Kings Park and Botanic Garden and in Bold Park attracts a great deal of community interest and remains a primary focus of research and restoration work undertaken by the Authority.
- New and upgraded attractions such as the Stage Two upgrade of Western Power Parkland and the Reabold Hill lookout have significantly enhanced the visitor experience to Kings Park and Botanic Garden and Bold Park. The popularity of Kings Park and Botanic Garden for family and other events is evident by the increased number of bookings for weddings, concerts and other events.
- Discussions continue for the transition of Araluen Botanic Park to become designated land under the *Botanic Gardens and Parks Authority Act 1998*, as recommended by the Machinery of Government Taskforce 2002.
- In January 2005, the Authority commenced operations of 'Aspects of Kings Park', a new retail facility on Fraser Avenue. The shop provides an outstanding visitor experience, showcasing the unique elements of Western Australia's environment through a range of craft, art and publications. The new venture will further the Authority's community service obligations and will generate revenue for ongoing service delivery.

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
SERVICES							
<i>Service 1:</i>							
Customer Service and Cultural Heritage	10,395	7,101	9,448	8,720			
<i>Service 2:</i>							
Conservation and Scientific Research	5,597	5,344	7,127	6,059			
Total Cost of Services	15,992	12,445	16,575	14,779	15,786	17,774	17,382
<i>Less Income</i>	<i>2,672</i>	<i>2,116</i>	<i>3,294</i>	<i>3,034</i>	<i>3,280</i>	<i>3,585</i>	<i>2,835</i>
Net Cost of Services	13,320	10,329	13,281	11,745	12,506	14,189	14,547
Adjustments ^(a)	(2,333)	2,874	1,073	282	(986)	(1,230)	(1,101)
Appropriation provided to deliver Services.	10,987	13,203	14,354	12,027	11,520	12,959	13,446
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	3,550	1,042	1,042	550	1,700	1,714	1,014
TOTAL CONSOLIDATED FUND APPROPRIATIONS	14,537	14,245	15,396	12,577	13,220	14,673	14,460

(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, the Chairperson of the Board 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.	Awareness and appreciation of recreation and tourist resources, and cultural heritage for visitor's enjoyment.	1. Customer Service and Cultural Heritage
	Conservation and enhancement of Western Australian bushland and other flora.	2. Conservation and Scientific Research

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Awareness and appreciation of recreation and tourist resources, and cultural heritage for visitor's enjoyment.					
The extent to which recreational and tourist resources have been conserved, enhanced, and promoted and the effect of these activities on the level of visitor enjoyment as measured by visitor surveys	Met or exceeded expectations 90%	Met or exceeded expectations 90%	Met or exceeded expectations 90%	Met or exceeded expectations 90%	
Outcome: Conservation and enhancement of Western Australian bushland and other flora.					
The effectiveness of bushland and species conservation and botanic research is assessed through the success of maintaining ecological sustainability in environments that maximise the conservation and restoration of indigenous plants and ecological processes					
The number of accessions lost in the living plant collections.	2%	2%	2%	2%	
The presence of 15 nominated perennially evident native plant species, which are the most vulnerable taxa within each of Kings Park and Bold Park bushland.....	100%	100%	100%	100%	

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

Service 1: Customer Service and Cultural Heritage

Enhancing and promoting recreational and tourist resources and facilities by maintaining Kings Park and Botanic Garden; enhancing and promoting awareness and understanding of Kings Park, Bold Park and the State's Botanic Garden through customer awareness and education forums; and conserving, promoting and developing cultural heritage including indigenous, colonial and contemporary heritage by staging events and displays on the Authority's designated land.

	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	10,395	7,101	9,448	8,720	
Less Income	1,924	1,652	2,570	2,366	
Net Cost of Service	8,471	5,449	6,878	6,354	
Adjustments ^(a)	(1,315)	2,244	1,447	166	
Appropriation for delivery of Service	7,156	7,693	8,325	6,520	

(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 park area available to visitors.....	95%	95%	95%	95%	
Annual engineering inspections of significant cultural heritage assets, as per Conservation Plan, completed within timeframe	100%	100%	100%	100%	
Cultural events held	244	230	291	240	Greater number of Cultural Events than anticipated.
Attendances at customer awareness and education forums.....	291,225	330,000	330,000	330,000	
Response times for public information requests.....	Four days	Four days	Four days	Four days	
Response times for emergencies.....	Five minutes	Five minutes	Five minutes	Five minutes	
Heritage assets preserved.....	12	12	12	12	
Level of visitor satisfaction with facilities and park services.....	95%	95%	95%	95%	
Visitors expressing awareness of Kings Park, Bold Park and the State Botanic Garden	80%	80%	80%	80%	
Level of visitor satisfaction with cultural events held.....	90%	90%	90%	90%	
Level of visitor satisfaction with condition of heritage assets	85%	85%	85%	85%	
Full Time Equivalents (FTEs)	69	71	71	71	

Major Achievements For 2004-05

- The construction phase of the Reabold Hill Enhancement project in Bold Park was completed in 2005 to provide for improved public safety and amenity. Works included a new entry statement and two-way access road to the carpark, separate pedestrian and cycle paths to improve visitor safety and a new raised boardwalk to the summit, providing access for all through restored bushland to a new lookout. Reabold Hill summit is the highest natural point on the Swan Coastal Plain in the metropolitan area and offers spectacular coastal and city views and a unique bushland experience. The total project cost was \$2 million with \$600,000 allocated to ongoing bushland restoration.
- A review of the inaugural 'Bold Park Environmental Management Plan 2000-2005' was commenced in consultation with stakeholders and the community.
- Aspects of Kings Park was constructed at a cost of \$1.1 million and opened in February 2005, providing a new retail experience for park visitors. This will improve the educational services to visitors in relation to biodiversity conservation, and revenue generated will support the Authority's commitment to conservation of Western Australia's unique environment.
- Mt Eliza Escarpment infrastructure upgrade to Law Walk was completed in 2004 incorporating over two kilometres of sealed pathway and associated drainage, safety fencing and water services for fire management. A quantitative risk assessment in relation to the slope stability was also completed for the escarpment and works to reduce public risk from rockfall commenced in late 2004.
- Stage Two of the upgrade to the Western Power Parkland (incorporating the Arthur Fairall playground and Café Zamia) was completed in 2004. Western Power contributed \$350,000 to improve playground equipment, install a boardwalk to the island and new barbecue facilities.
- Stage One of the deep sewerage program in Kings Park and Botanic Garden was completed, connecting the depot, the Plant Conservation Centre and the Main Lodge.
- Implementation of the 'Kings Park and Botanic Garden Management Plan 2004-2009' commenced on 1 July 2004.

Major Initiatives For 2005-06

- Lotterywest and the Friends of Kings Park will fund a \$1.2 million upgrade of the Lotterywest Family Area at Hale Oval. Construction will commence in July 2005 and be completed by February 2006. This project will provide new toilets, play equipment and revised pathway systems to provide a safe play and learning environment for young and very young children.
- Implementation of Stage Two and Three of the deep sewerage infill program in Kings Park and Botanic Garden will occur in 2005-06. The scope includes connection of Western Power Parkland, Saw Avenue Picnic Area and the Western Australian Botanic Garden, with works due for completion by the middle of 2006. The deep sewerage connection will reduce the environmental risks associated with the current septic system, provide environmental benefits by having a more sustainable waste management system and also reduce operating costs. The total project cost is \$2.5 million with \$1.25 million allocated in 2005-06.
- The Mt Eliza Escarpment Stage Two Risk Management project will deliver significant improvements in the area of public safety along the base of the escarpment. An extended rock catch fence along sections of Mounts Bay Road will provide commuters with improved protection from potential rockfalls and landslips, and revised pathways will improve pedestrian safety in the area. Mt Eliza Escarpment restoration work will continue with the removal of weeds and replanting of local species, which contributes to the stability of the slope and enhances biodiversity conservation.
- The draft 'Bold Park Management Plan 2005-2010' will be released for public comment in July 2005 and finalised by the end of the year. Implementation of the plan will commence early in 2006.
- Ecological restoration and weed control activities based on scientific research outcomes will continue in Bold Park and Kings Park bushland to enhance biodiversity conservation on the designated lands.

Service 2: Conservation and Scientific Research

Demonstrating leadership in urban bushland management, especially for Perth and regional communities, horticultural services including new plants developed for the nursery trade, and undertaking and promoting leading edge science and interpretation pertinent to integrated conservation of flora for present and future generations.

	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	5,597	5,344	7,127	6,059	
Less Income	748	464	724	668	
Net Cost of Service	4,849	4,880	6,403	5,391	
Adjustments ^(a)	(1,018)	630	(374)	116	
Appropriation for delivery of Service	3,831	5,510	6,029	5,507	

(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
Number of representative native plant taxa in Kings Park bushland.....	319	294	319	319	
Number of representative native plant taxa in Bold Park bushland.....	298	298	330	330	
Hectares of declared land managed (Kings Park and Botanic Garden).....	404	404	404	404	
Hectares of declared land managed (Bold Park).....	437	437	437	437	
Full Time Equivalents (FTEs)	43	45	45	45	

Major Achievements For 2004-05

- The Western Australian Ecology Centre at Bold Park was completed and opened in August 2004 at a cost of \$1.8 million. The centre provides staff accommodation and depot facilities, as well as a community education and meeting venue to promote and enhance biodiversity conservation.
- An intensive research program using the principle of 'adaptive management', whereby research outcomes dovetail with operations, has been successfully concluded for Bold Park under the '2000-2005 Environmental Management Plan'. The research program has resulted in a number of key initiatives in urban bushland management including improvement in survival of planted stock and breakthroughs in seed dormancy release resulting in an increase in the biodiversity values in the restoration program.

Major Initiatives For 2005-06

- Completion of the Plant Conservation Centre in July 2005 will provide new research opportunities for the world recognised science programs undertaken by the Botanic Gardens and Parks Authority. The new Centre offers increased laboratory areas and a teaching laboratory for senior graduate programs that will enable science graduates to experience and utilise leading edge science technologies.
- The Authority has been awarded a three year research grant by Shark Bay Resources to investigate restoration of native plant communities adjacent to the World Heritage Area at Shark Bay. This study represents the first full scale scientific program within this arid zone environment to understand the key ecological principles underpinning ecological restoration of the native biodiversity. The program is expected to have important and far-reaching benefits for restoration and management of the terrestrial biome within the World Heritage Area when the study concludes in 2008.
- Two grants totalling \$1.1 million have been awarded to the Authority to undertake nationally recognised research in two areas:
 - Understanding the Genetic Diversity of Banksia Species in Western Australia; and
 - Mode of Action and Application of the Discovery of the Chemical in Smoke to Restoration and Management of Biodiversity.

The awarding of these nationally competitive Australian Research Council grants represents a major achievement for public sector science and recognises and acknowledges the leading edge science that is being undertaken in Western Australia. Both programs will have significant and long term benefits in improving our knowledge and science-based management of the biodiversity of Western Australia.

CAPITAL WORKS PROGRAM

The Authority's planned capital works expenditure for 2005-06 totals \$3.1 million.

Major projects include:

- ongoing bushland restoration for Bold Park and Kings Park and Botanic Garden; and
- the \$2.5 million Deep Sewerage Program has been expedited to enable its completion by 2007. Stage One is complete and the pumping station has been commissioned.

The minor capital works program enables capital items and equipment to be upgraded to assist the Authority to meet safety and risk management requirements. Public facilities such as toilets and cycle paths have received upgrades and monitoring devices have been installed on essential services such as the irrigation system to monitor and control water use.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Bold Park				
Bushland Management	5,908	4,008	1,533	1,000
Reabold Hill Precinct	2,000	1,729	417	271
IT Strategic Review - Security Implementation	485	418	165	67
Kings Park and Botanic Garden				
Bushland Management	1,288	1,232	164	14
Deep Sewerage Program	2,500	550	550	1,250
Minor Works	2,000	500	500	500
COMPLETED WORKS				
Kings Park and Botanic Garden				
Fraser Avenue Retail Outlet	1,037	1,037	300	-
Mount Eliza Scarp	5,168	5,168	500	-
Plant Conservation Centre	2,952	2,952	1,763	-
Statutory Management Plan	118	118	19	-
Kings Park and Botanic Garden Minor Works - 2003-04 Program				
	318	318	111	-
Mount Eliza Public Safety Stage 2	1,300	1,300	1,276	-
	25,074	19,330	7,298	3,102

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	11,153	3,825	7,298	3,102	2,664	2,714	2,114
	11,153	3,825	7,298	3,102	2,664	2,714	2,114
LESS							
Drawdowns from the Holding Account	-	-	-	42	964	-	-
Funding Included in Service Appropriations ^(a)	2,670	3,436	3,436	689	-	1,000	1,100
Internal Funds and Balances	4,933	(653)	2,820	1,821	-	-	-
Capital Contribution	3,550	1,042	1,042	550	1,700	1,714	1,014

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	5,536	3,862	4,149	4,315	4,422	4,504	4,725
Superannuation	573	474	423	418	423	434	436
Cost of Goods Sold	-	-	400	550	620	880	880
Grants and subsidies ^(c)	176	-	-	-	-	-	-
Consultancies expense	11	-	-	-	-	-	-
Supplies and services	4,633	3,028	4,616	2,999	3,872	5,023	5,017
Accommodation	244	619	619	521	721	771	781
Capital User Charge	2,983	3,105	3,105	3,085	3,105	3,115	2,995
Depreciation and amortisation	1,112	793	1,888	1,898	1,718	1,981	2,080
State Taxes	5	3	3	3	3	3	3
Other expenses	719	561	1,372	990	902	1,063	465
TOTAL COST OF SERVICES	15,992	12,445	16,575	14,779	15,786	17,774	17,382
Income							
User charges and fees	721	45	818	1,047	1,277	1,647	877
Regulatory Fees and Fines	38	36	36	37	37	37	37
Grants and subsidies	465	550	637	455	455	400	410
Interest revenue	296	180	180	20	20	20	20
Rent	324	1,006	1,006	1,038	1,048	1,058	1,068
Donations	61	20	80	20	25	25	25
Proceeds from disposal of non-current assets ..	-	20	20	20	20	20	20
Other Revenue	767	259	517	397	398	378	378
Total Income	2,672	2,116	3,294	3,034	3,280	3,585	2,835
NET COST OF SERVICES	13,320	10,329	13,281	11,745	12,506	14,189	14,547
INCOME FROM STATE GOVERNMENT							
Service Appropriations	10,987	13,203	14,354	12,027	11,520	12,959	13,446
Resources received free of charge	24	11	11	11	11	11	11
TOTAL INCOME FROM STATE GOVERNMENT	11,011	13,214	14,365	12,038	11,531	12,970	13,457
SURPLUS (DEFICIENCY) FOR THE PERIOD	(2,309)	2,885	1,084	293	(975)	(1,219)	(1,090)
Extraordinary items ^(c)	(8,771)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(11,080)	2,885	1,084	293	(975)	(1,219)	(1,090)

(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 112, 116 and 116 respectively.

(c) The Extraordinary Item reflects an adjustment to effect a change to the accounting treatment of capital appropriations, which have been designated as contributions by owners and are credited straight to equity in the Balance Sheet.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	3,348	2,558	1,988	1,718	1,703	2,020	1,480
Restricted cash	503	433	533	533	533	533	533
Receivables	376	486	605	834	834	834	832
Inventories.....	-	-	300	300	300	300	300
Interest receivable	20	-	7	7	7	7	7
Amounts receivable for services.....	-	42	42	964	-	-	-
Prepayments.....	6	19	19	19	19	19	19
Total current assets	4,253	3,538	3,494	4,375	3,396	3,713	3,171
NON-CURRENT ASSETS							
Amounts receivable for services.....	1,099	1,850	2,945	3,879	5,597	7,578	9,658
Land and Buildings.....	21,364	25,022	23,753	23,473	23,523	23,243	22,930
Plant and equipment.....	3,543	1,915	6,183	4,986	6,166	4,795	2,619
Intangibles.....	-	-	35	35	35	35	35
Other.....	11,114	10,611	7,521	8,270	7,068	6,958	7,829
Total non-current assets.....	37,120	39,398	40,437	40,643	42,389	42,609	43,071
TOTAL ASSETS.....	41,373	42,936	43,931	45,018	45,785	46,322	46,242
CURRENT LIABILITIES							
Superannuation	313	320	313	313	313	313	313
Payables	624	155	926	913	944	974	972
Provision for employee entitlements	792	760	802	812	822	832	832
Accrued Salaries	172	-	34	45	56	68	68
Other.....	1,249	588	1,495	1,741	1,741	1,741	1,741
Total current liabilities.....	3,150	1,823	3,570	3,824	3,876	3,928	3,926
NON-CURRENT LIABILITIES							
Superannuation	1,096	1,085	1,096	1,096	1,096	1,096	1,094
Provision for employee entitlements	507	374	497	487	477	467	467
Total non-current liabilities	1,603	1,459	1,593	1,583	1,573	1,563	1,561
TOTAL LIABILITIES.....	4,753	3,282	5,163	5,407	5,449	5,491	5,487
EQUITY							
Contributed Equity.....	15,362	8,742	16,404	16,954	18,654	20,368	21,382
Accumulated surplus/(deficit)	4,974	15,133	6,058	6,351	5,376	4,157	3,067
Reserves	16,284	15,779	16,306	16,306	16,306	16,306	16,306
Total equity.....	36,620	39,654	38,768	39,611	40,336	40,831	40,755
TOTAL LIABILITIES AND EQUITY.....	41,373	42,936	43,931	45,018	45,785	46,322	46,242

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	10,855	12,410	12,466	10,129	9,802	10,978	11,003
Capital Contribution.....	3,550	1,042	1,042	550	1,700	1,714	1,014
Holding Account Drawdowns	-	-	-	42	964	-	-
Net cash provided by State government	14,405	13,452	13,508	10,721	12,466	12,692	12,017
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(5,290)	(4,000)	(4,332)	(4,295)	(4,396)	(4,476)	(4,551)
Superannuation	(581)	(474)	(423)	(438)	(449)	(462)	(466)
Grants and subsidies	(176)	-	-	-	-	-	-
Supplies and services	(3,757)	(2,972)	(4,045)	(2,927)	(4,565)	(5,716)	(5,017)
Accommodation.....	(546)	(619)	(619)	(521)	(721)	(771)	(781)
Capital User Charge.....	(2,983)	(3,105)	(3,105)	(3,085)	(3,105)	(3,115)	(2,995)
State Taxes	(5)	(5)	(5)	(5)	(5)	(5)	(3)
Goods and Services Tax	(1,171)	(505)	(505)	(505)	(505)	(505)	(505)
Other.....	(409)	(376)	(1,587)	(1,375)	(794)	(1,215)	(1,356)
Receipts							
User charges and fees.....	91	45	390	1,047	1,297	1,647	1,647
Regulatory fees and fines.....	41	36	36	37	37	37	37
Grants and subsidies	453	550	637	455	455	400	410
Interest received.....	289	180	180	20	20	20	20
Rent receipts.....	324	1,006	1,006	1,038	1,048	1,058	1,068
Donations receipts.....	58	20	80	20	20	20	25
Goods and Services Tax	1,096	505	505	505	505	505	505
Other receipts	1,320	50	308	188	423	403	400
Net cash from operating activities.....	(11,246)	(9,664)	(11,479)	(9,841)	(10,735)	(12,175)	(11,562)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(6,828)	(4,646)	(3,379)	(1,170)	(1,766)	(220)	(1,014)
Proceeds from sale of non-current assets	-	20	20	20	20	20	20
Net cash from investing activities.....	(6,828)	(4,626)	(3,359)	(1,150)	(1,746)	(200)	(994)
NET INCREASE/(DECREASE) IN CASH HELD	(3,669)	(838)	(1,330)	(270)	(15)	317	(539)
Cash assets at the beginning of the reporting period	7,520	3,829	3,851	2,521	2,251	2,236	2,553
Cash assets at the end of the reporting period.....	3,851	2,991	2,521	2,251	2,236	2,553	2,014

(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.

ENVIRONMENT

PART 8 - MINISTER FOR THE ENVIRONMENT; SCIENCE

DIVISION 34

APPROPRIATION AND FORWARD ESTIMATES

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate \$'000	2006-07 Forward Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 69 Net amount appropriated to deliver services	12,433	13,842	19,637	19,559	14,854	15,089	15,043
Item 70 Services provided to Environmental Protection Authority	9,348	8,685	10,080	9,163	9,163	9,163	9,163
Total appropriations provided to deliver services	21,781	22,527	29,717	28,722	24,017	24,252	24,206
CAPITAL							
Item 149 Capital Contribution	497	-	-	358	700	200	150
GRAND TOTAL	22,278	22,527	29,717	29,080	24,717	24,452	24,356

(a) Adjusted for comparability to reflect the transfer of Office of Water Policy.

MISSION

To lead the protection and enhancement of the State's environment, working in partnership with the community.

SIGNIFICANT ISSUES AND TRENDS

Licensing and Regulation

- The management of industry licensing has become increasingly more complex and in recognising this, new resources will be applied to the management of licensed premises to strengthen audit and inspection activities. There continues to be increased community demand for involvement in industry licensing to ensure industry performance is in keeping with community expectations. The department will complete the review of all licences to improve enforceability and place greater focus on emissions control.

Legislation

- The new *Contaminated Sites Act 2003* awaits proclamation, after the Contaminated Sites Amendment Bill 2005 has been passed by State Parliament. Once proclaimed, the Act together with the associated Contaminated Site Auditor Accreditation Scheme and the establishment of a public database will provide the State with the capacity to more effectively manage contaminated sites.

Environmental Policy

- The implementation of the Perth Air Quality Management Plan initiatives together with continued community reporting and education programs, will play a key role in the management of air quality. Air Toxics Studies have commenced and involves analysis of air chemistry at Kwinana, the Perth CBD, Duncraig and regional centres, including Port Hedland and Collie.
- Implement the Strategic Direction for Waste Management in Western Australia to prevent waste generation, recover resources from waste and safely manage residual waste in the environment. Develop strategies to manage difficult wastes including used tyres.

- State Environment Policies provide a high order policy framework while Environmental Protection Policies will be retained for regulatory measures.
- State of the Environment Reporting as a plan for action influencing policy and resource allocation to programmes.

Environmental Impact Assessment

- The resources boom is putting pressure on environmental approvals processes as the State experiences ongoing demand for resource development and expansion.
- Implementation of the reform recommendations from the Keating Review of governmental approval processes for enhanced timelines.
- Planned for completion is the environmental impact assessment on major resource projects, such as the assessment of the Gorgon gas project and the assessment of the South West Yarragadee Water Source Development project.

Waste Management

- Community demand for a reduction in the reliance on landfill through waste avoidance and recycling and better management of hazardous wastes are priorities for waste management.
- Continue to support the community consultation process for the establishment of a precinct for the treatment of hazardous wastes. Review and improve procedures for issuing licences and works approvals. Develop comprehensive quality assurance and audit protocols. Complete a review of all high and medium-high priority licences to improve enforceability placing greater emphasis on emissions control. Complete the State-wide roll out of the Controlled Waste Regulations with increased focus on audit and enforcement in regional areas.

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
Decisions taken prior to State Election				
Native vegetation clearing controls	500	-	-	-
Biodiversity Country Bush Forever program	500	500	500	-
Keating Review Implementation	1,150	1,150	1,150	1,150
Decisions taken since State Election				
Strategic Air Quality Management for regions	1,317	1,317	1,267	1,267

SERVICE AND APPROPRIATION SUMMARY

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate	2006-07 Forward Estimate	2007-08 Forward Estimate	2008-09 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SERVICES							
<i>Service 1:</i>							
Air quality management plans and air quality monitoring	3,392	3,812	5,010	6,780			
<i>Service 2:</i>							
Regulation of discharges to the environment ...	9,030	9,119	13,688	12,177			
<i>Service 3:</i>							
Regulation of contaminated sites	5,266	6,159	7,615	10,432			
<i>Service 4:</i>							
Administration of the Waste Management Recycling Fund	1,644	999	1,679	1,370			
<i>Service 5:</i>							
Policies and strategies to reduce and recycle waste	7,405	5,310	9,131	9,259			
<i>Service 6:</i>							
Environmental impact assessments of development proposals and planning schemes	4,460	4,951	6,055	5,698			
<i>Service 7:</i>							
Environmental policies and reports on the state of the environment	6,058	5,064	8,047	7,643			
Total Cost of Services	37,255	35,414	51,225	53,359	42,286	42,964	43,159
<i>Less Income</i>	<i>13,576</i>	<i>12,691</i>	<i>16,501</i>	<i>17,449</i>	<i>16,754</i>	<i>17,199</i>	<i>17,635</i>
Net Cost of Services	23,679	22,723	34,724	35,910	25,532	25,765	25,524
Adjustments ^(b)	(1,898)	(196)	(5,007)	(7,188)	(1,515)	(1,513)	(1,318)
Appropriation provided to deliver Services.	21,781	22,527	29,717	28,722	24,017	24,252	24,206
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	497	-	-	358	700	200	150
TOTAL CONSOLIDATED FUND APPROPRIATIONS	22,278	22,527	29,717	29,080	24,717	24,452	24,356

(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 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 ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Emissions and discharges meet approved environmental criteria.	1. Air quality management plans and air quality monitoring 2. Regulation of discharges to the environment 3. Regulation of contaminated sites
	Waste management practices meet approved performance targets.	4. Administration of the Waste Management Recycling Fund 5. Policies and strategies to reduce and recycle waste
	Environmental policy and environmental impact assessment that protects, conserves and enhances the environment in accordance with accepted long term plans.	6. Environmental impact assessments of development proposals and planning schemes 7. Environmental policies and reports on the state of the environment

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Emissions and discharges meet approved environmental criteria.					
Number of air Diesel National Environmental Protection Measure exceedances	5	10	5	10	
Number of exceedances of approved environmental criteria by regulated activities ..	n/a	n/a	n/a	0	
Outcome: Waste management practices meet approved performance targets					
% of waste in the metropolitan area diverted from landfill and recycled.....	21%	21.5%	21.5%	25%	2005-06 figure based on collections for first half of 2004-05 collections, where a higher percentage of waste was diverted from landfill.
Outcome: Environmental policy and environmental impact assessment that protects, conserves and enhances the environment in accordance with accepted long term plans.					
Number of approved projects with impacts significantly exceeding those assessed	2	0	1	0	

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

Service 1: Air Quality Management Plans and Air Quality Monitoring

Monitor ambient air quality and develop air quality management plans for priority air sheds (the air canopy surrounding the population centres, industrial and other facilities, within which the impacts of air pollutants need to be considered from health and environmental viewpoints).

	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	3,392	3,812	5,010	6,780	Additional funds received in 2005-06 for the Strategic Air Quality Management for the regions initiative.
Less Income	260	679	1,515	1,642	
Net Cost of Service	3,132	3,133	3,495	5,138	
Adjustments ^(a)	(201)	(21)	(239)	(814)	
Appropriation for delivery of Service	2,931	3,112	3,256	4,324	

(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 air monitoring station	\$282,637	\$317,671	\$417,486	\$451,981	
Full Time Equivalents (FTEs)	28	36	38	41	

Major Achievements For 2004-05

- Pilbara Air Quality Study completed for the major coastal centres.
- Perth Air Toxics Study commenced to investigate air chemistry at Kwinana, Perth CBD and Duncraig.
- Three technical investigations finalised into air quality issues associated with the Alcoa industrial facility at Wagerup.

Major Initiatives For 2005-06

- Implement the Perth Air Quality Management Plan with major initiatives aimed at reducing vehicle emissions and haze from domestic wood heaters.
- Implement the Diesel National Environmental Protection Measure (NEPM) including emissions testing of the public bus fleet, selected light and heavy diesel trucks, and a technical training/education program.
- Develop air quality management plans for the key regional centres of Port Hedland and the Collie basin to provide a strategic context for addressing air quality issues.
- Undertake targeted monitoring at selected regional and industrial locations including Wagerup and within metropolitan Perth.
- Implement the Air Toxic Program in Perth and regional centres, including Port Hedland and Collie.

Service 2: Regulation of Discharges to the Environment

Regulate emissions and discharges to the environment, transport of hazardous wastes, and clearing of native vegetation.

	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	9,030	9,119	13,688	12,177	Reduction in 2005-06 mainly due to one-off funding in 2004-05 for Brookdale decommissioning and Native Vegetation clearing.
Less Income	6,734	5,467	6,542	7,280	
Net Cost of Service	2,296	3,652	7,146	4,897	
Adjustments ^(a)	(484)	(59)	(1,307)	(490)	
Appropriation for delivery of Service	1,812	3,593	5,839	4,407	

(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 industry licence.....	\$9,801	\$10,217	\$15,072	\$13,441	State-wide implementation of the controlled waste permitting system will increase the number of permits issued.
Average cost per controlled waste permit	\$63	\$19	\$28	\$21	
Full Time Equivalents (FTEs)	110	100	107	107	

Major Achievements For 2004-05

- The review of all licences to improve enforceability, placing greater focus on emissions control has commenced.
- Risk framework has been established to manage licence reviews.
- Consultation committees have been established for key industries to facilitate community involvement in industry licensing to ensure industry performance matches community expectations.
- Part V licensing has been delegated to regional offices and Quality Assurance control and auditing processes are being developed.
- Drafting instructions for the Noise Regulations have been completed.
- Controlled Waste Regulations State-wide implementation is well advanced and is expected to be completed in 2005-06.
- The Controlled Waste Tracking System has been developed and is now the central management system for regulating the transport of these wastes.
- Commenced implementation of the Environmental Protection (Clearing of Native Vegetation) Regulations 20.

Major Initiatives For 2005-06

- Gazette amendments to the Environmental Protection Regulations 1987.
- Review and improve procedures for issuing licences and works approvals.
- Develop comprehensive quality assurance and audit protocols.
- Complete a review of all high and medium-high priority licences to improve enforceability placing greater emphasis on emissions control.
- Complete the State-wide implementation of the Controlled Waste Regulations with increased focus on audit and enforcement in regional areas.
- Complete review of Native Vegetation Clearing Regulations and delegation of certain powers to Department of Industry and Resources for mining and petroleum activities.
- The department will be participating in implementing the Keating Review recommendations, a cross-government initiative to implementing improvements to the Projects Approvals System processes, particularly in achieving agreed timelines and outcomes relating to Part V of the *Environmental Protection Act 1986*.

Service 3: Regulation of Contaminated Sites

Regulate the investigation, classification and management of contaminated sites.

	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	5,266	6,159	7,615	10,432	Variation mainly due to deferral of contaminated sites projects, including the remediation of the Bellevue Waste Control site.
Less Income	-	696	263	320	
Net Cost of Service	5,266	5,463	7,352	10,112	
Adjustments ^(a)	(454)	(14)	(1,117)	(886)	
Appropriation for delivery of Service	4,812	5,449	6,235	9,226	

(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 contaminated site assessment..	\$2,949	\$3,449	\$3,231	\$3,895	Proclamation of the <i>Contaminated Sites Act 2003</i> in 2005-06 will result in an increase in site assessments. All reported figures except '2004-05 Budget' now include acid sulfate soil site assessments. With the proclamation of the <i>Contaminated Sites Act 2003</i> , monies are expected to be disbursed to State Agencies from the Contaminated Sites Management Fund in 2005-06 for the investigation and remediation of State and orphan sites.
Average cost of remediating state sites	\$1,263,834	\$1,478,206	\$1,827,677	\$500,764	
Full Time Equivalents (FTEs)	20	21	26	26	

Major Achievements For 2004-05

- The Contaminated Sites Amendment Bill 2005 introduced to the State Parliament, to make small but important changes to the *Contaminated Sites Act 2003*, and the draft Contaminated Sites Regulations released for public comment.

Major Initiatives For 2005-06

- Proclaim and implement the *Contaminated Sites Act 2003*, including establishment of a public database.

Service 4: Administration of the Waste Management Recycling Fund

Administer the Waste Management and Recycling Fund (WMRF) on behalf of the Waste Management Board, to promote the diversion of waste from landfills.

	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	1,644	999	1,679	1,370	
Less Income	-	155	208	254	
Net Cost of Service	1,644	844	1,471	1,116	
Adjustments ^(a)	(16)	(11)	(129)	(55)	
Appropriation for delivery of Service	1,628	833	1,342	1,061	

(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 administering Waste Management Recycling Fund as % of total fund	18.2%	15.8%	15.5%	12.9%	
Full Time Equivalents (FTEs)	14	16	20	20	

Major Achievements For 2004-05

- Launched the Strategic Waste Initiatives Scheme and Community Grants Scheme to provide support for significant waste reduction across the community.

Major Initiatives For 2005-06

- Review the strategic allocation of funds to improve the way waste is managed and initiate change in attitude to waste management.

Service 5: Policies and Strategies to Reduce and Recycle Waste

Develop and implement policies and strategies that promote waste avoidance and minimisation in industry, government 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	7,405	5,310	9,131	9,259	Variation between 2004-05 Budget and Estimated Actual is mainly due to funding for Brookdale decommissioning.
Less Income	6,142	4,444	5,442	5,017	
Net Cost of Service	1,263	866	3,689	4,242	
Adjustments ^(a)	(14)	(11)	(725)	(3,701)	
Appropriation for delivery of Service	1,249	855	2,964	541	

(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 Waste Management Recycling Fund allocated to projects that achieve scheduled milestones	81.8%	84.2%	84.5%	87.1%	
Full Time Equivalents (FTEs)	15	16	19	19	

Major Achievements For 2004-05

- Commenced the Household Chemical Waste project, supporting the program operated by Local Government.
- Continued to coordinate the whole of government Hazardous Waste Precinct project including identifying precinct site options.
- Actively participated in the major review of the National Packaging Covenant.

Major Initiatives For 2005-06

- Implement the Strategic Direction for Waste Management in Western Australia to prevent waste generation, recover resources from waste and safely manage residual waste in the environment.
- Develop strategies to manage difficult wastes including used tyres.
- Continue to support the community consultation process for the establishment of a precinct for the treatment of hazardous waste.

Service 6: Environmental Impact Assessments of Development Proposals and Planning Schemes

Manage the environmental impact assessment process for the Environmental Protection Authority to enable sound environmental advice on development proposals and planning schemes/amendments to be provided to the Government, developers and the public and to ensure the environment is protected for 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	4,460	4,951	6,055	5,698	Variation between 2004-05 Budget and Estimated Actual is mainly due to additional funding for Keating Review implementation and carryovers.
Less Income	93	551	815	957	
Net Cost of Service	4,367	4,400	5,240	4,741	
Adjustments ^(a)	(45)	(33)	(654)	(341)	
Appropriation for delivery of Service	4,322	4,367	4,586	4,400	

(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 for number of environmental assessments	\$99,101	\$110,027	\$151,366	\$113,960	Major expansion of resource industry is forecast to lead to increased number of assessments in the short term.
Full Time Equivalents (FTEs)	50	51	59	64	

Major Achievements For 2004-05

- Published Environmental Protection Authority’s (EPA) guidelines for protection of the environment in land use planning and development.
- Completed Memorandum Of Understanding on Petroleum referrals from Department of Industry and Resources.

Major Initiatives For 2005-06

- Complete the assessment of the Gorgon gas project.
- Complete the assessment of the South West Yarragadee Water Source Development project.
- The department will be participating in implementing the Keating Review recommendations, a cross-government initiative to implementing improvements to the Projects Approvals System processes, particularly in relation to better managing timelines for environmental impact assessment approvals.

Service 7: Environmental Policies and Reports on the State of the Environment

Coordinate the development and analysis of environmental policy, ensure its effective implementation, manage the Environmental Protection Authority's formulation of statutory Environmental Protection Policies and State Environmental Policies, coordinate State of the Environment reporting and provide sound, accurate and timely information about the environment to the community to promote positive environmental behaviours.

	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	6,058	5,064	8,047	7,643	Variation between 2004-05 Budget and Estimated Actual is mainly due to additional funding for Biodiversity Country Bush Forever, Keating Review implementation and carryovers.
Less Income	347	699	1,716	1,979	
Net Cost of Service	5,711	4,365	6,331	5,664	
Adjustments ^(a)	(684)	(47)	(836)	(901)	
Appropriation for delivery of Service	5,027	4,318	5,495	4,763	

(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 for number of environmental policies developed	\$263,380	\$266,512	\$423,511	\$424,597	
Full Time Equivalents (FTEs)	65	71	85	88	

Major Achievements For 2004-05

- The First State Environmental Policy (for Cockburn Sound) released.
- Preliminary Position Statement on Environmental Offsets released for consultation.
- Position Statements finalised and published on Environmental Protection of Wetlands, Environmental Protection and Ecological Sustainability of the Rangelands, Towards Sustainability, and Principles of Environmental Protection.
- Concluded consultation on the Swan Coastal Plain Wetlands Environmental Protection Policy.
- Riverplan finalised.
- State of the Environment Reporting progressed.

Major Initiatives For 2005-06

- Publish Draft State Environmental Policy for the Coastal Zone for public comment.
- Publish Draft State of the Environment Report for public comment.
- Publish Air National Environmental Protection Measure (NEPM) Environmental Protection Policy (or equivalent) for public comment.
- Publish final Position Statements on Environmental Offsets and Natural Resource Management.
- Publish the Water Quality Improvement Plan for Peel-Harvey for public comment.
- Initiate the Swan Bioplan programme.

CAPITAL WORKS PROGRAM

Funding in 2005-06 provides mainly for the ongoing replacement of Pollution Monitoring equipment and office computers, furniture and equipment requirements. Funding has also been provided for the purchase of infrastructure required in order to obtain National Association of Testing Authorities (NATA) accreditation of air monitoring activities and the purchase of additional monitoring equipment to meet the National Environmental Protection Measure (NEPM) for air quality.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Computer Hardware and Software Replacement 2004-05 to 2005-06 Program	769	189	189	580
Furniture and Equipment Replacement 2004-05 to 2005-06 Program (additional)	130	106	106	24
Noise Pollution Monitoring Replacement 2004-05 to 2005-06 Program (additional)	120	60	60	60
Pollution Monitoring Network Replacement Program 2002-03 to 2005-06 Program (additional)	822	102	102	720
COMPLETED WORKS				
Air Pollution Monitoring Replacement Pollution Monitoring and Equipment 2004-05 Program	400	400	400	-
Computer Hardware and Software Replacement 2000-01 to 2002-03 Program	914	914	1	-
2003-04 Program	565	565	164	-
Furniture and Equipment Replacement 2000-01 to 2002-03 Program	106	106	62	-
2003-04 Program	12	12	10	-
Noise Pollution Monitoring Replacement 2000-01 to 2002-03 Program	210	210	2	-
Pollution Monitoring Network Replacement Program 2000-01 to 2002-03 Program	1,197	1,197	94	-
2003-04 Program	413	413	124	-
NEW WORKS				
Air Pollution Monitoring Replacement NATA Accreditation of Air Pollution Monitoring Network	250	-	-	150
NEPM Air Quality Implementation	900	-	-	150
	6,808	4,274	1,314	1,684

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	2,012	857	1,314	1,684	700	742	868
	2,012	857	1,314	1,684	700	742	868
LESS							
Drawdowns from the Holding Account	823	857	857	1,326	-	542	718
Internal Funds and Balances	692	-	457	-	-	-	-
Capital Contribution	497	-	-	358	700	200	150

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^{(a)(b)} \$'000	2004-05 Budget ^{(a)(b)} \$'000	2004-05 Estimated Actual ^{(a)(b)} \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(c)	17,155	16,290	20,197	19,448	19,872	20,109	20,423
Superannuation	1,096	1,730	1,778	1,651	1,752	1,770	1,802
Grants and subsidies ^(d)	5,258	3,899	5,849	6,881	3,831	3,830	3,830
Supplies and services	10,022	10,284	20,024	20,159	12,283	12,798	12,612
Accommodation	2,478	2,592	2,700	3,237	2,772	2,717	2,717
Capital User Charge	1,041	877	711	285	27	-	-
Depreciation and amortisation	421	1,284	1,284	1,030	1,080	1,120	1,155
Doubtful Debts	46	-	-	-	-	-	-
Costs of disposal of non-current assets	10	-	-	-	-	-	-
Other expenses	1,243	627	816	668	669	620	620
TOTAL COST OF SERVICES	38,770	37,583	53,359	53,359	42,286	42,964	43,159
Income							
Regulatory Fees and Fines	6,780	7,761	7,761	8,565	8,956	9,356	9,776
Grants and subsidies	-	-	-	290	-	-	-
Interest revenue	427	-	318	254	187	172	158
Donations	-	4,430	4,930	4,780	4,060	4,120	4,150
Other Revenue	6,369	501	3,491	3,559	3,551	3,551	3,551
Total Income	13,576	12,692	16,500	17,448	16,754	17,199	17,635
NET COST OF SERVICES	25,194	24,891	36,859	35,911	25,532	25,765	25,524
INCOME FROM STATE GOVERNMENT							
Service Appropriations	23,296	24,695	31,851	28,722	24,017	24,252	24,206
Resources received free of charge	428	527	527	520	519	518	518
Liabilities assumed by the Treasurer	(360)	76	76	76	76	76	78
TOTAL INCOME FROM STATE GOVERNMENT	23,364	25,298	32,454	29,318	24,612	24,846	24,802
SURPLUS (DEFICIENCY) FOR THE PERIOD	(1,830)	407	(4,405)	(6,593)	(920)	(919)	(722)
Change in Equity arising from transfer of assets/liabilities	(535)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(2,365)	407	(4,405)	(6,593)	(920)	(919)	(722)

(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 302, 354 and 365 respectively.

(d) Refer Details of Controlled Grants and Subsidies table for further information. The 2003-04 Actual, 2004-05 Budget and 2005-06 Estimated Actual figures contain expenses associated with Local government Sewerage Subsidy Scheme which is no longer the responsibility of this agency.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^{(a) (b)} \$'000	2004-05 Budget ^{(a) (b)} \$'000	2004-05 Estimated Actual ^{(a) (b)} \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	5,183	5,898	2,879	428	891	909	248
Restricted cash	9,468	8,554	6,663	2,923	1,483	543	543
Receivables	1,727	1,649	1,727	1,727	1,727	1,727	1,725
Inventories	8	13	8	8	8	8	8
Amounts receivable for services	857	1,372	1,326	-	542	718	-
Prepayments	65	-	65	65	65	65	65
Total current assets	17,308	17,486	12,668	5,151	4,716	3,970	2,589
NON-CURRENT ASSETS							
Amounts receivable for services	782	694	740	1,770	2,308	2,710	3,865
Land and Buildings	15	550	15	15	15	15	15
Plant and equipment	1,405	398	995	1,581	1,148	732	420
Other	-	491	440	508	561	599	624
Total non-current assets	2,202	2,133	2,190	3,874	4,032	4,056	4,924
TOTAL ASSETS	19,510	19,619	14,858	9,025	8,748	8,026	7,513
CURRENT LIABILITIES							
Payables	498	4,126	402	651	491	431	371
Provision for employee entitlements	2,462	2,169	2,432	2,432	2,432	2,432	2,490
Accrued Salaries	221	-	-	53	56	113	174
Other	3,159	-	3,159	3,159	3,159	3,159	3,159
Total current liabilities	6,340	6,295	5,993	6,295	6,138	6,135	6,194
NON-CURRENT LIABILITIES							
Provision for employee entitlements	1,794	1,327	1,794	1,794	1,794	1,794	1,794
Other	290	390	390	490	590	590	590
Total non-current liabilities	2,084	1,717	2,184	2,284	2,384	2,384	2,384
TOTAL LIABILITIES	8,424	8,012	8,177	8,579	8,522	8,519	8,578
EQUITY							
Contributed Equity	1,955	1,370	1,955	2,313	3,013	3,213	3,363
Accumulated surplus/(deficit)	9,116	10,222	4,711	(1,882)	(2,802)	(3,721)	(4,443)
Reserves	15	15	15	15	15	15	15
Total equity	11,086	11,607	6,681	446	226	(493)	(1,065)
TOTAL LIABILITIES AND EQUITY	19,510	19,619	14,858	9,025	8,748	8,026	7,513

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(b) Not adjusted to reflect the transfer of Office of Water Policy.

CASHFLOW STATEMENT
(Controlled)

	2003-04 Actual ^{(a) (b)}	2004-05 Budget ^{(a) (b)}	2004-05 Estimated Actual ^{(a) (b)}	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	22,104	23,411	30,567	27,692	22,937	23,132	23,051
Capital Contribution.....	497	-	-	358	700	200	150
Holding Account Drawdowns	823	857	857	1,326	-	542	718
Net cash provided by State government	23,424	24,268	31,424	29,376	23,637	23,874	23,919
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(16,050)	(16,824)	(20,447)	(19,395)	(19,869)	(20,052)	(20,302)
Superannuation	(1,456)	(1,655)	(1,703)	(1,575)	(1,676)	(1,694)	(1,724)
Grants and subsidies	(6,399)	(3,899)	(5,849)	(6,881)	(3,831)	(3,830)	(3,830)
Supplies and services	(11,775)	(9,758)	(19,498)	(19,290)	(11,824)	(12,340)	(12,154)
Accommodation.....	(2,478)	(2,593)	(2,701)	(3,237)	(2,772)	(2,717)	(2,717)
Capital User Charge.....	(1,041)	(877)	(711)	(285)	(27)	-	-
Goods and Services Tax	(1,516)	(1,443)	(1,443)	(1,200)	(1,200)	(1,200)	(1,200)
Other.....	(1,243)	(628)	(817)	(668)	(669)	(620)	(620)
Receipts							
Regulatory fees and fines.....	-	7,761	7,761	8,565	8,956	9,356	9,776
Grants and subsidies	-	-	-	290	-	-	-
Interest received.....	427	-	318	254	187	172	158
Donations receipts.....	-	4,430	4,930	4,780	4,060	4,120	4,150
Goods and Services Tax	1,410	1,450	1,450	1,200	1,200	1,200	1,200
Other receipts	12,961	501	3,491	3,559	3,551	3,551	3,551
Net cash from operating activities	(27,160)	(23,535)	(35,219)	(33,883)	(23,914)	(24,054)	(23,712)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(779)	(857)	(1,314)	(1,684)	(700)	(742)	(868)
Net cash from investing activities	(779)	(857)	(1,314)	(1,684)	(700)	(742)	(868)
NET INCREASE/(DECREASE) IN CASH HELD							
	(4,515)	(124)	(5,109)	(6,191)	(977)	(922)	(661)
Cash assets at the beginning of the reporting period	18,578	14,576	14,651	9,542	3,351	2,374	1,452
Net cash transferred to/from other agencies	588	-	-	-	-	-	-
Cash assets at the end of the reporting period.....	14,651	14,452	9,542	3,351	2,374	1,452	791

(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.

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
Waste Management Recycling Fund grants	5,159	3,800	5,750	6,881	3,831	3,830	3,830
TOTAL	5,159	3,800	5,750	6,881	3,831	3,830	3,830

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 from Industries	375	797	2,990	3,190
GST input credits	1,221	1,450	1,450	1,200
GST receipts on sales	224	-	-	-
Other User Charges	75	34	501	659
Waste Management Recycling Fund	5,696	4,100	4,930	4,780
Pollution Licence Fees	6,475	6,510	6,510	7,765
Waste Control Licence/Permit Fees	305	1,251	1,251	800
Interest	427	-	318	254
TOTAL	14,798	14,142	17,950	18,648

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

SWAN RIVER TRUST

PART 8 - MINISTER FOR THE ENVIRONMENT; SCIENCE

DIVISION 35

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
DELIVERY OF SERVICES							
Item 71 Net amount appropriated to deliver services	7,207	6,484	8,358	8,904	9,054	9,364	6,152
Total appropriations provided to deliver services	7,207	6,484	8,358	8,904	9,054	9,364	6,152
CAPITAL							
Item 150 Capital Contribution	8	2,008	8	8	1,008	1,008	8
GRAND TOTAL	7,215	8,492	8,366	8,912	10,062	10,372	6,160

MISSION

To work with Government, local government and community to ensure that the Swan and Canning river system is conserved and managed to enhance its environmental quality and public amenity.

The Water and Rivers Commission provides the Trust with administrative, professional and technical staff services in accordance with section 31(1) of the Swan River Trust Act 1988.

SIGNIFICANT ISSUES AND TRENDS

- An intense algal bloom lowered oxygen levels and killed fish in the upper reaches of the Swan River during autumn 2005. The occurrence of *Karodinium micrum* blooms and associated fish kills each year since 2003, highlights the consequences of excessive nutrient levels and low freshwater flows for the rivers' health.
- The key elements in preventing such algal blooms are reducing nutrient losses from urban and rural activities throughout the catchment, ensuring new development does not result in increased nutrient losses, managing the drainage system to prevent nutrients entering the rivers and restoring the ecological function of the rivers. These initiatives necessarily involve government and the community as a whole and will take many years to significantly improve the health and amenity of the river.
- Through the Swan Canning Cleanup Program and its other programs, the Trust works with local governments, state agencies, community organisations, research institutions and industry, to reduce river nutrient levels and limit algal blooms. It is important for this management approach to continue, with improved strength and coordination. It has also been recognised that this coordinated approach to controlling nutrient levels is required to manage all activities affecting the health and amenity of the rivers.
- The Government is responding to this challenge in two key ways. The Trust will firstly continue to develop the Swan and Canning Rivers Management Bill, to streamline the Trust's processes, introduce new regulatory power and coordinate government effort in protecting the rivers. Also, the independent evaluation of the Swan-Canning Cleanup Program, after its first five years of implementation has set the scene to rebuild and refocus the program for the next five to 10 years. The evaluation emphasises that improved partnerships across government and with the community as the key to this program's success.

- Additional funding has allowed the Trust to significantly expand its on ground works in shoreline restoration and to boost projects in urban drains. The Trust is working in the Canning catchment with local governments, the Water Corporation, Department of Environment and catchment groups, to establish constructed wetlands and re-engineer drain compensating basins to strip sediment and nutrients from drainage waters before they enter the river.
- While these on-ground works are important, it is critical that they are part of a coordinated, targeted and technically sound approach to drainage management. Integrated, robust arrangements for management of all drainage in the Swan-Canning Catchment are the key to achieving early reduction in the levels of nutrients entering the rivers.
- Intensification of urban development and a rising demand for commercial opportunities in and around the rivers are additional pressures of concern to the Trust. As this demand increases, it is important that transparent consultation, planning and assessment processes are used to ensure no inappropriate alienation of the river foreshore or loss of environmental values.

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
SERVICES							
<i>Service 1:</i>							
Collect water information to support state planning, agencies and community.....	1,081	1,332	1,087	1,099			
<i>Service 2:</i>							
Regulate riverside development	440	773	690	701			
<i>Service 3:</i>							
Management plans	144	253	648	645			
<i>Service 4:</i>							
Protection of waterways and foreshores.....	5,483	4,097	6,740	6,692			
Total Cost of Services	7,148	6,455	9,165	9,137	9,395	9,690	6,479
<i>Less Income</i>	<i>272</i>	<i>86</i>	<i>348</i>	<i>348</i>	<i>348</i>	<i>383</i>	<i>349</i>
Net Cost of Services	6,876	6,369	8,817	8,789	9,047	9,307	6,130
Adjustments ^(a)	331	115	(459)	115	7	57	22
Appropriation provided to deliver Services.	7,207	6,484	8,358	8,904	9,054	9,364	6,152
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	8	2,008	8	8	1,008	1,008	8
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	7,215	8,492	8,366	8,912	10,062	10,372	6,160

(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, General Manager, Chairperson of the Swan River Trust 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.	Conservation and Management of the Swan and Canning River Systems.	1. Collect water information to support state planning, agencies and community 2. Regulate riverside development 3. Management plans 4. Protection of waterways and foreshores

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Conservation and Management of the Swan and Canning River Systems.					
Satisfaction survey: availability of public access to the Swan-Canning River Systems	63%	70%	60%	65%	
Satisfaction survey: community assessment of whether sufficient facilities are provided for their use	62%	70%	65%	70%	

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

Service 1: Collect Water Information to Support State Planning, Agencies and Community

Provision of research and information for estuary and river restoration and 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	1,081	1,332	1,087	1,099	
Less Income	40	-	-	-	
Net Cost of Service	1,041	1,332	1,087	1,099	
Adjustments ^(a)	46	40	(14)	13	
Appropriation for delivery of Service	1,087	1,372	1,073	1,112	

(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	\$122,580	\$121,124	\$100,311	\$99,045	
Average cost per km ² monitored	\$441	\$576	\$447	\$452	
Full Time Equivalents (FTEs)	1	1	1	1	

Major Achievements For 2004-05

- Increased monitoring and sampling in response to persisting low oxygen levels and algal blooms in the mid and upper reaches of the Swan River.
- Developed Catchment Report Cards for condition and nutrient contributions of all major sub-catchments of the Swan and Canning rivers.
- Completed long term data analysis for trends in algal bloom patterns in the Swan and Canning rivers.
- Expanded weekly television reporting of river health conditions, based on algal activity, to print media.

Major Initiatives For 2005-06

- Incorporate Hydrological and Water Resources Scientific Assessment Model modelling data to help establish long term direction for Swan-Canning Cleanup Program.
- New program to monitor non-nutrient contaminants and ecological health of the rivers, streams and drains.

Service 2: Regulate Riverside Development

Assess applications for development, planning schemes and 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	440	773	690	701	
Less Income	17	-	-	-	
Net Cost of Service	423	773	690	701	
Adjustments ^(a)	21	27	(9)	8	
Appropriation for delivery of Service	444	800	681	709	

- (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 ² of management area	\$6,615	\$11,203	\$9,732	\$9,915	
Full Time Equivalents (FTEs)	6	6	9	9	

Major Achievements For 2004-05

- Development applications were assessed to ensure developments do not adversely affect the environment and amenity of the Swan and Canning rivers.
- Developed guidelines for applicants and reviewed key policies for development control.
- Supported progress towards a Swan River Concept Plan for the mid to upper Swan River to guide and coordinate foreshore development for these reaches of the river.
- Investigated wider public consultation and reporting through the media.

Major Initiatives For 2005-06

- Passage of new legislation to streamline the approvals processes, and provide a legislative basis for open and transparent processes which enhance public participation.
- Pursue greater involvement in strategic plans for foreshore development.

Service 3: Management Plans

Prepares management programs and plans (often jointly with local governments) for the management of the waterways and the management area. Includes catchment management plans.

	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	144	253	648	645	Increase also due to policy re-focus that had an increase in FTEs and priority funding for development of new legislation, Riverplan and Riverpark management plan.
Less Income	6	-	-	-	
Net Cost of Service	138	253	648	645	
Adjustments ^(a)	8	(12)	(9)	8	
Appropriation for delivery of Service	146	241	639	653	

- (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 plan or strategy	\$150,473	\$84,333	\$155,622	\$156,556	
Full Time Equivalent (FTEs)	1	1	8	8	

Major Achievements For 2004-05

- Developed the draft Swan and Canning Rivers Management Bill, released for public comment.
- Ran a pilot program with state agencies and local governments for Riverplan, the implementation framework for the Swan and Canning Rivers Environmental Protection Policy.
- Began preparation of a management plan for the proposed new Swan Canning Riverpark.

Major Initiatives For 2005-06

- Finalise the Swan and Canning Rivers Management Bill for presentation to Parliament.
- Begin development of the River Protection Strategy as the successor to Riverplan.
- Progress development of the management plan for the proposed new RiverPark.

Service 4: Protection of Waterways and Foreshores

Maintenance and restoration of waterways and foreshores. Audit and enforcement of the Act and regulations.

	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	5,483	4,097	6,740	6,692	Variation due to reclassification of \$2 million of capital funds to recurrent, which was then incorporated into the costing for this indicator.
Less Income	209	86	348	348	
Net Cost of Service	5,274	4,011	6,392	6,344	\$334,000 timing difference on carry overs and \$125,000 with external funds.
Adjustments ^(a)	256	60	(427)	86	
Appropriation for delivery of Service	5,530	4,071	5,965	6,430	

- (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 maintenance and restoration per km ²	\$4,826	\$6,474	\$14,259	\$14,512	
Average cost of waterways and foreshore protection per km ²	\$2,856	\$4,741	\$3,301	\$3,194	
Average cost of waterways quality projects per km ² of waterways and catchment	\$2,160	\$1,678	\$1,937	\$2,047	
Full Time Equivalents (FTEs)	20	23	21	21	

Major Achievements For 2004-05

- Conducted an extensive independent evaluation of the Swan-Canning Cleanup Program.
- Undertook the Riverbank program of shoreline protection and restoration, and repair of foreshore walls in partnership with local governments. Continued to assess foreshore conditions.
- Provided ongoing financial support to community-based catchment management, through the Swan Alcoa Landcare Program and direct funding to natural resource management groups.
- Continued to support and expand highly successful community education programs such as Great Gardens and Heavenly Hectares and further established a corporate involvement program for volunteers.
- Built a nutrient-stripping wetland in the Canning River catchment and began works on re-engineering drain compensating basins.
- Coordinated response and logistical support to March 2005 fishkill in the Swan River.

Major Initiatives For 2005-06

- Implement recommendations of the evaluation of the Swan-Canning Cleanup Program, specifically with the creation of a new Action Plan and new management framework.
- Continue focus in the Canning Plain Catchment to develop and implement nutrient intervention strategies in major drains.
- Complete data collection for the foreshore condition assessment project in the Trust's management area.

CAPITAL WORKS PROGRAM

The Trust's Capital Works Program provides for ongoing replacement of plant and equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Plant and Equipment Replacement Program 2004-05 to 2005-06.....	200	100	100	100
COMPLETED WORKS				
Plant and Equipment Replacement Program 1999-2000 to 2002-03 Program.....	346	346	3	-
Riverbank 2003-04 Program	50	50	7	-
	596	496	110	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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	128	2,100	110	100	1,100	1,185	90
Working capital requirement							
Loan and Other Repayments	8	8	8	8	8	8	8
	136	2,108	118	108	1,108	1,193	98
LESS							
Asset Sales	-	-	-	-	-	35	-
Drawdowns from the Holding Account	135	100	100	100	100	150	90
Internal Funds and Balances	(7)	-	10	-	-	-	-
Capital Contribution	8	2,008	8	8	1,008	1,008	8

- (a) Variance between the 2004-05 Budget and 2004-05 actual figures is the result of a reclassification of \$2 million funding from capital expenditure to recurrent expenditure.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,678	1,356	1,377	1,414	1,451	1,479	1,506
Superannuation	-	-	2	2	2	2	2
Grants and subsidies ^(c)	1,710	-	1,000	1,000	1,000	1,000	-
Services purchased from non-government agencies	-	-	-	73	73	73	73
Supplies and services	3,519	3,719	5,481	5,276	5,256	5,320	3,037
Finance costs	10	13	13	13	13	13	13
Capital User Charge	97	168	93	80	126	209	253
Depreciation and amortisation	70	135	135	215	295	415	415
Loss on disposal of non-current assets	8	1	1	1	1	1	2
Other expenses	56	1,063	1,063	1,063	1,178	1,178	1,178
TOTAL COST OF SERVICES	7,148	6,455	9,165	9,137	9,395	9,690	6,479
Income							
Regulatory Fees and Fines	-	51	51	51	51	51	52
Grants and subsidies	-	25	25	25	25	25	25
Proceeds from disposal of non-current assets ..	-	-	-	-	-	35	-
Other Revenue	272	10	272	272	272	272	272
Total Income	272	86	348	348	348	383	349
NET COST OF SERVICES	6,876	6,369	8,817	8,789	9,047	9,307	6,130
INCOME FROM STATE GOVERNMENT							
Service Appropriations	7,208	6,484	8,358	8,904	9,054	9,364	6,152
Resources received free of charge	2	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	7,210	6,484	8,358	8,904	9,054	9,364	6,152
SURPLUS (DEFICIENCY) FOR THE PERIOD	334	115	(459)	115	7	57	22
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	334	115	(459)	115	7	57	22

(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, 39 and 39 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	596	370	11	10	10	10	11
Restricted cash	10	20	10	10	10	10	10
Receivables	153	185	180	207	234	234	241
Amounts receivable for services.....	100	100	100	100	150	90	-
Prepayments.....	-	1	1	2	2	2	2
Total current assets	859	676	302	329	406	346	264
NON-CURRENT ASSETS							
Amounts receivable for services.....	118	179	179	320	491	842	1,283
Land and Buildings.....	234	212	234	234	234	234	234
Plant and equipment.....	426	285	500	484	1,288	2,058	1,768
Other.....	-	2,103	-	-	-	-	-
Total non-current assets.....	778	2,779	913	1,038	2,013	3,134	3,285
TOTAL ASSETS.....	1,637	3,455	1,215	1,367	2,419	3,480	3,549
CURRENT LIABILITIES							
Payables	5	40	11	17	38	38	38
Provision for employee entitlements	-	22	11	22	33	44	55
Borrowings.....	60	47	60	60	60	60	60
Accrued Salaries	46	37	51	56	54	32	50
Other.....	39	20	39	39	39	39	42
Total current liabilities.....	150	166	172	194	224	213	245
NON-CURRENT LIABILITIES							
Provision for employee entitlements	-	30	15	30	45	60	75
Borrowings.....	93	98	85	77	69	61	53
Total non-current liabilities	93	128	100	107	114	121	128
TOTAL LIABILITIES.....	243	294	272	301	338	334	373
EQUITY							
Contributed Equity.....	84	2,092	92	100	1,108	2,116	2,124
Accumulated surplus/(deficit)	1,288	1,069	829	944	951	1,008	1,030
Reserves	22	-	22	22	22	22	22
Total equity.....	1,394	3,161	943	1,066	2,081	3,146	3,176
TOTAL LIABILITIES AND EQUITY	1,637	3,455	1,215	1,367	2,419	3,480	3,549

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	7,047	6,323	8,197	8,663	8,733	8,923	5,711
Capital Contribution.....	8	2,008	8	8	1,008	1,008	8
Holding Account Drawdowns	135	100	100	100	100	150	90
Net cash provided by State government	7,190	8,431	8,305	8,771	9,841	10,081	5,809
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,660)	(1,325)	(1,346)	(1,383)	(1,427)	(1,475)	(1,502)
Superannuation	-	-	(2)	(2)	(2)	(2)	(2)
Grants and subsidies	(1,710)	-	(1,000)	(1,000)	(1,000)	(1,000)	-
Services purchased from non-government agencies	-	-	-	(73)	(73)	(73)	(73)
Supplies and services	(3,519)	(3,728)	(5,490)	(5,285)	(5,265)	(5,324)	(3,041)
Finance costs.....	(10)	(13)	(13)	(13)	(13)	(13)	(13)
Capital User Charge.....	(97)	(168)	(93)	(80)	(126)	(209)	(253)
Goods and Services Tax	(649)	(373)	(373)	(373)	(373)	(373)	(373)
Other.....	(56)	(1,168)	(1,168)	(1,169)	(1,168)	(1,168)	(1,168)
Receipts							
Regulatory fees and fines.....	-	22	22	22	22	22	23
Grants and subsidies	-	25	25	25	25	25	25
Goods and Services Tax	610	373	373	373	373	373	373
Other receipts	277	31	293	294	294	294	294
Net cash from operating activities	(6,814)	(6,324)	(8,772)	(8,664)	(8,733)	(8,923)	(5,710)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(154)	(2,100)	(110)	(100)	(1,100)	(1,185)	(90)
Proceeds from sale of non-current assets	-	-	-	-	-	35	-
Net cash from investing activities.....	(154)	(2,100)	(110)	(100)	(1,100)	(1,150)	(90)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Net cash from financing activities	(8)	(8)	(8)	(8)	(8)	(8)	(8)
NET INCREASE/(DECREASE) IN CASH HELD	214	(1)	(585)	(1)	-	-	1
Cash assets at the beginning of the reporting period	392	391	606	21	20	20	20
Cash assets at the end of the reporting period.....	606	390	21	20	20	20	21

(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.

ZOOLOGICAL PARKS AUTHORITY

PART 8 - MINISTER FOR THE ENVIRONMENT; SCIENCE

DIVISION 36

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
DELIVERY OF SERVICES							
Item 72 Net amount appropriated to deliver services	7,623	8,232	8,846	8,841	9,143	9,363	9,525
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	184	130	174	149	154	158	163
Total appropriations provided to deliver services	7,807	8,362	9,020	8,990	9,297	9,521	9,688
CAPITAL							
Item 151 Capital Contribution	680	700	700	715	730	735	735
GRAND TOTAL	8,487	9,062	9,720	9,705	10,027	10,256	10,423

MISSION

The agency's mission is to advance the conservation of wildlife and to change community attitudes towards the preservation of life on earth.

SIGNIFICANT ISSUES AND TRENDS

- Perth Zoo continues to experience pressure on admission numbers through increased competition in the leisure and events market. The Zoo is continually reviewing its events program and looking for innovative ways of marketing this unique venue. Animal births and the opening of new exhibits at the beginning of the 2005-06 financial year should assist in maintaining visitor numbers.
- The Zoo is continuing to review its water and energy management practices consistent with the sustainability focus of the Zoo and the Government.
- There will be a continued focus on delivering the Zoo's conservation messages through its education and public awareness campaigns.
- Project Sun Bear will continue as the Zoo's major fundraising project.
- The priority to implement the Perth Zoo Master Plan, 'Twenty Twenty Vision' will continue as a major emphasis in 2005-06.

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
SERVICES							
<i>Service 1:</i>							
Visitor services	4,189	4,634	5,120	5,215			
<i>Service 2:</i>							
Community education and awareness	1,066	1,055	1,180	1,184			
<i>Service 3:</i>							
Wildlife collection management	9,554	10,257	10,412	10,475			
Total Cost of Services	14,809	15,946	16,712	16,874	17,270	17,560	17,767
<i>Less Income.....</i>	<i>7,295</i>	<i>8,394</i>	<i>8,505</i>	<i>8,437</i>	<i>8,645</i>	<i>8,669</i>	<i>8,697</i>
Net Cost of Services	7,514	7,552	8,207	8,437	8,625	8,891	9,070
Adjustments ^(a)	293	810	813	553	672	630	618
Appropriation provided to deliver Services.	7,807	8,362	9,020	8,990	9,297	9,521	9,688
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	680	700	700	715	730	735	735
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	8,487	9,062	9,720	9,705	10,027	10,256	10,423

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

(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, the Chairperson of the Board 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(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.	Positive community attitudes towards the understanding and appreciation of wildlife and environmental conservation.	1. Visitor services 2. Community education and awareness
	Conservation of wildlife.	3. Wildlife collection management

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Positive community attitudes towards the understanding and appreciation of wildlife and environmental conservation.					
Survey of visitors - The Zoo as an educational/learning experience:					
- Agree.....	88%	95%	90%	90%	
- Neutral	7%	0	5%	5%	
- Disagree	3%	5%	5%	5%	
- No response	2%	0	0	0	
Survey of visitors - The Zoo promotes changes in lifestyle which can help the conservation of wildlife and the environment:					
- Agree.....	76%	84%	84%	84%	
- Neutral	14%	10%	10%	10%	
- Disagree	6%	4%	4%	4%	
- No response	4%	2%	2%	2%	
Outcome: Conservation of wildlife					
Number of offspring produced by threatened animals for re-introduction:					
- Western Swamp Tortoise	47	40	74	40	During 2004-05 fewer than expected females were re-introduced to their natural habitat, resulting in a greater number of breeding females being held at the Zoo. There were also a number of females that produced two clutches of eggs during 2004-05.
- Numbat	13	15	14	15	
- Dibbler	52	42	42	42	
Percentage of species in the animal collection that are part of a regionally managed program where the Perth Zoo has complied with that program:					
- Number of species in the animal collection that are part of a regional management program	35	34	37	38	
- Percentage of species in the animal collection that are part of a regional management program	16%	16%	17%	17%	
- Percentage of species where Perth Zoo has complied with the regional management program	100%	100%	100%	100%	

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

Service 1: Visitor Services

Perth Zoo aims to maximise visitation by providing a quality and unique 'value for money' attraction that provides recreation, education and commercial facilities set in ecologically themed botanic gardens.

	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	4,189	4,634	5,120	5,215	
Less Income	2,820	3,207	3,257	3,223	
Net Cost of Service	1,369	1,427	1,863	1,992	
Adjustments ^(a)	88	193	230	156	
Appropriation for delivery of Service	1,457	1,620	2,093	2,148	

(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 customers admitted to the Zoo	528,880	560,000	560,000	560,000	
Average cost per customer (based on total cost of services to the Zoo).....	\$28.00	\$28.48	\$30.11	\$30.13	
Full Time Equivalents (FTEs)^(a)	39	32	42	43	

(a) The increase in FTEs relates to the recruitment of additional Visitor Services Officers following a decision to in-source services.

Major Achievements For 2004-05

- The Zoo implemented a reformatted summer season, which included a Marcia Hines concert and Bananas in Pyjamas. These events, together with the RAC Big Cats Month helped to maintain high visitation over the summer period.
- The first year of the Project Sun Bear fundraising campaign achieved a high profile and significant public support towards the construction of a Sun Bear exhibit at Perth Zoo.
- Implemented several recommendations of the Zoo energy audit in addition to a review of pumps and air conditioning systems throughout the Zoo.
- Revenue from the sale of Friends of Perth Zoo memberships rose by approximately 25% due to a targeted promotion of this product. The Zoo now has over 9,000 members.
- Opened a new entrance to the African savannah, which includes improved visitor amenities such as a 'savannah' soundscape and interpretive facilities. A new African Painted Dog exhibit was also opened.
- Opened refurbished exhibits in the Asian rainforest to display Sulawesi Macaques and Asian Fishing Cat.
- Installed a new retail point of sale and inventory system in the Zoo retail shop and developed a new business plan for the Zoo retail shop.
- Won the Medium Employer of the Year Award at the Western Australian Training Excellence Awards.

Major Initiatives For 2005-06

- Further review the effectiveness and financial return from Zoo events and commercial activities to keep them competitive and profitable.
- Continue fundraising for Project Sun Bear and increase public involvement with the Zoo's conservation activities.
- Continue growth of the Friends of Perth Zoo membership program.
- Implement the business plan for the Zoo retail shop to build commercial revenue from this source.
- Develop a comprehensive plan for food and catering facilities and services at the Zoo.
- Develop a comprehensive plan to further improve the Zoo's security infrastructure.

Service 2: Community Education and Awareness

Perth Zoo aims to promote clear conservation messages to the community. This is achieved by providing educational programs and publications, interpretation and information services that educate the community about conservation issues. The Zoo's commercial activities are also underpinned by conservation messages.

	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	1,066	1,055	1,180	1,184	
Less Income	536	539	610	607	
Net Cost of Service	530	516	570	577	
Adjustments ^(a)	21	56	56	38	
Appropriation for delivery of Service	551	572	626	615	

(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
Number of participants in formal education programs.....	57,603	60,000	55,000	60,000	
Average cost per participant	\$18.51	\$17.58	\$21.45	\$19.73	
Full Time Equivalent (FTEs)	9	9	9	9	

Major Achievements For 2004-05

- Conducted a Zoo research workshop for interested conservation research stakeholders to consolidate research collaboration and formalise links in conservation research.
- Developed a Research Business Plan detailing Perth Zoo's future research priorities, in conjunction with the Perth Zoo Research committee.
- Continued to provide clinical rotations at Perth Zoo for Murdoch University final year veterinary students.
- Received private sponsorship to continue the co-ordination of the annual Great Australian Marsupial Night Stalk, raising public awareness of Australian animals and the impact of feral animals.
- Introduced three new talks for visitors at the echidna, African savannah and lesser primate areas. The talks are presented by Perth Zoo's Docents (volunteers).
- Increased the conservation education and research focus of Perth Zoo's News Paws magazine.
- Established a partnership with the Department of Education and Training on increasing the access to the Zoo by Western Australian Government school students.
- Introduced a successful Zoo Camp program for schools.

Major Initiatives For 2005-06

- Introduce initiatives to increase access to Perth Zoo by Western Australian Government school students.
- Implement priority programs in the Perth Zoo Research Business Plan.
- Continue to provide clinical rotations at Perth Zoo for Murdoch University final year veterinary students.
- Continue to foster partnerships to achieve the Zoo's goals in education, research and conservation.
- Continue to develop expertise in reproductive biology of endangered species.
- Continue to co-ordinate the annual Great Australian Marsupial Night Stalk.

Service 3: Wildlife Collection Management

The conservation value of the wildlife collection will be optimised by effective management, selection, captive breeding, breeding for re-introduction and provision of research opportunities.

	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	9,554	10,257	10,412	10,475	
Less Income	3,939	4,648	4,638	4,607	
Net Cost of Service	5,615	5,609	5,774	5,868	
Adjustments ^(a)	184	561	527	359	
Appropriation for delivery of Service	5,799	6,170	6,301	6,227	

(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
Number of species maintained within the animal collection	218	217	221	222	
Average cost of maintaining each species in the animal collection	\$43,827	\$47,267	\$47,112	\$47,187	
Full Time Equivalents (FTEs)	84	91	89	90	

Major Achievements For 2004-05

- Through a partnership with the Department of Conservation and Land Management, the Zoo continued the successful Native Species Breeding Program at full capacity, breeding over 100 animals for release back into the wild.
- Completed Stage 1 of the Asian Elephant exhibit redevelopment and commenced planning for Stage 2.
- Completed a new African Painted Dog exhibit and opened a new entrance to the African savannah.
- Upgraded exhibits in the Asian rainforest to display Sulawesi Macaques, Asian Fishing Cats, and through the Zoo's maintenance program, improved exhibits at lesser primates, Australian wetlands, cassowaries and penguins.
- Progressed the Zoo's Asian Elephant breeding program and recorded the first known natural mating of elephants in an Australian Zoo.

Major Initiatives For 2005-06

- Finalise the redevelopment of the Asian Elephant exhibit.
- Advance the assisted reproduction program in Asian Elephants as part of the regional Asian Elephant Captive Management Plan.
- Re-commence the Zoo's breeding program for Rothschild's Giraffe.
- Continue breeding programs for endangered species such Sumatran Tigers, Sumatran Orang-utan, Silvery Gibbon, Central Rock Rats and Western Swamp Tortoise.
- Continue to develop reproduction knowledge for the critically endangered Gilbert's Potoroo.

CAPITAL WORKS PROGRAM

The Authority's capital works program is intended to support the strategic direction of the Zoo and its long-term viability. The continuous improvement of existing Zoo assets and the upgrading of exhibits are outlined in Perth Zoo's Master Plan, 'Twenty-Twenty Vision'.

The capital program provides for the upgrade of exhibits and facilities in order to enhance visitor experiences and further the Zoo's conservation and breeding initiatives.

The 2005-06 capital works program will enable the completion of a major redevelopment to the Zoo's Asian Elephant exhibit. Capital funds will also be used to continue an ongoing maintenance program to improve and upgrade existing facilities.

The program is also providing funds to conduct planning for future catering facilities and security infrastructure, the replacement of veterinary equipment and the ongoing annual replacement of the Zoo's computer equipment.

Sponsorships, donations and fundraising activities will continue to be directed towards a new Sun Bear exhibit.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Animal Exhibit Upgrades	8,094	2,094	714	500
Asian Elephant Exhibit	4,756	2,156	2,031	2,600
Minor Equipment Purchases	932	132	132	216
COMPLETED WORKS				
Amenities and Facilities	133	133	133	-
Maintenance 2003-04 Program	500	500	112	-
Maintenance 2004-05 Program	500	500	500	-
NEW WORKS				
Catering Facilities Feasibility Study	70	-	-	70
Computer Equipment	840	-	-	70
Maintenance 2005-06	500	-	-	500
Security Upgrade Business Plan	70	-	-	70
Veterinary Equipment	50	-	-	50
	16,445	5,515	3,622	4,076

CAPITAL CONTRIBUTION

The funding for the Asian Elephant exhibit redevelopment, veterinary equipment and ongoing computer replacement program is supported by the accumulated depreciation in the Zoo's holding account.

The annual funding of principal repayments associated with the Zoo's debt portfolio in the forward estimates will result in a continual decrease in the Zoo's debt liability.

The Zoo's ability to achieve projected sponsorship and fundraising targets over the forward estimates will enable the Zoo to direct these funds towards future capital works projects.

	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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,037	2,456	3,622	4,076	1,268	1,263	1,263
Working capital requirement							
Loan and Other Repayments	667	700	700	715	730	735	735
	1,704	3,156	4,322	4,791	1,998	1,998	1,998
LESS							
Borrowings	500	-	-	-	-	-	-
Drawdowns from the Holding Account	320	1,456	1,836	2,720	70	70	70
Funding Included in Service Appropriations ^(a)	500	500	500	500	500	500	500
Internal Funds and Balances	(296)	500	1,154	500	500	500	500
Other	-	-	132	356	198	193	193
Capital Contribution	680	700	700	715	730	735	735

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	6,761	6,942	7,185	7,642	7,852	8,014	8,219
Superannuation	630	617	684	722	743	769	795
Cost of Goods Sold	394	416	419	447	488	490	490
Grants and subsidies	5	15	33	20	20	20	20
Supplies and services	3,355	3,723	4,071	3,522	3,585	3,552	3,464
Accommodation	305	277	277	306	306	306	306
Finance costs	1,142	1,125	1,140	1,095	973	941	937
Capital User Charge	416	697	697	815	929	1,026	1,026
Depreciation and amortisation	1,369	1,664	1,664	1,774	1,828	1,878	1,928
State Taxes	369	438	510	497	512	529	547
Costs of disposal of non-current assets	63	-	-	-	-	-	-
Other expenses	-	32	32	34	34	35	35
TOTAL COST OF SERVICES	14,809	15,946	16,712	16,874	17,270	17,560	17,767
Income							
User charges and fees	6,680	7,884	7,860	7,840	8,048	8,072	8,100
Grants and subsidies	39	50	50	50	50	50	50
Interest revenue	3	2	12	12	12	12	12
Donations	570	458	583	535	535	535	535
Proceeds from disposal of non-current assets ..	3	-	-	-	-	-	-
Total Income	7,295	8,394	8,505	8,437	8,645	8,669	8,697
NET COST OF SERVICES	7,514	7,552	8,207	8,437	8,625	8,891	9,070
INCOME FROM STATE GOVERNMENT							
Service Appropriations	7,807	8,362	9,020	8,990	9,297	9,521	9,688
Liabilities assumed by the Treasurer	-	-	1	2	2	1	2
TOTAL INCOME FROM STATE GOVERNMENT	7,807	8,362	9,021	8,992	9,299	9,522	9,690
SURPLUS (DEFICIENCY) FOR THE PERIOD	293	810	814	555	674	631	620
Extraordinary items	33	-	105	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	326	810	919	555	674	631	620

(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 132, 140 and 142 respectively.

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,001	543	438	437	470	501	531
Restricted cash	184	-	-	-	-	-	-
Investments	-	25	-	-	-	-	-
Receivables	361	366	366	366	366	366	366
Inventories.....	121	120	121	123	125	128	130
Amounts receivable for services.....	1,836	2,600	2,720	70	70	70	70
Prepayments.....	23	30	30	30	30	30	30
Total current assets	3,526	3,684	3,675	1,026	1,061	1,095	1,127
NON-CURRENT ASSETS							
Amounts receivable for services.....	2,349	1,558	1,438	3,182	4,980	6,828	8,726
Land and Buildings.....	21,447	22,603	22,958	24,791	23,970	23,099	22,178
Plant and equipment.....	1,681	1,247	1,520	1,227	929	626	323
Total non-current assets.....	25,477	25,408	25,916	29,200	29,879	30,553	31,227
TOTAL ASSETS.....	29,003	29,092	29,591	30,226	30,940	31,648	32,354
CURRENT LIABILITIES							
Payables	251	260	254	269	284	301	331
Provision for employee entitlements	694	895	674	704	729	759	789
Borrowings.....	700	715	715	730	735	735	735
Interest payable	299	270	284	279	254	234	230
Accrued Salaries	296	-	-	20	20	40	60
Other.....	326	160	324	334	344	364	364
Total current liabilities.....	2,566	2,300	2,251	2,336	2,366	2,433	2,509
NON-CURRENT LIABILITIES							
Superannuation	-	37	-	-	-	-	-
Provision for employee entitlements	638	416	637	647	662	672	682
Borrowings.....	17,602	16,874	16,887	16,157	15,422	14,687	13,952
Total non-current liabilities	18,240	17,327	17,524	16,804	16,084	15,359	14,634
TOTAL LIABILITIES.....	20,806	19,627	19,775	19,140	18,450	17,792	17,143
EQUITY							
Contributed Equity.....	1,437	2,050	2,137	2,852	3,582	4,317	5,052
Accumulated surplus/(deficit)	3,400	4,599	4,319	4,874	5,548	6,179	6,799
Reserves	3,360	2,816	3,360	3,360	3,360	3,360	3,360
Total equity.....	8,197	9,465	9,816	11,086	12,490	13,856	15,211
TOTAL LIABILITIES AND EQUITY.....	29,003	29,092	29,591	30,226	30,940	31,648	32,354

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	6,304	6,658	7,316	7,176	7,429	7,603	7,720
Capital Contribution.....	680	700	700	715	730	735	735
Holding Account Drawdowns	320	1,456	1,836	2,720	70	70	70
Net cash provided by State government	7,304	8,814	9,852	10,611	8,229	8,408	8,525
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,516)	(7,046)	(7,499)	(7,582)	(7,812)	(7,954)	(8,144)
Superannuation	(571)	(612)	(679)	(718)	(739)	(766)	(791)
Grants and subsidies	(5)	(15)	(33)	(20)	(20)	(20)	(20)
Supplies and services	(3,728)	(4,133)	(4,584)	(3,961)	(4,117)	(4,083)	(3,996)
Accommodation.....	(281)	(277)	(300)	(305)	(305)	(305)	(305)
Finance costs	(1,126)	(1,140)	(1,155)	(1,100)	(998)	(961)	(941)
Capital User Charge.....	(416)	(697)	(697)	(815)	(929)	(1,026)	(1,026)
State Taxes	(364)	(437)	(478)	(496)	(511)	(528)	(546)
Goods and Services Tax	(533)	(756)	(756)	(794)	(549)	(560)	(590)
Other.....	-	(32)	(32)	(34)	(34)	(35)	(35)
Receipts							
User charges and fees.....	6,705	7,893	7,923	7,800	8,059	8,092	8,100
Grants and subsidies	218	50	52	50	50	50	50
Interest received.....	3	2	12	12	12	12	12
Donations receipts.....	430	458	581	585	585	585	585
Goods and Services Tax	538	756	756	794	550	560	590
Net cash from operating activities.....	(5,646)	(5,986)	(6,889)	(6,584)	(6,758)	(6,939)	(7,057)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(1,140)	(2,134)	(3,010)	(3,313)	(708)	(703)	(703)
Proceeds from sale of non-current assets	3	-	-	-	-	-	-
Net cash from investing activities.....	(1,137)	(2,134)	(3,010)	(3,313)	(708)	(703)	(703)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(667)	(700)	(700)	(715)	(730)	(735)	(735)
Other payments for financing activities.....	(1)	-	-	-	-	-	-
Proceeds from borrowings	500	-	-	-	-	-	-
Net cash from financing activities.....	(168)	(700)	(700)	(715)	(730)	(735)	(735)
NET INCREASE/(DECREASE) IN CASH HELD	353	(6)	(747)	(1)	33	31	30
Cash assets at the beginning of the reporting period	832	574	1,185	438	437	470	501
Cash assets at the end of the reporting period.....	1,185	568	438	437	470	501	531

(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.

Part 9

Minister for Police and Emergency Services; Community Safety

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
583	Police Service			
	– Delivery of Services	615,875	624,192	674,332
	– Capital Contribution	43,434	44,031	38,838
	Total	659,309	668,223	713,170
607	Fire and Emergency Services Authority of Western Australia			
	– Delivery of Services	22,962	27,086	33,237
	– Administered Grants, Subsidies and Other Transfer Payments	1	1	1
	– Capital Contribution	450	1,382	5,060
	Total	23,413	28,469	38,298
	GRAND TOTAL			
	– Delivery of Services	638,837	651,278	707,569
	– Administered Grants, Subsidies and Other Transfer Payments	1	1	1
	– Capital Contribution	43,884	45,413	43,898
	Total	682,722	696,692	751,468

POLICE SERVICE

PART 9 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY

DIVISION 37

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
DELIVERY OF SERVICES							
Item 73 Net amount appropriated to deliver services	571,543	614,400	621,817	671,922	704,092	741,949	785,284
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	1,475	1,475	2,375	2,410	2,598	2,529	2,549
Total appropriations provided to deliver services	573,018	615,875	624,192	674,332	706,690	744,478	787,833
ADMINISTERED TRANSACTIONS							
Amount provided for Administered Grants, Subsidies and Other Transfer Payments...	1,255	-	-	-	-	-	-
CAPITAL							
Item 152 Capital Contribution	57,263	43,434	44,031	38,838	37,627	62,007	37,744
GRAND TOTAL	631,536	659,309	668,223	713,170	744,317	806,485	825,577

MISSION

To enhance the quality of life and well being of all people in Western Australia by contributing to making our State a safe and secure place.

SIGNIFICANT ISSUES AND TRENDS

- To support the ongoing implementation of Frontline First, which will further improve policing services provided to the community, there is a need to:
 - continue to maximise the deployment of police officers to frontline positions;
 - strategically engage expert and support police staff; and
 - further enhance leadership, supervision and management.
- The international fight against terrorism is resulting in the ongoing need to maintain a state of enhanced preparedness for emergency incidents including the need for multi-agency cooperation in the development of counter terrorism strategies, ongoing training and awareness programs and liaison with the community.
- The ongoing implementation of Royal Commission recommendations will require among other things:
 - implementation of the Corruption Prevention Plan;
 - enhanced corporate-risk management;
 - complete streamlining of complaints and investigations management; and
 - continuation of the civilianisation program and legislative reforms.

- Managing the effective implementation of legislative change including:
 - the paedophile and sex offender register;
 - the impact of Occupational Health and Safety legislation upon buildings, work places, equipment and employees;
 - enforcement of the anti-hoon legislation; and
 - reform of the *Police Act* and court procedures.
- The ongoing successful implementation of the Gordon Inquiry recommendations and the effect of legislative changes on practices and procedures when attending to incidents of family and domestic violence, which places a greater obligation on police officers to investigate suspected domestic violence incidents and take a more active role in applying for a restraining order on behalf of the protected person, including children. This is resulting in an increased reporting of these offences and an enhanced level of protection for those at risk of family and domestic violence.
- Continuing to provide an effective police response to major events, entertainment venues and incidents of anti-social behaviour.
- The rapid development of technology which can enhance criminal investigations and policing services provided to the community, and be harnessed by criminals to frustrate and complicate such investigations.
- The continuous commitment to reduce volume crimes and anti-social behaviour through targeted, intelligence-led operations.

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
Decisions taken prior to State Election				
Additional 350 Police and 160 Civilianisation Programs	13,647	26,617	44,328	62,038
Criminal Procedures Bill	84	84	84	84
Criminal Records Screening	141	274	320	-
Implementation of Royal Commission Recommendations.....	3,047	2,793	2,569	2,596
Decisions taken since State Election				
Canine Unit Expansion in Metropolitan Area and Breeding Program	599	406	377	428
Canine Unit Expansion to Country.....	-	699	489	446
Smarter Policing Policy	2,214	995	1,001	1,014
Security Vehicle Replacement.....	621	283	291	300

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
SERVICES							
<i>Service 1:</i>							
Services to maintain lawful behaviour and prevent crime.....	221,004	242,443	246,098	263,877			
<i>Service 2:</i>							
Emergency management and co-ordination	10,055	13,242	13,469	14,442			
<i>Service 3:</i>							
Response to and investigation of offences	199,384	224,122	226,580	242,948			
<i>Service 4:</i>							
Services to the judicial process.....	60,556	64,364	66,030	70,800			
<i>Service 5:</i>							
Traffic law enforcement and management	103,198	102,606	103,906	111,412			
Total Cost of Services	594,197	646,777	656,083	703,479	732,121	770,725	814,326
<i>Less Income</i>	<i>22,914</i>	<i>17,280</i>	<i>20,280</i>	<i>20,116</i>	<i>21,266</i>	<i>21,091</i>	<i>21,248</i>
Net Cost of Services	571,283	629,497	635,803	683,363	710,855	749,634	793,078
Adjustments ^(a)	1,735	(13,622)	(11,611)	(9,031)	(4,165)	(5,156)	(5,245)
Appropriation provided to deliver Services.	573,018	615,875	624,192	674,332	706,690	744,478	787,833
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	1,255	-	-	-	-	-	-
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	57,263	43,434	44,031	38,838	37,627	62,007	37,744
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	631,536	659,309	668,223	713,170	744,317	806,485	825,577

(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, Commissioner of Police 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.	Lawful behaviour and community safety.	1. Services to maintain lawful behaviour and prevent crime 2. Emergency management and co-ordination
	Offenders apprehended and dealt with in accordance with the law.	3. Response to and investigation of offences 4. Services to the judicial process
	Lawful road-user behaviour.	5. Traffic law enforcement and management

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Lawful behaviour and community safety.					
The community's level of satisfaction with services provided by police ^{(b)(c)}	6.8	>6.8	6.6	=>6.6	
The community's level of satisfaction with services received during the most recent contact with police ^{(b)(c)}	7.7	>7.8	7.6	=>7.6	
Extent to which the community thought each of the following was a problem in their own neighbourhood ^{(b)(c)}					
- Physical assault in a public place	3.5	<3.4	2.9	=<2.9	
- Illegal drugs	5.6	<5.4	5.1	=<5.1	
- Louts or gangs.....	2.6	<2.8	2.3	=<2.3	
- Speeding cars, dangerous or noisy driving.....	5.2	<5.3	5.5	=<5.5	
- Drunken and disorderly behaviour	2.9	<2.7	2.7	=<2.7	
- Housebreaking	5.8	<5.8	5.4	=<5.4	
- Motor vehicle theft	4.6	<4.6	4.0	=<4.0	
State emergency management plans in place and current, and resources committed, where the Police Service is the designated Hazard Management Agency, to prevent and minimise risk ^(d)	6	6	6	6	
Percentage of police districts that met or number of police officers who have a key emergency-related qualification ^(e)	n/a	100%	57%	93%	Increase from 8 to 13 districts out of 14.
Outcome: Offenders apprehended and dealt with in accordance with the law.					
Selected recorded offences against the person cleared: ^{(f)(g)(h)}					
- Number cleared.....	19,243	>18,000	24,000	=>24,000	
- Percentage cleared	78.6%	>81%	87%	=>87%	
Selected recorded property offences cleared: ^{(f)(g)(i)}					
- Number cleared.....	35,448	>37,000	35,000	=>35,000	
- Percentage cleared	18.9%	>19%	21%	=>21%	
Recorded drug-trafficking offences cleared: ^{(f)(g)(j)}					
- Number cleared.....	1,923	>1,600	2,000	=>2,000	
- Percentage cleared	87.8%	>90%	98%	=>98%	
Percentage of guilty pleas before trial ^{(k)(l)(m)}	94%	>91%	94%	>90%	See note (m).
Percentage of convictions for matters listed for trial ^{(k)(l)(m)}	63%	>63%	63%	>60%	See note (m).
Number of deaths in custody for which the Police Service is culpable ⁽ⁿ⁾	nil	nil	nil	nil	
Number of escapes from police custody ^(o)	5	nil	1	nil	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Lawful road-user behaviour.					
Number of fatal road crashes per 100,000 registered motor vehicles where drink-driving was a major contributing factor ^{(p)(q) (r) (t)}	2.2	<1.5	1.2	n/a	Discontinued indicator. See note (t)
Number of fatal road crashes per 100,000 registered motor vehicles where excessive speed was a contributing factor ^{(p)(q) (s) (t)}	2.7	<3.2	3.0	n/a	Discontinued indicator. See note (t)
Percentage of drivers tested for drink-driving who are found to exceed the lawful alcohol limit ^{(v)(w)}	1.3%	2%	1.4%	>1.4%	Amended indicator.
Percentage of vehicles monitored for speeding by speed cameras that are found to exceed the lawful speed limit ^{(u)(x)}	16.1%	16%	17.7%	>17.7%	Amended indicator.
Percentage of drivers who have never driven when they felt they might be over the 0.05 alcohol limit in the last six months ^(b)	85%	>86%	85%	=>85%	
Percentage of drivers who have never exceeded the speed limit by 10kph or more in the last six months ^(b)	34%	>36%	34%	=>34%	
Percentage of people who have never driven without a wearing a seat belt in the last six months ^(b)	89%	>90%	89%	=>89%	
Extent to which the community thought speeding cars, dangerous or noisy driving was a problem in their own neighbourhood ^{(b) (c)}	5.2	<5.3	5.5	=<5.5	

- (a) The Annual Report contains further details of effectiveness indicators.
- (b) The data for this measure are obtained from the National Survey of Community Satisfaction with Policing coordinated by the Australasian Centre for Policing Research. In July 2004, some changes were made to the wording of survey questions which have been reflected in the relevant indicators. These changes may affect comparability with previous periods.
- (c) This indicator uses a unit of measurement the Likert Summation Index. This is a method for aggregating responses to obtain one measure of the overall (or 'average') level of attitude/opinion. This method converts the data collected using a Likert scale into an interval scale, and then derives a measure of centrality. The Likert scale is converted into an interval scale by assigning equal-distant 'scores' to each category in the scale. For example, where the indicator relates to satisfaction with police services, the five response categories are assigned scores as follows: 'very satisfied' (10); 'satisfied' (7.5); 'neither satisfied nor dissatisfied' (5); 'dissatisfied' (2.5); and 'very dissatisfied' (0). Where the indicator relates to problems in the neighbourhood, the three response categories are assigned scores as follows: 'major problem' (10); 'somewhat of a problem' (5); and 'not a problem' (0).
- (d) The Police Service is the Hazard Management Agency for six Emergency Management Plans: air transport emergencies; land search and rescue; road transport emergencies; marine search and rescue; nuclear powered warships; and radioactive space re-entry debris. Current means that plans have been reviewed and, where possible, exercised in the previous twelve-month period.
- (e) At an overall state level, the Police Service has a sufficient number of police officers who have a key emergency-related qualification and these officers can be deployed to assist in emergencies if required. The percentage of police districts that met or exceeded the required number of police officers who have a key emergency-related qualification is based on a quarterly average during the period and is subject to variation due to the: transfer of police officers with these qualifications from one district to other locations within the Police Service; provision of emergency management training; and resignation or retirement of qualified police officers.
- (f) An offence is deemed to be cleared (clearance) where a satisfactory result has been achieved or where, for some substantial reason, police investigations cannot be continued. This includes: offender(s) processed by arrest, summons, Juvenile Justice Team referral or juvenile caution; the offender has died; the offender is in another jurisdiction and extradition is not desired or available; there is a statute bar to proceedings where an offender is under age or claims diplomatic immunity; admittance to a psychiatric facility; false or mistaken reports; and civil action recommended.
- (g) Offences cleared may not necessarily relate to offences committed in the stated period. Due to the nature and length of investigations, some offences committed or reported in previous years may be cleared in the reporting period.
- (h) Offences against the person include homicide, driving causing death, robbery, assault, sexual assault, threatening behaviour and deprivation of liberty.
- (i) For the 2004-05 Budget figure, property offences included burglary, theft, motor vehicle theft, arson, receiving/illegal use, and property damage offences and excluded fraud and graffiti. For the 2003-04 Actual, 2004-05 Estimated and 2005-06 Target figures, property offences also exclude receiving/illegal use offences. These types of offences are usually detected by police rather than reported to police and therefore the number of offences reflects police activity or initiatives such as the burglary reduction strategy. Including these offence types artificially inflates the number of property offences and the number and percentage cleared. The exclusion of receiving/illegal use offences and revision of data have contributed to the 2004-05 estimate for the number of offences cleared being lower than the 2004-05 Budget figure.
- (j) Drug trafficking is the unlawful sale, supply, cultivation or manufacture of a prohibited drug or plant. Most drug trafficking offences are detected by police rather than reported to police and results in a high percentage of offences cleared.
- (k) For the purpose of this indicator, matters represent charges. This indicator includes matters that have been placed before the Children's Court and Court of Petty Sessions throughout the State by the Police Service. The data may also include a small number of matters placed before the Christmas Island Court by the Australian Federal Police. Criminal matters placed before the District and Supreme Courts are not included.

- (l) The percentage of guilty pleas before trial is based on the number of guilty pleas expressed as a percentage of the sum of the number of guilty pleas and matters listed for trial. The percentage of convictions for matters listed for trial is based on the number of convictions expressed as a percentage of the number of matters listed for trial. It is important to note that matters listed for trial may not actually proceed to trial, but a guilty or not guilty finding can still be recorded.
- (m) The reduction in the 2005-06 Target is due to the impact of the following factors:
- Removal of the Direction Hearings process in late 2004. In previous years, this process ensured contentious issues were removed prior to hearing along with a number of concessions that facilitated an early plea of guilty. Removal of the process has contributed to a number of not guilty pleas being maintained; and
 - Introduction of new legislation. For example, the 'either way legislation' has precipitated a greater majority of serious charges into the Court of Petty Sessions. As a result, the number of matters listed for trial has increased significantly. With an increased number of more serious / technical cases coming before the Courts of Petty Sessions, the propensity for acquittal on issues of law/ technicality may increase. In consideration of the more serious nature of charges, a greater bearing will be placed upon prosecutorial/ judicial decisions to either plead guilty or go to trial, having regard to certain sentencing dispositions.
- (n) The State Coroner is responsible for determining the culpability of the Western Australian Police Service (WAPS) in the death of a person in custody.
- (o) Comprises persons escaping from police lock-ups only. The legal status of offenders passing through police lock-ups includes: arrested; fine defaulters; persons on remand; sentenced prisoners; and persons held on warrants.
- (p) Registered motor vehicles excluding caravans, trailers and plant and equipment.
- (q) The number of fatal road crashes is subject to revision pending the finalisation of coronial inquiries.
- (r) Drink-driving related fatal crashes include fatal road crashes where at least one driver had a blood alcohol concentration of or exceeding 0.05gm%. These crashes may have also had other contributing causes, such as excessive speed, and therefore the figures shown for drink-driving and excessive speed are not mutually exclusive.
- (s) Speed-related fatal crashes include fatal road crashes where excessive speed was deemed to be involved. These crashes may have also had other contributing causes, such as drink-driving, and therefore the figures shown for excessive speed and drink-driving are not mutually exclusive.
- (t) The indicators relating to the number of fatal road crashes per 100,000 registered vehicles are deleted, as the Office of Road Safety that is the lead agency for road safety is reporting against the indicator 'Deaths from road crashes per 100,000 estimated population'.
- (u) The lawful speed limit is defined as the posted speed limit shown on road signage.
- (v) Achieved through the use of strategies that focus (Random Breath Test) RBT and Mobile Breath Test (MBT) enforcement activities at high alcohol consumption times and locations.
- (w) Based on the number of evidentiary charges expressed as a percentage of the total number of preliminary breath tests. The number of preliminary breath tests and evidentiary charges are derived from the Daily Traffic Returns. These statistics therefore reflect the returns that have been submitted and the accuracy of the data in those returns.
- (x) Achieved through the targeted use of speed measuring equipment, both camera and officer operated, in known black-spot areas, areas of complaint or those identified as having low-speed limit compliance.

Service 1: Services to Maintain Lawful Behaviour and Prevent Crime

The general support to the community, including a visible police presence and timely and appropriate response, crime prevention activities, and many of the regulatory functions undertaken to ensure only appropriate persons are issued with licences such as firearms and security licences, are key contributors to the broader outcome of community safety. Maintaining a 24 hour service that is responsive to the needs of local communities is critical to the Police Service achieving the broader outcome of community safety. The provision of such a 24 hour service includes the activities of targeted patrols, responding to general calls for assistance, the coordination of public safety for major events, public education and general awareness programs, security services, and the promotion of proactive programs that encourage a partnership approach to policing.

	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	221,004	242,443	246,098	263,877	
Less Income	10,142	7,272	10,285	9,921	
Net Cost of Service	210,862	235,171	235,813	253,956	
Adjustments ^(a)	631	(6,229)	(4,355)	(3,388)	
Appropriation for delivery of Service	211,493	228,942	231,458	250,568	

- (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
General calls for police assistance (not including '000' calls) answered within 20 seconds ^{(a) (b)}	78%	90%	80%	80%	
Average cost (\$) per hour of services to maintain lawful behaviour and prevent crime ^(c)	\$72.18	\$75.81	\$78.03	\$81.80	
Full Time Equivalents (FTEs)	2,169	2,286	2,287	2,335	

- (a) General calls to the Police Assistance Centre (131444) not including emergency '000' calls or calls from security firms, education security, St John Ambulance, FESA, State Emergency Service, Cab Alert and Western Power.
- (b) On 2 May 2005 WAPS introduced 131444 as the general telephone number for the Police Assistance Centre. The catchment area for 131444 includes the general telephone calls previously made to 92221111 and the majority of calls previously directed to police sub districts. Prior to 2 May 2005, telephone calls directed to Police sub districts were not counted in this Key Efficiency Indicator as there was no record of the volume of calls, or the time taken to answer these calls.
- (c) Calculated from internal police activity surveys undertaken over each previous 12 months.

Major Achievements For 2004-05

- A significant reduction in the number of reported offences for several key offence categories was achieved in the twelve months ending March 2005 compared with the twelve months ending March 2004:
 - reported burglary offences decreased by 23% from 55,350 in 2004 to 42,638 in 2005;
 - reported motor vehicle theft offences decreased by 25.1% from 10,093 in 2004 to 7,560 in 2005;
 - reported other theft offences decreased by 15.4% from 90,892 in 2004 to 76,897 in 2005; and
 - reported robbery offences decreased by 19.8% from 2,217 in 2004 to 1,778 in 2005.
- Implementation of the Royal Commission Recommendations is progressing with a number of the initiatives completed including:
 - civilianisation to support Frontline First is progressing with 60 police officer positions being redeployed to the frontline in September 2004 and a further 30 police officers being redeployed to the frontline in January 2005;
 - the development of the Corruption Prevention Plan to reduce corruption-related risks and contribute to community confidence in the Police Service; and
 - recruiting reforms for police officers.
- Implemented initiatives relating to the Gordon Inquiry including:
 - progressed the infrastructure requirements for deployment of a permanent police presence at Warburton, Balgo and Kalumburu;
 - ensured the provision of interim service delivery strategies until permanent infrastructure requirements are completed;
 - deployed a police officer to Kintore Police Station in the Northern Territory to contribute to a multi-jurisdictional approach to policing Indigenous communities in Central Australia;
 - completed the policy 'Police and Aboriginal People' to provide a framework for strategic approach for services to and engagement with Aboriginal people; and
 - delivered state-wide training on Family and Domestic Violence to all districts to ensure the implementation of new protocols for dealing with family and domestic violence.
- Completed the Government commitment to recruit an additional 250 Police and 40 Aboriginal Police Liaison Officers.
- Ensured all six metropolitan district police stations operated on a 24-hour, seven day a week basis through the deployment of additional police staff to these stations in order to improve frontline policing services to the community.

- Implemented initiatives to release police officers from non-operational duties and enhance the policing services provided to the community by increasing staff availability at priority times. Initiatives included:
 - the review of administrative positions held by police officers and the re-allocation of police staff, including additional customer service officers in regional locations, to provide additional administrative support;
 - the implementation of improved rostering practices;
 - better control and coordination of effort to achieve effectiveness and efficiency gains; and
 - an improved supervisory capacity.
- Deployed the Regional Operations Group to major events and incidents of anti-social behaviour.
- Delivered programs to positively influence at-risk young people, such as:
 - diversity Officers at the Police and Citizens Youth Club (PCYC) Mornington Adventure Camp targeting refugee youth; and
 - other PCYC programs such as the Penn Monitoring Program and the 'One-on-One' mentoring program.
- Enhanced intelligence holdings and the timely dissemination of information to Districts on Motor Cycle and Street Gang members, their activities and associates, and enhanced frontline police monitoring and response to gang activity.
- Increased interaction, coordination and resource sharing with external Law Enforcement Agencies through the Joint Operational Coordination Team (JOCT) to facilitate the targeting of illicit drug distribution at State, National and International levels.
- Commenced the registration of child sex offenders under the *Community Protection (Offender Reporting) Act 2004* as a preventative measure, in the ongoing management of the perpetrators of these crimes.
- Liaised with the Australian Taxation Office, Centrelink, Department of Immigration Multicultural and Indigenous Affairs, Australian Federal Police, Western Australian Registrar of Births Deaths and Marriages and the Department of Planning and Infrastructure, in relation to identity fraud and theft. Provided advice and assistance to victims to minimise the effects of identity fraud and theft.
- Progressed technology improvements to provide timely and appropriate information to frontline officers, including:
 - frontline Incident Management System (IMS) Stage 1 to all officers in the State;
 - frontline IMS 2.1.1, the first implementation of Stage 2 to all officers in the State; and
 - the PC Roll-Out Project 2004 that upgrades computer equipment, hardware and standard operating environment.

Major Initiatives For 2005-06

- Commence the recruitment of an additional 350 Police Officers and continue the recruitment of 160 Police Staff to support Frontline First and enhance core policing services to the community.
- Continue the implementation of Royal Commission recommendations including:
 - implement integrity testing;
 - implement Personnel Vetting to improve background checking of police personnel;
 - development of Corporate Risk Management System Database Policy in line with Australian/New Zealand standards;
 - complete streamlining of the complaint reporting and investigations management processes to enable more rapid resolution to complaint investigations;
 - continue the civilianisation program; and
 - further reform of the *Police Act*.
- The implementation of the Corruption Prevention Plan to achieve:
 - an increase in the level of community confidence that the Police Service has reduced corruption and misconduct;
 - a sustained investment in research, development and evaluation of corruption prevention strategies;
 - a reduced incidence of complaints against Police Officers for assault and theft; and
 - an increase in the proportion of internal witnesses compared to the total number of witnesses of corrupt activity.
- Amendments to the *Road Traffic (Impounding and Confiscation of Vehicles) Act 2004* referred to as the 'anti-hoon legislation' to further enhance powers.

- Target anti-social behaviour such as out of control parties, at major events (New Years Eve and Skyshow) and metropolitan night spots through the acquisition and deployment of two mobile lockup facilities, purchase of hand held metal detectors for metropolitan night spots and acquisition of additional stun guns for deployment to metropolitan and regional districts.
- Expansion of the Canine Section to broaden the range of services:
 - within the metropolitan area through the acquisition of an additional four general purpose dogs to enable a 24 hour seven days a week service delivery within the metropolitan area;
 - acquisition of two new special purpose firearms/ explosives dogs;
 - an increase in canine services to regional Western Australia through the acquisition of seven new general purpose dogs to be located at Bunbury and new services at Kalgoorlie, Albany and Geraldton; and
 - establishment of a breeding program to ensure an ongoing supply of suitable police dogs.
- Provision of an integrated and streamlined licensing and permit information system, which will enable business process improvements and result in a better service to the community.
- Implement an effective and reliable Records Management System (RMS) to manage and track administrative records and correspondence streamlining the process of records management across the agency.

Service 2: Emergency Management and Co-ordination

The ability of the Police Service to respond quickly and effectively to a range of emergencies plays an important part in enhancing the community's feelings of safety. The key role for the Police Service is to plan and ensure a state of preparedness for, and the effective management and co-ordinated response to, major emergencies and disasters. Activities undertaken include search and rescue, maintenance and testing of emergency plans, training programs, simulated exercises, and the Police Service's responsibility for providing co-ordination of hazard management authorities during major emergencies.

	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	10,055	13,242	13,469	14,442	
Less Income	201	214	232	112	
Net Cost of Service	9,854	13,028	13,237	14,330	
Adjustments ^(a)	14	(159)	(238)	(185)	
Appropriation for delivery of Service	9,868	12,869	12,999	14,145	

(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 emergency management and co-ordination ^(a)	\$81.09	\$85.43	\$88.03	\$91.99	
Full Time Equivalent (FTEs)	82	110	111	113	

(a) Calculated from internal police activity surveys undertaken over each previous 12 months.

Major Achievements For 2004-05

- Established a new Portfolio, 'Counter Terrorism and State Protection' under the control of an Assistant Commissioner that includes all issues relating to emergency management, and counter terrorism thereby enhancing the agency's capacity to plan for and respond to natural and human caused emergencies.
- Identified critical infrastructure facilities and conducted awareness sessions for critical infrastructure stakeholders, to enable them to prepare and respond to terrorist-related incidents.
- Maintained close liaison with the Department of Premier and Cabinet (DPC) to facilitate a whole of government response to counter terrorism issues.
- Updated Emergency Management Standard Operating Procedures to reflect best practice and meet National Standards.
- Conducted tabletop counter terrorism exercises with key stakeholders. District Emergency Management Committee plans were reviewed to include counter terrorism to enable an appropriate response to terrorist-related activities.
- Conducted several major disaster management exercises, including a multi-agency response to a potential radiation hazard from visiting nuclear powered warships and an air crash at Perth Airport.
- Maintained high level of liaison with Fire and Emergency Services Authority (FESA) in relation to chemical, biological and radiological (CBR) emergency management issues.
- Established and maintained an intelligence network with all critical infrastructure operators.
- Completed an Investigation Model for a terrorist incident. A Memorandum of Understanding is being addressed by the National Counter-Terrorism Committee (NCTC).
- Commenced planning and training for the conduct of the NCTC National Counter Terrorism exercise to be conducted in October 2005.
- Coordinated emergency services response to clandestine drug laboratories State-wide, in conjunction with FESA, St John Ambulance and the Government Chemical Laboratories.
- Monitored and reviewed all the State Emergency Management plans, for which the Police Service is the lead hazard management agency, and developed an emergency intranet site to allow for ease of retrieval for emergency information.
- Established training programs and protocols to address anomalies in Emergency Incident attendance and management.
- Developed protocols to facilitate the provision of advice on emergency management matters, including single or multi-agency events.

Major Initiatives For 2005-06

- Establish the Counter Terrorism Coordination Unit (CTCU) pursuant to the National Counter Terrorism Plan. Relevant issues associated with this initiative are:
 - ongoing training and awareness programs, Tactical Response Group (TRG) courses, seminars and exercises;
 - counter terrorism legislation; and
 - developing cross-border investigative powers for police.
- Maintain a high level of liaison with other emergency services to ensure cooperation on planned equipment purchases and training programs associated with both Counter Terrorism and Emergency Management. Issues associated with this initiative include:
 - the ability to link resources;
 - the development of interagency training; and
 - shared knowledge and skills base.

- Conduct State-wide, local and district reviews of all current emergency management plans and provide both training and advice on current and future emergency planning trends. Relevant issues associated with this initiative include:
 - consistent planning State-wide;
 - the ability for all staff to be conversant with other area plans in the event of an emergency; and
 - underpinning current knowledge and up-skilling personnel.

Service 3: Response to and Investigation of Offences

The Police Service's role in responding to and investigating offences involves the co-ordination of an initial response, gathering and securing of evidence, collating and analysing intelligence, providing quality investigations, apprehending offenders, and preparing evidence and prosecution files and briefs. The quality and effectiveness of this response to reported offences by the Police Service plays a major role in bringing offenders before the justice system.

	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	199,384	224,122	226,580	242,948	
Less Income	6,132	2,638	3,054	3,061	
Net Cost of Service	193,252	221,484	223,526	239,887	
Adjustments ^(a)	589	(4,723)	(4,010)	(3,119)	
Appropriation for delivery of Service	193,841	216,761	219,516	236,768	

- (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
Emergency calls (000) for police assistance answered within 20 seconds ^(a)	83%	93%	80%	90%	
Average time taken to respond to urgent calls for police assistance in the metropolitan area from call received to arrival at scene ^{(b)(c)(d)(e)(f)(g)(h)}	9 mins	9 mins	9 mins	9 mins	
Priority 1-2 calls	20 mins	20 mins	20 mins	20 mins	
Average cost (\$) per hour of response to and investigation of offences ⁽ⁱ⁾	\$71.90	\$74.96	\$76.86	n/a	Discontinued indicator.
Average cost (\$) per response/investigation ^(j)	n/a	\$589 ^(k)	\$1,073	\$1,148	
Full Time Equivalents (FTEs)	2,027	2,143	2,137	2,183	

- (a) Emergency calls to the Police Operations Centre ('000') not including general (131444) calls or calls from security firms, education security, St Johns Ambulance, Fire and Emergency Services, Cab Alert, and Western Power.
- (b) On 28 April 2004, the Police Operations Centre commenced using the new Computer Aided Dispatch (CAD) system. This system replaced the Computer Dispatch System (CDS) for creating and managing tasks for police attendance within the metropolitan area.
- (c) EXCEPTIONS
In order to provide an accurate indication of response times, the following types of incidents have been excluded from calculations as they do not contribute to measuring service delivery or have the potential to skew results:
- Scheduled Events. Scheduled Events are incidents created for attendance at a later time (e.g. Royal Flying Doctor escorts);
 - Pursuits. Pursuits are not included in the response calculations as these incidents are deemed 'arrived' at the time of initiating the CAD incident;
 - Change of Incident Response Priority. Where incidents are subject to a priority upgrade (e.g. priority 4 to priority 2), the applicable response target time becomes that of the new priority group, however the Target response time for that Priority may already have expired; and
 - Incidents with no recorded 'At Scene' time. There are incidents, due to a number of circumstances that do not have an 'At Scene' time recorded. This was the potential to skew the calculation of averages and so have been excluded.

- (d) Priority 1 tasks cover offences such as: an armed hold-up in progress; armed offender incident in progress; and other life threatening incidents. Priority 2 tasks cover incidents where life or property is, or may be, in a state of threat or imminent danger. Due to the extremely small number of Priority 1 incidents (which are statistically insignificant), these are included with Priority 2 incidents to calculate a combined response time.
- (e) Priority 3 tasks cover incidents requiring immediate attention but are not life threatening at that time. Priority 3 incidents may involve the welfare of a person, the possible apprehension of offenders or the preservation of evidence. This requires the dispatch of the first available local/ district or other resource.
- (f) The response time has been formulated from the time the incident was initiated in the CAD system to arrival of the first resource at the scene. The response times of other resources that may also attend the same incident are excluded.
- (g) The paramount considerations in responding to all incidents are the safety of the community and police officers, and the quality of the response. Response times are therefore considered to be indicative and only one aspect of police performance when responding to incidents.
- (h) Population growth and the development of new housing estates in the metropolitan area have a significant impact on existing Policing Districts. Several of the metropolitan Districts have Police sub districts that lay on the periphery of the metropolitan area. Whilst patrolling of these outlying sub districts is contained within a District's service delivery model it is not necessarily true that an operational unit will be in the area when a high priority task arises. It is reasonable to assume that responding to Priority 1, 2 or 3 tasks in these marginal metropolitan areas may experience delays beyond the target response times.
- (i) Calculated from internal police activity surveys undertaken over each previous 12 months.
- (j) The number of responses/investigations is based on the total number of selected reported offences excluding receiving/illegal use, fraud and graffiti offences.
- (k) This budget target was understated due to incorrect calculation/data. There were no previous targets against which to assess appropriateness of target for 2004-05. The cost per hour indicator, which is discontinued, shows a target of \$74.96 for 2004-05 and the 2004-05 estimated is \$76.86.

Major Achievements For 2004-05

- An improvement in the clearance rate was achieved for the broad offence categories of 'offences against the person', 'offences against property' and 'other selected offences'. In the twelve months ending March 2005 compared with the twelve months ending March 2004:
 - the assault clearance rate improved by 9.5% from 79.8% in 2004 to 87.4% in 2005;
 - the robbery clearance rate improved by 51.0% from 39.6% in 2004 to 59.8% in 2005;
 - the burglary clearance rate improved by 18.5% from 15.1% in 2004 to 17.9% in 2005;
 - the stolen motor vehicle clearance rate improved by 29.7% from 24.6% in 2004 to 31.9% in 2005; and
 - the clearance rate for total drug offences improved by 12.5% from 86.6% in 2004 to 97.4% in 2005.
- Additional funding of \$1 million was allocated to increase police visibility, undertake targeted patrolling in high-risk areas and during peak demand periods to enable a number of successful operations to be conducted throughout the State. The Regional Operations Group (ROG) has been further equipped to deal with out-of-control parties.
- Established the Police Assistance Centre and the associated Incident Recording Facility. These initiatives will enhance the community's access to police, reduce the administrative workload of frontline officers and improve service delivery.
- Deployed the ROG to support districts in frontline activities and assist in a number of proactive operations to lessen the impact of anti-social behaviour at events such as Schoolies Week, Rock It Joondalup, the Royal Show and the Australia Day Skyshow.
- Utilised the Police Transit Unit to target anti-social behaviour, crime hotspots and to support the policing of major events in the metropolitan area.
- Reviewed and commenced investigations into selected cold-case homicides, including actioning information received through media appeals.
- Trained police officers and implemented system changes to ensure agency readiness to the enactment of the *Criminal Law Amendment (Simple Offences) Act 2004* and the *Criminal Procedures Amendment Act 2004*.
- Implemented the *Misuse of Drugs Act Amendment Act 2004* to enable mandatory industry reporting of precursor chemical sales and create offences for being in possession of chemicals without lawful excuse. This legislation will significantly assist in the identification and targeting of persons involved in illicit drug manufacture.
- Liaised with external agencies such as the Australian Federal Police (AFP), Australian Customs Service (ACS) and Austrac to facilitate multi-jurisdictional fraud investigations.
- Conducted a number of joint operations with the AFP, ACS and the Corruption and Crime Commission resulting in the seizure of drugs, documents, property and the charging of offenders.

- Carried out an ongoing inquiry that identified approximately \$1 million in unexplained wealth and disrupted the activities of established criminal networks.
- Contributed to the National ID Crime Working Party that is tasked with the ongoing implementation of the National ID Crime Policing Strategy.
- Completed the procurement phase of the Police Metropolitan Radio Network project.
- Enhanced the Computer-Aided Dispatching system (CAD) in the metropolitan area to enable more efficient and effective dispatch of officers to community requests for assistance.

Major Initiatives For 2005-06

- Consolidate the operation of the Police Assistance Centre to enhance service delivery to the community.
- Increase the number of DNA crime scene exhibits processing through the investment in additional DNA analysers and robotic extraction equipment, as well as recruiting additional forensic scientists and technicians to increase the PathCentre's processing capability.
- Enhance the use of the Incident Recording Facility to release police officers from administrative duties and improve officer availability for operational tasking.
- Progress the implementation of the Police Metropolitan Radio Network (PMRN), Mobile Data Service, Automatic Vehicle Location and Message Switch to provide an improved Metropolitan Radio Network, data network and enhance frontline police activity by 2007.
- Fully implement IMS Stage 2.2 bringing together Police and Department of Justice information about incidents, persons, locations, vehicles, and property into a single repository to provide a greatly improved intelligence base for investigators.

Service 4: Services to the Judicial Process

Services to the judicial process and provision of custodial services include the activities of presentation of evidence, police prosecutions, court security, prisoner security and care, services to the coroner, the processing of court documents, and the management of bail and reporting processes. The quality and effectiveness of these services provided by the Police Service are an important component in ensuring offenders are appropriately dealt with by the justice system.

	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	60,556	64,364	66,030	70,800	
Less Income	2,150	1,501	601	602	
Net Cost of Service	58,406	62,863	65,429	70,198	
Adjustments ^(a)	189	(358)	(1,169)	(909)	
Appropriation for delivery of Service	58,595	62,505	64,260	69,289	

- (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 services to the judicial process ^(a)	\$73.76	\$78.49	\$81.67	\$85.61	
Average cost (\$) per guilty plea ^{(b)(c)(d)}	n/a	\$26	\$43	\$45	
Average cost (\$) per non-guilty plea ^{(b)(c)(d)}	n/a	\$207	\$342	\$361	
Full Time Equivalents (FTEs)	588	578	586	599	

- (a) Calculated from internal police activity surveys undertaken over each previous 12 months.
- (b) For the purpose of this indicator, matters represent charges. This indicator includes matters that have been placed before the Children's Court and Court of Petty Sessions throughout the State by the Police Service. The data may also include a small number of matters placed before the Christmas Island Court by the Australian Federal Police. Criminal matters placed before the District and Supreme Courts are not included.
- (c) The targets for these indicators were understated due to lower than appropriate moneys being allocated to 'prosecution' activities used in the calculation. There were no previous targets against which to assess appropriateness of targets for 2004-05.
- (d) The increase in the 2005-06 Target is due to the following factors:
- removal of the Direction Hearings process in late 2004. In previous years, this process ensured contentious issues were removed prior to hearing along with a number of concessions that facilitated an early plea of guilty. Removal of the process has contributed to a number of not guilty pleas being maintained; and
 - introduction of new legislation. For example, the 'either way legislation' has precipitated a greater majority of serious charges into the Court of Petty Sessions. As a result, the number of matters listed for trial has increased significantly. With an increased number of more serious/technical cases coming before the Courts of Petty Sessions, the propensity for acquittal on issues of law/ technicality may increase. In consideration of the more serious nature of charges, a greater bearing will be placed upon prosecutorial/ judicial decisions to either plead guilty or go to trial, having regard to certain sentencing dispositions.

Major Achievements For 2004-05

- Implemented the Electronic Briefing (Ebrief) 2 Pilot Program to directly upgrade the Police Service brief system saving on resources allocated to transferring court results.
- Piloted the Administration of Justice (AoJ) Custody Project to provide a platform to manage custodial care, lockup and bail management.
- Completed an electronic interface to the Department of Justice to enable police court briefs to be systematically sent for automatic entry into the Department of Justice computer systems.

Major Initiatives For 2005-06

- Complete the implementation of the Custody Project to all operational areas to provide a platform to manage custodial care, lock up and bail management to improve the accountability of police handling of offenders in custody.

Service 5: Traffic Law Enforcement and Management

The principal focus of the Police Service's activities in relation to road safety is to improve road-user behaviour. This can be achieved by implementing strategies targeting those behaviours identified as major contributing factors in road crashes, especially speed and alcohol. These strategies include targeted traffic law enforcement and traffic management and activities such as speed enforcement operations, random breath tests, crash attendance and investigation, targeted and general traffic patrols and public education and awareness.

	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	103,198	102,606	103,906	111,412	
Less Income	4,289	5,655	6,108	6,420	
Net Cost of Service.....	98,909	96,951	97,798	104,992	
Adjustments ^(a)	312	(2,153)	(1,839)	(1,430)	
Appropriation for delivery of Service	99,221	94,798	95,959	103,562	

(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 traffic law enforcement and management ^(a)	\$66.41	\$69.94	\$71.81	\$75.28	
Full Time Equivalents (FTEs)	1,102	1,034	1,049	1,071	

(a) Calculated from internal police activity surveys undertaken over each previous 12 months.

Major Achievements For 2004-05

- A range of initiatives were actioned to support traffic-related enforcement:
 - conducted target patrols at 'hot-spots';
 - utilised traffic patrols to provide highly visible presence at priority times and support operations directed at crime and anti-social behaviour 'hot-spots'; and
 - established the Highway Patrol Group as part of the Traffic Enforcement Group which has resulted in 4427 vehicle stops and 3663 infringements between 7 February 2005 and 17 April 2005.
- Restructured the specialised Traffic Support Division to monitor and add value to district resource allocation.
- Reviewed processes relating to Strategic Traffic Enforcement Program (STEP) funding to ensure greater focus on addressing priority issues. A number of STEP Operations were completed facilitating significant patrol hours and vehicle stops on country roads.
- Collaborated with the Office of Road Safety in the development of policy for drug-driving enforcement protocols. Approval has been given to draft legislation and an inter-agency working party is working through this process.
- Advanced the development of the Coordinated Action Plan (CAP) Speed project.
- Implemented the Automatic Number Plate Recognition project to identify vehicles and vehicle owners of interest for further inquiries.
- Enforced the anti-hoon legislation impounding more than 250 vehicles.

Major Initiatives For 2005-06

- Establish a new program relating to the piloting of repeat drink-driving strategies aimed at enhancing the prosecution of recidivist drink-driving offenders.
- Increase the use of Automatic Number Plate Recognition cameras in conjunction with targeted policing activities, such as deployment of the Booze Bus to provide an intelligence capacity and allow linkages with other systems to track offences.
- Complete the CAP Speed project (Phase 2), to deliver business process improvements including evidence tracking, and location and identification of cameras, so as to further streamline business processes, remove the need for shift work, and manage all 'corporate' traffic infringements.
- Progress 'Owner Onus' legislation, to enable identification of traffic offenders.

CAPITAL WORKS PROGRAM

To support the delivery of Police Services a total of \$108.784 million is budgeted to be spent on capital works in 2005-06 including the following:

Works in Progress

- Construction of replacement police stations at Newman, Laverton and the District Police Complex at Albany will be completed.
- Construction of a new Forensic Facility at the Police Operations Support Facility at Midland will continue.
- The construction of the Multifunctional Police Facilities at Balgo and Warburton will be completed and Kalumburu to commence in accordance with the recommendations of the Gordon Inquiry.
- A building modifications program to address safety and health issues arising from the inclusion of police officers under Occupational Safety and Health legislation will continue.
- Building modifications under the Police Station Upgrade Program will continue.
- Design development will be completed and construction to commence on the replacement police stations at Wanneroo, Vincent and the new stations at Canning Vale and Ellenbrook.
- Design development will be completed and construction to commence on the replacement Kimberley Police Complex.
- Design development will continue on the Traffic Support Facility stage of the Police Operations Support Facility at Midland.
- Design development will be completed and construction to commence on new multifunctional facilities in the Dampier Peninsula, Warakurna and Bidyadanga communities in accordance with the recommendations of the Gordon Inquiry.
- Design development will continue on new multifunctional facilities at Jigalong and Warmun communities in accordance with the recommendations of the Gordon Inquiry.

New Works

- Design development will commence on replacement police stations in Derby, Leonora, South Hedland and Stirling and a replacement Pilbara District Police Complex in Karratha.
- Design development will be completed and construction to commence on the replacement Harvey police station.

- Design development will commence on the new Perth Watch House, the Central Metropolitan Police Complex and the Specialist Crime Portfolio Complex.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Other Capital Works Proposals				
CADCOM Planning Costs	5,190	4,520	80	670
Counter Terrorism Equipment	4,898	4,418	2,019	280
Crime Investigation Support - BCI Surveillance Equipment	1,500	-	-	1,500
Delta Communications and Technology (DCAT)	111,825	48,880	20,186	24,585
Facility OSH Modifications	10,676	7,284	5,000	3,392
Non Leased/Non Standard Vehicle Replacement Program	5,851	5,702	613	149
Perth Metro Radio Network (CADCOM Stage 1C)	59,354	9,731	8,465	20,020
Police Station Upgrade Program	4,000	1,000	1,000	1,000
Replacement Equipment Program	14,000	2,400	2,400	3,300
Police Facilities				
New and Replacement Police Facilities				
Albany District Police Complex	9,998	8,765	6,416	1,233
Balgo Police Station (Gordon Inquiry)	1,387	900	900	487
Bidyadanga Police Station (Gordon Inquiry)	2,030	40	40	1,790
Canning Vale Police Station	3,030	100	100	780
Carnarvon Police Station	4,250	200	200	50
Dampier Peninsular Police Station (Gordon Inquiry)	1,671	40	40	1,175
Ellenbrook Police Station	3,570	50	50	600
Jigalong Police Station (Gordon Inquiry)	1,978	40	40	100
Kalumburu Police Station (Gordon Inquiry)	3,268	200	200	3,068
Kimberley District Police Complex	9,900	220	220	1,000
Laverton Police Station	3,553	3,400	3,247	153
Newman Police Station	4,261	3,297	2,849	964
Operations Support Facility Stage 2 Traffic Support	14,430	330	330	500
Police Operations Support Facility	40,786	24,828	8,000	14,000
Vincent Police Station	5,110	160	160	4,000
Wanneroo Police Station	3,200	358	230	2,642
Warakurna Police Station (Gordon Inquiry)	2,768	41	41	2,727
Warburton Police Station (Gordon Inquiry)	2,611	1,457	1,372	1,154
Warmun Police Station (Gordon Inquiry)	2,673	50	50	100
COMPLETED WORKS				
Equipment Purchases - New and Replacement				
Metal Detectors	30	30	30	-
Special Purpose Vehicles	445	445	445	-
Other Capital Works Proposals				
Boost Police Operations Commitment	856	856	408	-
Central and West Metropolitan Accommodation Review - Planning	235	235	36	-
Equipment Purchases and Replacement Program 2001-04	9,000	9,000	1,131	-
Feasibility Studies - Police Complexes	477	477	39	-
Pistol Replacement Program	680	680	69	-
State-wide Office and Cell Block Upgrade Program - Stage 3	7,624	7,624	525	-
Video Evidentiary Unit - Gordon Inquiry	315	315	268	-
Police Facilities				
New and Replacement Police Facilities				
Kensington Police Station	2,843	2,843	4	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
NEW WORKS				
Equipment Purchases - New and Replacement				
Aircraft Replacement Program	10,000	-	-	10,000
Forward Looking Infra Red (FLIR) Unit	990	-	-	990
Livescan Fingerprinting Equipment	1,412	-	-	1,412
Shoe Impression Equipment	36	-	-	36
Stun Gun Deployment	72	-	-	72
Other Capital Works Proposals				
DNA Extraction Robot (Path Centre).....	175	-	-	175
Genetic Analysis (Path Centre)	225	-	-	225
Small Robot Systems (Path Centre)	700	-	-	700
Police Facilities				
Additions and Alterations to Existing Facilities				
South Hedland Police Station	8,360	-	-	300
Central Facilities Relocation Strategy				
Perth Watch House / Perth Police Centre / Crime Headquarters	81,000	-	-	800
New and Replacement Police Facilities				
Derby Police Station	7,600	-	-	400
Harvey Police Station.....	2,600	-	-	600
Leonora Police Station	2,826	-	-	225
Pilbara District Police Complex.....	7,110	-	-	600
Stirling Police Station	4,930	-	-	830
	488,309	150,916	67,203	108,784

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	35,148	88,114	67,203	108,784	94,833	88,546	50,472
	35,148	88,114	67,203	108,784	94,833	88,546	50,472
LESS							
Drawdowns from the Holding Account	3,018	17,907	17,907	18,400	39,760	18,508	1,922
Funding Included in Service Appropriations ^(a)	12,000	4,894	4,989	16,903	13,685	8,031	10,956
Internal Funds and Balances	(37,133)	21,879	257	34,643	3,761	-	(150)
Other.....	-	-	19	-	-	-	-
Capital Contribution	57,263	43,434	44,031	38,838	37,627	62,007	37,744

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	367,951	396,214	402,740	423,753	440,332	462,450	483,062
Superannuation	36,136	45,599	41,851	40,984	41,655	42,334	43,769
Grants and subsidies ^(c)	478	805	870	870	931	965	805
Consultancies expense	1,134	564	449	299	299	299	307
Supplies and services	119,110	131,217	133,705	149,730	153,054	155,663	169,377
Accommodation	16,701	12,354	13,585	16,199	18,679	21,239	23,530
Finance costs	12	-	-	-	-	-	-
Capital User Charge	24,386	29,012	29,790	32,593	35,429	39,085	42,742
Depreciation and amortisation	16,774	20,583	19,494	24,104	28,425	33,422	34,295
Other expenses	11,515	10,429	13,599	14,947	13,317	15,268	16,439
TOTAL COST OF SERVICES	594,197	646,777	656,083	703,479	732,121	770,725	814,326
Income							
User charges and fees	1,274	999	1,549	1,512	1,525	1,539	1,549
Regulatory Fees and Fines	8,537	7,828	9,878	9,796	10,923	10,724	10,861
Grants and subsidies	4,010	4,401	4,401	4,341	4,341	4,341	4,341
Donations	990	70	70	75	75	75	75
Other Revenue	8,103	3,982	4,382	4,392	4,402	4,412	4,422
Total Income	22,914	17,280	20,280	20,116	21,266	21,091	21,248
NET COST OF SERVICES	571,283	629,497	635,803	683,363	710,855	749,634	793,078
INCOME FROM STATE GOVERNMENT							
Service Appropriations	573,018	615,875	624,192	674,332	706,690	744,478	787,833
Resources received free of charge	503	902	902	902	902	902	902
Liabilities assumed by the Treasurer	1,162	8,000	4,000	4,000	4,000	4,000	4,000
TOTAL INCOME FROM STATE GOVERNMENT	574,683	624,777	629,094	679,234	711,592	749,380	792,735
SURPLUS (DEFICIENCY) FOR THE PERIOD	3,400	(4,720)	(6,709)	(4,129)	737	(254)	(343)
Extraordinary items	1,074	830	830	-	1,013	8,093	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	4,474	(3,890)	(5,879)	(4,129)	1,750	7,839	(343)

(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 5968, 6170 and 6301 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	45,565	6,860	46,035	10,160	6,507	6,636	6,786
Restricted cash	16,399	11,704	1,500	2,429	3,546	4,860	6,532
Receivables	3,975	2,716	3,975	3,975	3,975	3,975	3,975
Inventories	1,708	1,941	1,708	580	580	580	580
Amounts receivable for services.....	17,907	21,373	18,400	39,760	18,508	1,922	1,740
Prepayments	3,965	1,397	3,000	3,000	3,000	3,000	3,000
Total current assets	89,519	45,991	74,618	59,904	36,116	20,973	22,613
NON-CURRENT ASSETS							
Amounts receivable for services.....	23,730	30,859	32,743	20,666	34,713	70,483	107,666
Land and Buildings	292,909	292,413	295,425	342,980	357,232	350,977	362,236
Plant and equipment.....	25,024	89,628	25,877	33,095	44,399	38,940	45,474
Intangibles	48,315	-	53,217	72,190	89,406	96,774	66,656
Other.....	19,523	59,819	50,091	40,296	48,827	92,558	109,761
Total non-current assets.....	409,501	472,719	457,353	509,227	574,577	649,732	691,793
TOTAL ASSETS.....	499,020	518,710	531,971	569,131	610,693	670,705	714,406
CURRENT LIABILITIES							
Superannuation	1,216	892	-	120	120	240	360
Payables	4,422	5,681	5,824	4,707	4,707	4,707	4,707
Provision for employee entitlements	48,756	50,710	51,122	50,555	52,211	53,734	53,791
Accrued Salaries	15,351	2,194	2,242	3,487	3,487	5,087	6,687
Other.....	2,142	1,245	2,385	2,257	2,354	2,451	2,523
Total current liabilities.....	71,887	60,722	61,573	61,126	62,879	66,219	68,068
NON-CURRENT LIABILITIES							
Provision for employee entitlements	73,010	76,396	79,779	83,805	86,279	88,906	93,357
Total non-current liabilities	73,010	76,396	79,779	83,805	86,279	88,906	93,357
TOTAL LIABILITIES.....	144,897	137,118	141,352	144,931	149,158	155,125	161,425
EQUITY							
Contributed Equity	111,208	153,437	154,413	193,251	229,849	284,148	321,892
Accumulated surplus/(deficit)	52,923	47,916	47,044	41,787	43,537	51,376	51,033
Reserves	189,992	180,239	189,162	189,162	188,149	180,056	180,056
Total equity.....	354,123	381,592	390,619	424,200	461,535	515,580	552,981
TOTAL LIABILITIES AND EQUITY.....	499,020	518,710	531,971	569,131	610,693	670,705	714,406

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	548,504	587,373	596,779	646,649	674,135	706,786	748,910
Capital Contribution.....	57,263	43,434	44,031	38,838	37,627	62,007	37,744
Holding Account Drawdowns	3,018	17,907	17,907	18,400	39,760	18,508	1,922
Net cash provided by State government	608,785	648,714	658,717	703,887	751,522	787,301	788,576
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(355,084)	(400,460)	(407,930)	(418,929)	(436,202)	(456,580)	(476,834)
Superannuation	(34,651)	(37,599)	(37,851)	(36,984)	(37,655)	(38,334)	(39,769)
Grants and subsidies	(388)	(805)	(870)	(870)	(931)	(965)	(805)
Consultancies payments.....	(999)	(564)	(449)	(299)	(299)	(299)	(307)
Supplies and services	(120,176)	(131,451)	(131,074)	(150,954)	(152,936)	(155,545)	(169,284)
Accommodation.....	(17,327)	(12,354)	(13,585)	(16,199)	(18,679)	(21,239)	(23,530)
Finance costs	(11)	-	-	-	-	-	-
Capital User Charge.....	(23,729)	(29,012)	(29,790)	(32,593)	(35,429)	(39,085)	(42,742)
Goods and Services Tax	(14,598)	(10,911)	(10,911)	(10,911)	(10,911)	(10,911)	(10,911)
Other.....	(9,458)	(9,457)	(12,627)	(13,970)	(12,340)	(14,291)	(15,462)
Receipts							
User charges and fees.....	1,291	899	1,449	1,412	1,425	1,439	1,449
Regulatory fees and fines.....	8,390	7,907	9,957	9,875	11,002	10,803	10,940
Grants and subsidies	4,066	4,401	4,401	4,341	4,341	4,341	4,341
Goods and Services Tax	13,546	10,911	10,911	10,911	10,911	10,911	10,911
Other receipts	6,572	3,982	4,382	4,392	4,402	4,412	4,422
Net cash from operating activities.....	(542,556)	(604,513)	(613,987)	(650,778)	(673,301)	(705,343)	(747,581)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(24,198)	(79,355)	(59,159)	(88,055)	(80,757)	(80,515)	(39,173)
Net cash from investing activities.....	(24,198)	(79,355)	(59,159)	(88,055)	(80,757)	(80,515)	(39,173)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	42,031	(35,154)	(14,429)	(34,946)	(2,536)	1,443	1,822
Cash assets at the beginning of the reporting period	19,933	53,718	61,964	47,535	12,589	10,053	11,496
Cash assets at the end of the reporting period.....	61,964	18,564	47,535	12,589	10,053	11,496	13,318

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES							
Employee benefits expenses	7	-	-	-	-	-	-
Supplies and services	137	-	-	-	-	-	-
Other expenses	4,735	-	445	-	-	-	-
Receipts paid into Consolidated Fund	609	390	390	390	390	390	390
TOTAL ADMINISTERED EXPENSES ^(b) ..	5,488	390	835	390	390	390	390
INCOME							
Regulatory Fees and Fines	87	140	140	140	140	140	140
Grants and subsidies	3,999	-	-	-	-	-	-
Proceeds from disposal of non-current assets	268	-	-	-	-	-	-
Other Revenue	324	250	250	250	250	250	250
Service Appropriations	1,255	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME ^(c)	5,933	390	390	390	390	390	390

- (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 PAYMENTS AND RECEIPTS

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Employee benefits	(7)	-	-	-	-	-	-
Supplies and services	(137)	-	-	-	-	-	-
Other	(4,735)	-	(445)	-	-	-	-
Receipts paid into Consolidated Fund	(609)	(390)	(390)	(390)	(390)	(390)	(390)
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(5,488)	(390)	(835)	(390)	(390)	(390)	(390)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines	84	140	140	140	140	140	140
Grants and subsidies	4,449	-	-	-	-	-	-
Other receipts	323	250	250	250	250	250	250
Service Appropriations	1,255	-	-	-	-	-	-
Investing Activities							
Proceeds from sale of non-current assets	268	-	-	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS	6,379	390	390	390	390	390	390
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS	884	-	(445)	-	-	-	-

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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
Licences	3,910	4,037	4,037	4,538
Departmental	15,681	12,388	15,388	14,838
Commonwealth-National Campaign Against Drug Abuse	146	266	266	146
Commonwealth-Police Recruit Training Program	500	490	490	490
Commonwealth-Standing Action Committee for Protection Against Violence Training Exercises	47	-	-	-
Other	35	8	8	8
GST input credits	12,234	9,523	9,523	9,523
GST receipts on sales	1,312	1,388	1,388	1,388
TOTAL	33,865	28,100	31,100	30,931

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

FIRE AND EMERGENCY SERVICES AUTHORITY OF WESTERN AUSTRALIA

PART 9 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY

DIVISION 38

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
DELIVERY OF SERVICES							
Item 74 Net amount appropriated to deliver services	29,703	22,962	27,086	33,237	33,266	34,508	32,564
Total appropriations provided to deliver services	29,703	22,962	27,086	33,237	33,266	34,508	32,564
ADMINISTERED TRANSACTIONS							
Item 75 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	1	1	1	1	1	1	1
CAPITAL							
Item 153 Capital Contribution	450	450	1,382	5,060	240	-	-
GRAND TOTAL	30,154	23,413	28,469	38,298	33,507	34,509	32,565

MISSION

In partnership with the people of Western Australia to:

- *improve community safety practices; and*
- *provide timely, quality and effective emergency services.*

SIGNIFICANT ISSUES AND TRENDS

- The Fire and Emergency Services Authority (FESA) continues to support volunteerism through development of specialised training, enhanced services as well as improved equity of resources through the Emergency Services Levy (ESL).
- FESA is aware of the need for adopting a sustainable approach in all facets of its operations, especially being responsive to local needs by closely involving and supporting communities to achieve sustainable futures. FESA achieves this by working in partnership with volunteers, local governments and key stakeholders.
- Continuity of services is a priority issue as emergencies occur 24 hours a day, seven days a week. FESA and associated volunteers respond to a wide range of emergencies including fire, cyclones, storms, floods, road accidents, chemical spills and earthquakes as well as undertaking search and rescue operations on land and water.
- The role and responsibilities of FESA are being examined by the current legislative review of the emergency services acts (*Fire and Emergency Services Authority of Western Australia Act 1998, Fire Brigades Act 1942 and the Bush Fires Act 1954*). This will ensure that an appropriate legislative framework is in place for prevention services and emergency services in Western Australia.
- The community now looks to Emergency Services Organisations (ESOs) for expertise in areas such as arson prevention and bush fire survival. In order for FESA to be recognised as an authoritative source of information, it has become involved in externally validated research on which decision making can be based.
- FESA is progressing in the Shared Corporate Services Reform Program with the aim of achieving Whole of Government efficiencies that benefit the community of Western Australia.

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
Decisions taken prior to the State Election				
Shared Land Information Platform	478	463	397	340
Volunteer Marine Rescue Services additional funding	400	400	400	400
Western Australian Helicopter Water Bombing	1,350	1,350	1,350	1,350
Decisions taken since the State Election				
Interim arrangements to service the Butler-Merriwa region pending the completion of the Career Fire and Rescue Service (CFRS) Eglington Fire Station - 10 Firefighters operational costs	1,100	1,100	-	-
Enterprise Bargaining Agreements – Projected Award Increases	-	-	-	3,343
New CFRS Eglington Fire Station fully functional - 20 Firefighters operational costs	-	-	2,163	2,283
Valuer General Office' shared service costs	1,800	1,000	1,025	1,050
Western Australian Emergency Radio Network (WAERN)	5,800	6,000	6,024	1,049
Western Australian Rescue Helicopter Service additional funding	500	600	710	815

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
SERVICES							
<i>Service 1:</i>							
Prevention Services.....	15,155	15,969	16,790	17,288			
<i>Service 2:</i>							
Emergency Services.....	129,636	140,129	146,225	160,792			
Total Cost of Services	144,791	156,098	163,015	178,080	186,958	193,393	192,893
<i>Less Income.....</i>	<i>126,665</i>	<i>134,850</i>	<i>136,784</i>	<i>148,174</i>	<i>156,474</i>	<i>161,920</i>	<i>163,388</i>
Net Cost of Services	18,126	21,248	26,231	29,906	30,484	31,473	29,505
Adjustments ^(a)	11,577	1,714	855	3,331	2,782	3,035	3,059
Appropriation provided to deliver Services.	29,703	22,962	27,086	33,237	33,266	34,508	32,564
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	1	1	1	1	1	1	1
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	450	450	1,382	5,060	240	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	30,154	23,413	28,469	38,298	33,507	34,509	32,565

(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(s).

Government Goal(s)	Desired Outcome(s)	Service(s)
To enhance the quality of life and wellbeing of all people throughout Western Australia.	The impact of human and natural hazards on the community of Western Australia is minimised.	1. Prevention Services 2. Emergency Services

Service 1: Prevention Services

Provision of prevention services to increase community awareness of human and natural hazards, and involvement in minimising their impact.

	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	15,155	15,969	16,790	17,288	
Less Income	12,963	13,800	13,918	14,667	
Net Cost of Service	2,192	2,169	2,872	2,621	
Adjustments ^(a)	848	181	1	12	
Appropriation for delivery of Service	3,040	2,350	2,873	2,633	

(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
Prevention Services ^(a)	23	22	22.6	21	
Total Prevention Expenditure \$'000	15,155	15,969	16,790	17,288	
Average Cost per Prevention Service \$'000	658.9	725.9	742.91	823.24	
Total Prevention Services \$'000	15,155	15,969	16,790	17,288	
Full Time Equivalents (FTEs) ^(b)	138	138	143	139	

(a) The Prevention Services indicator includes the number of community prevention/awareness campaigns delivered plus nominal contact hours for participants undertaking emergency management services training hours multiplied by weighting factors.
 (b) 2004-05 Estimated Actual FTEs includes seven Community Emergency Management Officers for six months.

Major Achievements For 2004-05

- The ESL provided support to emergency service volunteers for prevention programs State-wide. The ESL also funded the training of fire and emergency services personnel and volunteers, community safety programs, emergency management planning, FESA Emergency Management Services and FESA administration costs.
- The impact of disasters has been minimised through overseeing development of State projects under the Commonwealth's Natural Disaster Mitigation Program. Funding has been recommended for 20 of the 30 applications received. The Statement of Planning Policy for Natural Hazard Mitigation has been endorsed by the Western Australian Planning Commission.
- The Emergency Management Bill 2004, was introduced into Parliament in October 2004.
- Commenced Research projects with a range of Western Australian research institutions which emphasise wildfire preparedness and other hazards. FESA is also involved in a range of research partnerships with the national Bushfire Cooperative Research Centre which is undertaking projects into issues such as prescribed burning.
- The review of the role and responsibilities of FESA in relation to fire in building plans assessment, building inspections, land use planning and subdivisions is complete.
- The strategic plan for development of the FESA hazard awareness centre and museum has been prepared and approved by the Minister.
- To increase the number of hardwired smoke alarms in Western Australian homes, planning was undertaken for the implementation program including stakeholder consultation, detailed timeline preparation and inter-departmental liaison.
- Community centred emergency management was promoted state wide via initiatives encouraging communities to take increased responsibility for their own safety. These included remote indigenous Emergency Risk Management Training and the All West Australians Reducing Emergencies program, scholarships and training sessions.
- To improve emergency management arrangements in remote indigenous communities, strategies employed included the Kiwirkurra Research Lessons Learnt project, establishment of an Indigenous Reference Group and preparation of a FESA Framework for Engaging Indigenous Communities.
- FESA provided continuing strategic and executive support to the State Emergency Management Committee (SEMC) with significant improvements to emergency management capability in Western Australia through the review of hazard plans and SEMC policy statements.
- Community safety education programs were reviewed and optimised. The traditional Cyclone Ready campaign was refined to a more community focussed Wet Season Program and new initiatives such as seminars for women on fire safety were supported.
- To raise community awareness of hazards and their prevention, a number of community safety prevention programs were run, including Smoke Alarm Battery Day, seasonal prevention programs and fire safety school programs. Targeted bush fire awareness and prevention programs were run across the State in both traditional towns such as Northam and non-traditional areas such as the Kimberley. Product safety programs included Candle Safety.

Major Initiatives For 2005-06

- Develop initiatives with local government and environment groups to protect communities vulnerable to areas with excessively heavy fuel loads.
- Through community engagement reduce the amount of the Kimberley burnt by unplanned and unmanaged late dry season bush fires.
- Complete the State-wide Bush Fire Threat Analysis and improve bush fire investigation methods.

- Develop comprehensive fire management guidelines and training including establishing a protocol for protecting high organic soil sites (Peatlands) from bush fire.
- The Emergency Management Bill is expected to be re-introduced during the Spring 2005 session of Parliament. FESA will review it to ensure that it reflects contemporary issues relating to counter terrorism.

Service 2: Emergency Services

Provision of emergency services to enable rapid and effective response to emergency incidents to minimise their impact.

	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	129,636	140,129	146,225	160,792	Mainly reflects increased funding for major policy decisions, particularly WAERN \$5.8 million in 2005-06. Refer Major Policy Decisions table.
Less Income	113,702	121,050	122,866	133,507	
Net Cost of Service	15,934	19,079	23,359	27,285	
Adjustments ^(a)	10,729	1,533	854	3,319	
Appropriation for delivery of Service	26,663	20,612	24,213	30,604	

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

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
Number of Operational Personnel ready to respond to emergencies.....	27,451	27,500	27,436	27,000	
Total Operational Personnel Expenditure \$'000	125,837	136,329	142,425	156,492	
Average Cost per Operational Personnel \$	4,584	4,957	5,191	5,796	
Western Australian Emergency Rescue Helicopter Service (WAERHS) Mission Hours	330	330	330	330	
Total WAERHS Expenditure \$'000.....	3,800	3,800	3,800	4,300	
Average Cost per Mission Hours \$.....	11,515	11,515	11,515	13,030	
Total Emergency Services \$'000	129,636	140,129	146,225	160,792	
Full Time Equivalents (FTEs) ^(a)	980	977	1000	1010	

(a) 2005-06 Target FTEs includes 10 additional Firefighters to service the Butler-Merriwa region pending the completion of a fully functional CFRS Eglinton Fire Station.

Major Achievements For 2004-05

- Counter terrorism capabilities have been reviewed and enhanced. FESA now has a task force size Urban Search and Rescue (USAR) capability and specialised Chemical, Biological and Radiological decontamination and casualty handling equipment. Training in confined space rescue is in progress and FESA has increased its participation rate in meeting the Australasian Fire Authorities Council’s Hazardous Materials best practice models.
- In order to enhance the delivery of emergency services to the Western Australian community, a project team has been established to oversee FESA’s Hazard Management Agency (HMA) arrangements to ensure improved cross agency major incident response practices are developed.

- Equity in the allocation of resources through the ESL grants, for emergency services volunteers, has improved as a result of strategic decisions made according to need rather than ability to pay.
- Support was given to those communities wanting to establish Volunteer Emergency Services Units (multiskilled fire and emergency service units). Corporate support was provided to all 12 Volunteer Emergency Services Units, including building construction ongoing at two units, construction planning for three units and ongoing land acquisition at three units. The outcome is improved community centred emergency management, not only for sparsely populated remote areas, but also for communities throughout Western Australian which are trying to retain volunteer numbers.
- Increased training in critical skills for USAR for Fire Services and State Emergency Services (SES) personnel has improved FESA's capacity to deal with major structural collapses.
- A Volunteer and Youth Services Branch has been established to provide services to volunteers, including recruitment and retention, recognition and reward, as well as financial and administrative advisory services. A group has been convened to establish a new volunteer training program.
- To improve mitigation and response for emergencies through the use of spatial data, FESA is participating in the Whole of Government Shared Land Information Platform (SLIP) project. A FESA project manager will facilitate the Emergency Management component of this proposed geospatial facility.

Major Initiatives For 2005-06

- Continue to support volunteerism through the development of the Volunteer Training Program and the introduction of a range of improved services for volunteers including employer recognition and volunteer benefits programs.
- Ensure sustainability in rural and remote areas with dwindling population and volunteers through continued development of multiskilled Volunteer Emergency Service Units in partnership with local governments.
- For major incidents where FESA is the HMA, major incident response practices will continue to be reviewed and enhanced to improve the delivery of emergency services to the community of Western Australia. A team will review all FESA HMA Westplans to identify the operational strengths and weaknesses of response arrangements in relation to cross-agency operations.
- Advance the legislative review of the three emergency services acts (the *Fire and Emergency Services Authority of Western Australia Act 1998*, the *Fire Brigades Act 1942* and the *Bush Fires Act 1954*) to ensure an effective legislative framework to prevent, prepare for, respond to and recover from fire and emergencies.
- Establishment of the Western Australian Emergency Radio Network to provide the radio infrastructure which will enable radio interoperability for all Emergency Service Organisations (ESOs) in Western Australia. A total of \$23 million over the budget and forward estimate period has been approved.
- Continue implementation of the 'Perth Metropolitan Fire and Rescue Service Resourcing Plan 2003-2013' to re-distribute fire appliances and personnel closer to the areas where they are required.

CAPITAL WORKS PROGRAM

The 2005-06 FESA Capital Works Program of \$28.5 million comprises new works of \$18.3 million and works in progress of \$10.2 million.

In particular, FESA's capital works program delivers the introduction of the following two significant State-wide initiatives:

- Western Australian Emergency Radio Network (WAERN). Funding for this project will provide for the replacement and expansion of the emergency radio network and associated equipment. This will also address identified risks such as emergency services personnel safety, poor response through lack of intra-operability and potential unreliability of aging radio equipment that resulted from the existing disparate radio communication systems. This will allow all ESOs in Western Australia the ability to communicate by radio across all agency and divisional boundaries. It will contribute to the efficiency and operational effectiveness of ESOs in Western Australia which in the past left them and the Government exposed to adverse findings in coronial and other high level inquiries related to fatal incidents;

- Shared Land Information Platform (SLIP). FESA will participate from the perspective of emergency management with the Department of Land Information and the Department of Agriculture in improving access to on-line land information thereby enhancing decision making and service delivery.

Other major State-wide capital works allocations include plans for the commencement, refurbishment and completion of fire stations. Some of the major initiatives are:

- detailed planning for the development and construction of a CFRS Perth Fire Station is underway and will provide a new permanently staffed facility that meets;
- changes in service delivery outcomes;
- an improved functional capacity to meet a diverse range of operational needs; and
- the provision of greater response coverage that meets FESA's service delivery performance requirements to the expanding community within the CBD and outer metropolitan area.

The CFRS Belmont Fire Station replaces the current facility that has reached the end of its serviceable life and will accommodate the reconfiguration of fire appliances in accordance with the Fire Services Metropolitan Resourcing Plan. This fire station is expected to be fully operational in 2005-06.

Regional capital works include the development and construction of FESA Regional Office collocations in Geraldton and Bunbury and FESA Volunteer collocations in Derby and Esperance.

Other initiatives include:

- State funding for the Volunteer Marine Rescue Service capital grants towards vessel and equipment replacement programs and the communication network facility;
- several ongoing programs with an emphasis on the replacement of fire appliances in the metropolitan, regional and rural districts; and
- the replacement of plant and equipment as well as specialised items comprising protective suits for hazardous material incidents and new breathing apparatus equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Fire and Emergency Vehicles				
CFRS Light Pumper Replacement Program ^(a)	2,700	1,200	300	600
CFRS Light Tanker Replacement Program	2,750	2,050	600	700
CFRS North Region Appliance Eglington	950	600	600	-
SES Trailer Replacement ^(b)				
2004-06 Program	300	150	150	150
SES Truck Replacement				
2004-06 Program	400	200	200	200
VFRS Light Pumper Replacement Program ^(c)	18,550	11,100	1,772	2,000
VFRS Light Tanker Replacement Program	3,700	2,900	623	800
Land and Building Works				
CFRS Belmont Fire Station	2,900	2,600	1,722	300
CFRS Midland Fire Station	2,035	1,815	1,304	220
CFRS Perth Fire Station Relocation	5,900	3,500	3,500	2,400
FESA Head Quarters Relocation	7,000	1,000	1,000	1,000
FESA Regional Collocation - Geraldton Regional Office	525	400	396	125
FESA Volunteer Collocation - Esperance	400	200	197	200
FRS Station Modifications ^(d)	755	555	146	200
VFRS North East Corridor – No. 1 (Ellenbrook)	1,100	223	-	-
Plant and Equipment Works				
SES Asset Replacement				
2003-2006 Program	480	320	160	160
SES Volunteer Equipment				
2003-06 Program	1,500	1,000	500	500
VFRS Direct Brigade Alarm Replacement Program	800	600	309	200
VFRS Hose Replacement Strategy 2001-07 Program	450	240	187	60
VMRS Communication Network 2003-11 Program ^(e)	850	200	157	100
VMRS Vessel and Equipment Replacement Program	1,700	300	300	300

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Fire and Emergency Vehicles				
CFRS Demountable Pods	1,600	1,600	208	-
CFRS Firefighting Appliance Program				
2003-04 Program	1,000	1,000	591	-
CFRS Heavy Tanker Replacement Program	400	400	201	-
CFRS CLP Half Life Refurbishment	400	400	400	-
FESA CBR Specialist Vehicle	450	450	450	-
SES Trailer Replacement				
2003-04 Program	150	150	91	-
VFRS Albany Fire Station - Appliance	280	280	280	-
Land and Building Works				
CFRS Albany Fire Station	610	610	568	-
CFRS Duncraig Fire Station	1,470	1,470	1,433	-
CFRS Hope Valley Fire Station	2,500	2,500	2,458	-
CFRS Kalgoorlie Fire Station	1,850	1,850	1,751	-
CFRS Maddington Fire Station	320	320	320	-
CFRS Murdoch Fire Station	1,870	1,870	1,526	-
FESA Regional Collocation - Albany Regional Office	650	650	393	-
FESA Volunteer Collocation - Collie	550	550	494	-
FESA Volunteer Collocation - Manjimup	520	520	520	-
FESA Volunteer Collocation - Mundaring	920	920	425	-
FESA Volunteer Collocation - Toodyay	350	350	113	-
VFRS Broome Fire Station	450	450	448	-
VFRS Kalgoorlie Fire Station	675	675	618	-
Plant and Equipment Works				
CFRS Breathing Apparatus Replacement Program	1,100	1,100	100	-
CFRS Protective Suits Replacement Program	400	400	140	-
FESA CBR Chemical Protective Suits Program	240	240	240	-
VFRS Breathing Apparatus Replacement Program	1,400	1,400	179	-
VFRS Protective Suits Replacement Program	300	300	245	-
VFRS Road Signs	200	200	154	-
NEW WORKS				
Fire and Emergency Vehicles				
CFRS Heavy Pumper Replacement Program	4,920	-	-	700
CFRS Medium Tanker Replacement Program	600	-	-	200
CFRS TTL Half Life Refurbishment	400	-	-	400
Land and Building Works				
CFRS Eglinton Fire Station	1,780	-	-	400
FESA Regional Collocation - Bunbury Regional Office	550	-	-	550
FESA Volunteer Collocation - Derby	500	-	-	500
FESA Regional Collocation - Broome Regional Office	921	-	-	921
Plant and Equipment Works				
FESA ES-CADCOM Project	2,500	-	-	2,500
WA Emergency Radio Network	20,000	-	-	10,000
Shared Land Information Platform	2,432	-	-	2,192
	111,003	51,808	28,469	28,578

- (a) Career Fire and Rescue Service (CFRS)
- (b) State Emergency Services (SES)
- (c) Volunteer Fire and Rescue Service (VFRS)
- (d) Fire and Rescue Services (FRS)
- (e) Volunteer Marine and Rescue Service (VMRS)

CAPITAL CONTRIBUTION

State support for the Western Australian Emergency Radio Network has resulted in a capital contribution of \$4.2 million in 2005-06.

The State has also supported the Shared Land Information Platform with a total capital contribution of \$1.4 million over three years. A further \$1 million was provided by the Commonwealth.

	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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	11,097	17,822	28,469	28,578	16,090	21,815	7,165
	11,097	17,822	28,469	28,578	16,090	21,815	7,165
LESS							
Asset Sales	1,993	-	-	-	-	-	-
Borrowings.....	4,560	5,240	16,673	1,655	4,810	8,610	5,560
Commonwealth Grants	-	-	-	1,000	-	-	-
Drawdowns from the Holding Account	-	4,150	4,150	4,800	3,200	2,650	-
Funding Included in Service Appropriations ^(a)	840	1,340	1,460	7,690	6,440	6,555	1,605
Internal Funds and Balances	3,254	6,642	4,804	8,373	1,400	4,000	-
Capital Contribution	450	450	1,382	5,060	240	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	65,499	71,876	72,824	78,125	84,039	87,730	90,996
Superannuation	6,933	8,625	8,087	8,566	8,957	9,258	9,258
Grants and subsidies ^(c)	18,448	19,135	20,045	20,486	20,045	20,184	20,987
Supplies and services	33,973	38,675	43,159	52,004	53,010	53,466	47,896
Accommodation	1,823	2,356	3,226	2,182	2,260	2,192	2,194
Finance costs	2,776	3,284	3,862	3,724	3,965	4,632	5,062
Capital User Charge	1,950	2,046	2,690	2,806	2,872	2,873	2,921
Depreciation and amortisation	7,673	7,630	7,651	8,641	9,059	10,324	10,844
Costs of disposal of non-current assets	1,531	-	-	-	-	-	-
Other expenses	4,185	2,471	1,471	1,546	2,751	2,734	2,735
TOTAL COST OF SERVICES	144,791	156,098	163,015	178,080	186,958	193,393	192,893
Income							
Regulatory Fees and Fines	111,605	127,314	128,048	137,735	146,987	152,357	153,743
Grants and subsidies	2,814	1,805	1,805	2,805	1,775	1,775	1,775
Interest revenue	2,704	1,300	2,500	2,500	2,500	2,500	2,500
Proceeds from disposal of non-current assets ..	1,993	-	-	-	-	-	-
Other Revenue	7,549	4,431	4,431	5,134	5,212	5,288	5,370
Total Income	126,665	134,850	136,784	148,174	156,474	161,920	163,388
NET COST OF SERVICES	18,126	21,248	26,231	29,906	30,484	31,473	29,505
INCOME FROM STATE GOVERNMENT							
Service Appropriations	29,703	22,962	27,086	33,237	33,266	34,508	32,564
Resources received free of charge	212	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	29,915	22,962	27,086	33,237	33,266	34,508	32,564
SURPLUS (DEFICIENCY) FOR THE PERIOD	11,789	1,714	855	3,331	2,782	3,035	3,059
Transfer to Reserves	(11,783)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	6	1,714	855	3,331	2,782	3,035	3,059

(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 1118, 1143 and 1149 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	5,052	2,028	2,510	1,968	2,749	3,606	4,545
Investments	34,183	32,056	29,934	17,372	8,138	3,998	14,431
Receivables	1,665	2,672	2,635	3,705	4,705	5,705	5,705
Inventories.....	1,207	1,172	1,167	1,227	1,227	1,227	1,227
Interest receivable	146	277	146	146	146	146	146
Amounts receivable for services.....	4,360	3,888	3,894	1,675	1,436	2,769	7,076
Prepayments	1,972	672	1,972	2,172	2,172	2,172	2,172
Other.....	19	19	5,521	5,627	5,627	5,627	5,627
Total current assets	48,604	42,784	47,779	33,892	26,200	25,250	40,929
NON-CURRENT ASSETS							
Amounts receivable for services.....	1,599	-	-	-	-	-	-
Land and Buildings	77,475	61,648	84,546	88,585	88,027	87,613	84,535
Investments	-	-	300	2,200	6,500	5,200	5,200
Plant and equipment.....	32,446	32,324	35,356	34,254	26,812	24,299	22,454
Intangibles.....	-	-	-	1,696	1,496	1,099	738
Other.....	10,091	13,947	18,523	31,198	49,411	64,525	64,525
Total non-current assets.....	121,611	107,919	138,725	157,933	172,246	182,736	177,452
TOTAL ASSETS.....	170,215	150,703	186,504	191,825	198,446	207,986	218,381
CURRENT LIABILITIES							
Superannuation	340	341	295	250	250	250	250
Payables	2,241	816	2,182	1,981	1,981	1,981	1,981
Provision for employee entitlements	3,031	4,482	2,631	2,231	1,468	2,068	2,512
Borrowings.....	2,112	2,356	6,006	7,873	9,700	18,875	18,773
Interest payable	679	1,728	590	607	607	607	607
Accrued Salaries	1,758	-	1,587	1,587	1,587	1,587	1,587
Other.....	628	1,229	1,470	251	324	324	324
Total current liabilities.....	10,789	10,952	14,761	14,780	15,917	25,692	26,034
NON-CURRENT LIABILITIES							
Superannuation	868	2,852	968	1,068	1,068	1,068	1,068
Provision for employee entitlements	7,574	6,275	7,274	6,911	6,911	7,785	9,458
Borrowings.....	40,013	44,319	50,393	47,604	47,819	44,275	49,596
Other.....	-	-	-	63	2,310	1,710	1,710
Total non-current liabilities	48,455	53,446	58,635	55,646	58,108	54,838	61,832
TOTAL LIABILITIES.....	59,244	64,398	73,396	70,426	74,025	80,530	87,866
EQUITY							
Contributed Equity.....	75,268	73,770	76,550	81,510	81,750	81,750	81,750
Accumulated surplus/(deficit)	53	3,679	908	4,239	7,021	10,056	13,115
Reserves	35,650	8,856	35,650	35,650	35,650	35,650	35,650
Total equity.....	110,971	86,305	113,108	121,399	124,421	127,456	130,515
TOTAL LIABILITIES AND EQUITY.....	170,215	150,703	186,504	191,825	198,446	207,986	218,381

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	27,568	20,673	24,791	30,427	30,076	30,525	28,257
Capital Contribution.....	450	450	1,382	5,060	240	-	-
Holding Account Drawdowns	-	4,360	4,360	5,029	3,429	2,650	-
Net cash provided by State government	28,018	25,483	30,533	40,516	33,745	33,175	28,257
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(65,046)	(72,747)	(73,695)	(78,888)	(84,802)	(86,256)	(88,879)
Superannuation	(6,932)	(8,528)	(7,990)	(8,589)	(8,980)	(9,281)	(10,924)
Grants and subsidies	(17,870)	(19,135)	(20,045)	(20,486)	(20,045)	(20,184)	(20,987)
Supplies and services	(36,193)	(44,850)	(49,334)	(54,083)	(57,589)	(58,233)	(43,280)
Accommodation.....	(1,823)	(1,356)	(2,226)	(1,182)	(1,443)	(1,388)	(1,639)
Finance costs	(2,746)	(3,373)	(3,951)	(3,707)	(3,965)	(4,632)	(5,062)
Capital User Charge.....	(1,950)	(2,046)	(2,690)	(2,806)	(2,872)	(2,873)	(2,921)
State Taxes	-	-	-	-	-	(10)	-
Goods and Services Tax	(6,330)	(3,900)	(3,900)	(4,000)	(4,000)	(4,000)	(3,000)
Other.....	(2,777)	(2,559)	(1,557)	(6,158)	(4,803)	(4,927)	(4,975)
Receipts							
Regulatory fees and fines.....	105,332	127,314	128,048	137,735	146,987	152,357	153,743
Grants and subsidies	2,814	1,805	1,805	2,805	1,775	1,775	1,775
Interest received	2,685	1,300	2,500	2,500	2,500	2,500	2,500
Donations receipts.....	-	-	-	-	-	10	10
Goods and Services Tax	6,514	3,000	3,000	3,000	3,000	3,000	3,000
Other receipts	7,543	3,366	3,366	3,869	3,947	4,013	4,095
Net cash from operating activities.....	(16,779)	(21,709)	(26,669)	(29,990)	(30,290)	(28,129)	(16,544)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(11,296)	(15,047)	(24,629)	(20,808)	(9,650)	(15,260)	(5,560)
Proceeds from sale of non-current assets	1,993	-	-	-	-	-	-
Net cash from investing activities.....	(9,303)	(15,047)	(24,629)	(20,808)	(9,650)	(15,260)	(5,560)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(4,571)	(2,243)	(2,399)	(2,577)	(2,768)	(2,979)	(341)
Proceeds from borrowings	4,560	5,240	16,673	1,655	4,810	8,610	5,560
Net cash from financing activities.....	(11)	2,997	14,274	(922)	2,042	5,631	5,219
NET INCREASE/(DECREASE) IN CASH HELD							
Cash assets at the beginning of the reporting period	37,310	42,360	39,235	32,744	21,540	17,387	12,804
Cash assets at the end of the reporting period.....	39,235	34,084	32,744	21,540	17,387	12,804	24,176

(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	2004-05 Budget	2004-05 Estimated Actual	2005-06 Budget Estimate	2006-07 Forward Estimate	2007-08 Forward Estimate	2008-09 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Local Government Emergency Services							
Grants	14,828	15,000	15,810	15,500	15,831	15,857	15,860
Natural Disaster Relief Arrangements.....	63	-	-	-	-	-	-
Other.....	3,557	4,135	4,235	4,986	4,214	4,327	5,127
TOTAL	18,448	19,135	20,045	20,486	20,045	20,184	20,987

Part 10

Minister for Planning and Infrastructure

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
621	Planning and Infrastructure			
	– Delivery of Services	137,814	149,275	161,820
	– Administered Grants, Subsidies and Other Transfer Payments	6,006	4,054	4,201
	– Capital Contribution	8,444	15,951	11,542
	Total	152,264	169,280	177,563
647	Commissioner of Main Road			
	– Delivery of Services	499,379	486,207	508,961
	– Capital Contribution	171,606	182,856	149,522
	Total	670,985	669,063	658,483
670	Public Transport Authority of Western Australia			
	– Delivery of Services	455,170	480,706	545,177
	– Capital Contribution	64,823	71,515	422,040
	Total	519,993	552,221	967,217
686	Armadale Redevelopment Authority .....	...	...	...
687	East Perth Redevelopment Authority .....	...	...	...
688	Midland Redevelopment Authority .....	...	...	...
689	Subiaco Redevelopment Authority .....	...	...	...
690	Albany Port Authority .....	...	...	...
691	Broome Port Authority .....	...	...	...
692	Bunbury Port Authority .....	...	...	...
693	Dampier Port Authority .....	...	...	...
694	Esperance Port Authority .....	...	...	...
695	Fremantle Port Authority .....	...	...	...

Part 10

Minister for Planning and Infrastructure — *continued*

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
698	Geraldton Port Authority .....	...	...	...
700	Port Hedland Port Authority .....	...	...	...
701	Western Australian Land Authority .....	...	...	...
702	Eastern Goldfields Transport Board.....	...	...	...
703	Western Australian Planning Commission			
	– Delivery of Services	47,791	51,916	58,511
	– Capital Contribution	7,500	7,500	5,100
	Total	55,291	59,416	63,611
	GRAND TOTAL			
	– Delivery of Services	1,140,154	1,168,104	1,274,469
	– Administered Grants, Subsidies and Other Transfer Payments	6,006	4,054	4,201
	– Capital Contribution	252,373	277,822	588,204
	Total	1,398,533	1,449,980	1,866,874

PLANNING AND INFRASTRUCTURE

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 39

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
DELIVERY OF SERVICES							
Item 76 Net amount appropriated to deliver services	130,562	137,603	149,064	161,603	151,763	150,155	150,245
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	211	211	211	217	218	218	218
Total appropriations provided to deliver services	130,773	137,814	149,275	161,820	151,981	150,373	150,463
ADMINISTERED TRANSACTIONS							
Item 77 Western Australian Coastal Shipping Commission	5,800	6,006	4,054	4,201	4,190	4,128	4,128
CAPITAL							
Item 154 Capital Contribution	1,796	8,444	15,951	11,542	9,587	7,633	5,346
GRAND TOTAL	138,369	152,264	169,280	177,563	165,758	162,134	159,937

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Western Australia's population and economic growth continues to be one of the highest in Australia. Perth's population is forecast to be 1.6 million by 2011 and 2.1 million by 2031.
- In Western Australia, 19.5 per cent of the population have some form of disability. The State also has an ageing population. These factors make the planning and development of safe, pedestrian-friendly and conveniently located communities with universal access to transport systems vital.
- Vast distances separate many of Western Australia's regional centres and there is increasing emphasis on regional development and retention of services in regional and rural areas.
- The integration of land use and transport infrastructure planning is essential to ensure that metropolitan and regional growth is managed while quality of life is maintained.
- Sustainability is now an individual and community concern and is taken seriously by the corporate sector. The planning system will continue to focus on long-term solutions and the longevity and affordability of planning outcomes. Contemporary trends in transport (such as strengthening public transport, reducing car dependency, improving the proportion of freight moved by rail and reducing our reliance on non-renewable resources) point to sustainability. A proper balance of opportunities for the development of all modes of transport will bring benefits to the community such as less traffic congestion, cleaner air, personal health benefits and savings from reduced vehicle running costs.

- Major influences on transport and infrastructure planning and policy development include the environment, employment opportunities and demands on the economy. In regional areas the provision of transport infrastructure, such as to and from major port facilities, will create economic development opportunities.
- Planning for growth is especially critical if the demands of an increasing population for housing, employment and recreation are to be met.
- The community and industry want a genuine opportunity to have a say in planning outcomes, in regional Western Australia as well as metropolitan Perth. Innovative involvement techniques are needed to engage a wide cross-section of the community in planning and decision making processes.
- There has been high demand for statutory approvals. These approvals need to be determined in a timely manner while achieving balanced and sustainable outcomes. Indications are that demand will increase as development continues.
- In freight logistics the emphasis is now on the total demand-supply chain between producer and consumer rather than the individual linkages. Public and private sectors need to work cooperatively to develop solutions to freight logistics issues, taking into account economic, social and environmental considerations.
- Natural resources such as water and native vegetation are becoming more important as their value to the community is recognised. The planning system, through regional plans and strategies, is a key part of the identification and protection of these environmental assets.
- In a climate of privatisation, deregulation and competition policy, there is an expectation that rail freight should be competitive. The grains industry is working to reduce supply chain costs and building capacity to double the current freight task. The Department for Planning and Infrastructure (DPI) needs to play an active role in ensuring the growth and sustainability of the rail freight network, while minimising the impact on the community of an increasing road freight volume.
- Western Australia's air service policies must achieve a balance between promoting sustainable competition and ensuring that services to regional and remote communities are maintained.
- Western Australia's ports face the challenge of operating efficiently while also managing the needs of their surrounding community.
- National developments will grow in importance in shaping Western Australia's transport system. The Australian Transport Council and its related bodies, particularly the National Transport Commission and the Commonwealth Government's AusLink initiatives, all have significant strategic implications for the State.
- Transport security has become a major issue worldwide as efforts are made to counter the threat of terrorism. Security issues are being addressed for urban passenger transit precincts and the movement of dangerous goods. New regulations are being put in place requiring that aircraft, airports, seaports and shipping operators introduce new security measures. The security focus will shift increasingly towards the complex task of ensuring the integrity of the overall supply chain.
- There is growing community expectation that all kinds of transport (including heavy vehicles, rail passenger and freight transport, commercial and recreational marine vessels and road transport generally) will be managed to ensure high levels of safety for users and the public.
- Increased use of the State's waterways by commercial and recreational boaters demands more attention to safety, while planning for boating infrastructure is required to meet the growth of recreational boating in the metropolitan area (in particular at Fremantle) as well as in regional centres.
- The maritime sector is under increasing pressure to conform to national and international proposals for environmental management. The handling of ballast water, the management of marine pests and the response to marine emergencies are all becoming increasingly important.
- Damage to the Western Australian coastline from erosion, due to severe winter storms, is a major issue and geographic data information such as oceanographic, bathymetric, cartographic and Geographic Information Systems support are becoming increasingly important in coastal protection strategies.

- Against a global backdrop of more and more business transactions being undertaken through electronic channels, customers have an expectation that Western Australian government services will be available through e-business.
- There is an ongoing requirement for the continual improvement of licensing information systems, data storage, business processes and staff training programs. This is required to address the changing nature of the licensing business and increased customer demands for flexible, efficient and convenient services including self service online solutions.
- There is a growing demand for licensing services resulting from:
 - increased numbers of registered vehicles and vehicle inspections;
 - increased numbers of licensed drivers and driving assessments;
 - an increased requirement for aged medical testing;
 - implementation of further state and national policies; and
 - increased numbers of products (for example, Euro plates) and services provided.
- Older and increasing numbers of the Western Australian population are involved in long distance driving while towing caravans and boats. This has created a need to educate this group on issues associated with driving under these conditions.
- There is an increased requirement to educate seniors regarding licensing issues associated with ageing.
- Increased community and government awareness of the high rate of youth road fatality and injury has highlighted the need to support the Road Safety Council. The Department for Planning and Infrastructure will work with stakeholders to facilitate improved road safety through raising awareness of best practice associated with vehicle safety, driver training and licensing issues relating to young drivers.
- There is a gap in current service delivery in so far as credit cards cannot be used across the counter. DPI anticipates approval to implement in 2005-06.

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
Decisions taken since State Election				
Better Beaches policy	250	250	250	250
Burns Beach Feasibility Study	75	-	-	-
Liquefied Petroleum Gas (LPG) Subsidy Scheme	1,200	1,200	-	-
Maddington-Kenwick Sustainability	2,000	2,000	-	-
Public Transport Promotion.....	1,000	1,000	-	-
Increase in the Family Concession on Motor Vehicle registrations	(26,250)	(27,250)	(28,500)	(29,750)
Implementation of the Rangelands Council	400	400	400	400

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
SERVICES							
<i>Service 1:</i>							
Transport system planning and regulation	102,452	99,834	101,310	103,276			
<i>Service 2:</i>							
Motor vehicle registration and driver licensing services	68,717	61,804	78,546	69,764			
<i>Service 3:</i>							
Land accessibility planning and policy development	41,693	37,810	39,586	41,571			
<i>Service 4:</i>							
Integrated land and transport policy development	19,637	18,023	19,274	32,934			
Total Cost of Services	232,499	217,471	238,716	247,545	238,713	239,323	241,349
<i>Less Income</i>	<i>82,955</i>	<i>77,890</i>	<i>85,193</i>	<i>84,472</i>	<i>84,998</i>	<i>86,360</i>	<i>88,282</i>
Net Cost of Services	149,544	139,581	153,523	163,073	153,715	152,963	153,067
Adjustments ^(a)	(18,771)	(1,767)	(4,248)	(1,253)	(1,734)	(2,590)	(2,604)
Appropriation provided to deliver Services.	130,773	137,814	149,275	161,820	151,981	150,373	150,463
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	5,800	6,006	4,054	4,201	4,190	4,128	4,128
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	1,796	8,444	15,951	11,542	9,587	7,633	5,346
TOTAL CONSOLIDATED FUND APPROPRIATIONS	138,369	152,264	169,280	177,563	165,758	162,134	159,937

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

(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 goals.

Government Goals	Desired Outcomes	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	An accessible and safe transport system.	1. Transport system planning and regulation
	Road users that meet established vehicle standards and driver competencies.	2. Motor vehicle registration and driver licensing 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.	Accessibility to serviced land and infrastructure.	3. Land accessibility planning and policy development
	Integration of land and transport systems that facilitates economic development.	4. Integrated land and transport policy development

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: An accessible and safe transport system.					
Change in public transport usage per capita year to year.....	44.2%	44.7%	45%	45.2%	
People in the Metropolitan Region that live within ten minutes of a major public transport route:					
- Within a 10 minute walk to a bus stop ^(b)	n/a	n/a	80%	80%	
- Within a 10 minute ride to a railway station ^(b)	n/a	n/a	31%	31%	
- Within a 10 minute car travel to a railway station ^(b)	n/a	n/a	66%	66%	
Sample audited Taxi User Subsidy Scheme (TUSS) applications rejected contrary to the entitlement guidelines ^(b)	n/a	n/a	n/a	0%	
Number of serious rail accidents per million train kilometres ^(c)	4.19	0	4.78	0	
Registered recreational vessels involved in an incident (accident) on the water ^(b)	n/a	n/a	n/a	0%	
Commercial vessels surveyed under the Act involved in an incident (accident) on the water ^(b)	n/a	n/a	n/a	0%	
Outcome: Road users that meet established vehicle standards and driver competencies.					
Vehicle examinations completed in accordance with the Australian Design Rules assessed by independent audit ^(b)	n/a	n/a	n/a	100%	
Driver licenses issued that comply with the Graduated Driver Training and Licensing system assessed by independent audit ^(b)	n/a	n/a	n/a	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
Outcome: Accessibility to serviced land and infrastructure.					
Number of lots given preliminary and final approval:					
- Residential ^(b)	n/a	57,100	57,050	57,000	
- Non-residential ^(b)	n/a	9,776	9,650	9,650	
- Median land price as a % of median residential property sales price.....	48%	50%	55%	55%	
- Relative affordability of property and land prices.	Lowest quintile	Second lowest quintile	Second lowest quintile	Second lowest quintile	
- Average lot size in the Perth Metropolitan Region.....	577m ²	600m ²	571m ²	565m ²	
- Avoided land consumption costs.....	\$144 million	\$130 million	\$130 million	\$130 million	
- Determination appeals that are unsuccessful ^(b) ..	n/a	n/a	99%	98%	
Outcome: Integration of land and transport systems that facilitates economic development.					
Proportion of zoned land in the metropolitan area that is 400 meters / 1 km from major transport systems:					
- Less than R20 : 400 metres	79.80%	79.80%	79%	79%	
- Less than R20 : 1 km.....	89%	89%	89%	89%	
- R20 : 400 metres.....	92.6%	92.6%	92%	92%	
- R20 : 1 km	98.10%	98.10%	98%	98%	
- Greater than R20 : 400 metres.....	97.40%	97.40%	97%	97%	
- Greater than R20 : 1 km	99.50%	99.50%	99%	99%	
- Freight via rail to and from Fremantle Port ^(b) ..	n/a	n/a	11%	15%	
Area of commercial and industrial land per capita per corridor:					
- Eastern Sector - Commercial per capita ^(b)	n/a	n/a	n/a	18.10 sq. m	
- Eastern Sector - Industrial per capita ^(b)	n/a	n/a	n/a	87.90 sq. m	
- Inner Sector - Commercial per capita ^(b)	n/a	n/a	n/a	35.40 sq. m	
- Inner Sector - Industrial per capita ^(b)	n/a	n/a	n/a	17.10 sq. m	
- Middle Sector - Commercial per capita ^(b)	n/a	n/a	n/a	28.80 sq. m	
- Middle Sector - Industrial per capita ^(b)	n/a	n/a	n/a	61.70 sq. m	
- North West Sector - Commercial per capita ^(b)	n/a	n/a	n/a	63.80 sq. m	
- North West Sector - Industrial per capita ^(b)	n/a	n/a	n/a	79.70 sq. m	
- South East Sector - Commercial per capita ^(b)	n/a	n/a	n/a	15.60 sq. m	
- South East Sector - Industrial per capita ^(b)	n/a	n/a	n/a	71.80 sq. m	
- South West Sector - Commercial per capita ^(b)	n/a	n/a	n/a	42.50 sq. m	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
- South West Sector - Industrial per capita ^(b) ...	n/a	n/a	n/a	210.90 sq. m	
- Perth Metropolitan Region – Commercial per capita ^(b)	n/a	n/a	n/a	34.80 sq. m	
- Perth Metropolitan Region – Industrial per capita ^(b)	n/a	n/a	n/a	79.10 sq. m	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) This is a new measure for 2005-06. Comparable information for 2003-04 and 2004-05 has been provided where practicable.
- (c) A 'serious' rail accident is one consistent with a Category 'A' 'notifiable occurrence' as set out in the Rail Safety Regulations 1999.

Service 1: Transport System Planning and Regulation

Transport system planning and regulation is designed to improve accessibility and safety of the transport system for all Western Australians.

This service contributes to the Government's State Strategic Planning Framework goal - 'People and Communities' through:

- Transport planning:
 - integration between and within transport modes;
 - managing heavy vehicle freight movement to major industrial and intermodal sites;
 - increasing accessibility to a reasonable level of transport services for all individuals, businesses and communities; and
 - encouraging sustainable choices through programs such as TravelSmart and Cycling promotions.
- Transport regulation:
 - provision and management of infrastructure, including small craft facilities and marine navigation aids, to maintain safe and accessible transport operations;
 - setting competencies / standards and monitoring compliance for operators, vehicles and vessels in the taxi, omnibus and maritime industries;
 - developing policies, standards and guidelines for rail safety regulation, accrediting rail owners and rail operators in accordance with relevant standards, and ensuring rail owners and operators comply with the terms of their accreditation;
 - developing and implementing policies and strategies to facilitate safe navigation and safe use of the waters of the State;
 - maintaining effective contingency response strategies and mechanisms to combat marine transport emergencies and marine environmental pollution incidents;
 - regulation of jetties through licensing;
 - marine and transport related data collection, analysis and dissemination; and
 - provision of cartographic information services.

	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	102,452	99,834	101,310	103,276	
Less Income	34,625	25,684	28,460	27,591	
Net Cost of Service	67,827	74,150	72,850	75,685	
Adjustments ^(a)	(13,974)	(1,760)	922	1,706	
Appropriation for delivery of Service	53,853	72,390	73,772	77,391	

- (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 registered vessel of maritime disaster response.....	\$46.21	\$34.89	\$36.90	\$56.23	The 2003-04 outcome has been re-assessed. There has also been an increase in the number of surveys from 2004-05.
Average survey cost per commercial vessel.....	\$3,388	\$2,452.21	\$2,105.06	\$2,678.69	
Average cost per private recreational vessel registration.	\$89.54	\$75.33	\$90.01	\$88.40	
Average cost per household contacted under Travelsmart scheme	\$103.27	\$118.99	\$148.32	\$163.11	
Average administrative cost per Taxi User Subsidy processed.....	\$1.90	\$1.12	\$0.97	\$1.24	
Average cost per vessel accommodated.	\$34,784	\$33,029	\$32,546	\$32,727	
Cycling grant administration cost as a percentage of the total value of grants.....	8.52	13.61	12.49	24.68	
Regional Airport Scheme grant administration cost as a % of the total value of grants.	5.46	4.41	4.04	5.05	
Full time equivalent staff per number of accredited railways ^(a) ^(b)	n/a	n/a	n/a	0.23	
Average tonnage per North West shipping trip.	66K	71K	52K	70K	
Full Time Equivalent (FTEs)	224	235	276	314	

(a) 'Accredited' railways are as defined in Part 2 ('Accreditation of owners and operators') of the *Rail Safety Act 1998*.

(b) This is a new measure for 2005-06. Comparable information for 2003-04 and 2004-05 has been provided where practicable.

Major Achievements For 2004-05

- The fuel cell bus trial commenced in 2005, along with the hosting of an international hydrogen fuel cell conference. The trial is effectively demonstrating the use of this form of technology. This initiative is part of the wider implementation of the Sustainable Transport Energy Program.
- The provision of appropriate advice on land use and infrastructure planning for freight movement in the context of the Government's sustainability objectives, the Department undertook detailed reviews of freight policy and planning, including the following:
 - concept plans for road and rail access to the proposed Outer Harbour facility in Cockburn Sound were prepared, and Planning Control Areas were gazetted to protect the two corridors of Rowley Road and Anketell Road. These corridors will provide for heavy road freight access between the proposed port facilities and the Kwinana Freeway and rail connections to the Kewdale-Kwinana freight line;
 - a study was undertaken for Fremantle Inner Harbour to identify ways to move containers as efficiently as possible and thus minimise the impact on roads and the community. Options such as inland container parks, improved two-way loading and intermodal terminals were considered. The study results will be finalised by the end of 2004-05;
 - significant planning was undertaken on Anketell and Rowley Roads to ensure effective access to the Outer Harbour. Planning Control Areas for both roads will be in place in 2005 as an interim measure to finalising the road reserves in the Metropolitan Region Scheme (MRS);
 - a Grains Infrastructure Group was formed and a study completed on Western Australia's strategic grains infrastructure. This will enable Government to develop a suite of mechanisms through which ongoing storage, handling and transport infrastructure needs can be managed with least cost to the community;
 - funding was obtained for the development of the \$20 million North Greenbushes Plantation Timber Intermodal Facility and revitalised rail service to carry over 7.5 million tonnes of freight over ten years using a Government contribution of \$10.9 million;
 - a \$33 million upgrade to the South West Main railway by the railway lessee between Pinjarra and Kwinana was negotiated;
 - an assessment of the major freight tasks in the southern half of Western Australia was completed, identifying opportunities to achieve greater rail freight market share;
 - the Bunbury Region Freight Transport Study was completed. It resulted in a government commitment of \$20 million to construct Stage 1 of the Bunbury Port Access Road;

- a review of Western Australia's freight councils was completed;
 - a feasibility study of dedicated bus lanes on South Street between Bannister Road and the Kwinana Freeway was commenced to evaluate the benefits for public transport users and the impacts on other road traffic; and
 - a review of regional public transport subsidies, including air service subsidies, commenced.
- The State Transport Infrastructure Plan was developed to identify transport infrastructure needs in Western Australia over the short to medium term and to provide a consistent framework for project assessment, ensuring the State is well positioned to seek funding through the Commonwealth's AusLink program.
 - Significant improvements to Hillarys Boat Harbour were progressed under the Hillarys Boat Harbour Enhancement Program including:
 - completion of modifications to the southern car park to improve access for motorists, cyclists, pedestrians and for people in wheelchairs or with prams;
 - installation of new signage to improve access and ease traffic congestion;
 - commencement of planning and concept design for the Precinct Upgrade Project, involving major upgrades to land based infrastructure; and
 - completion of concept designs for major refurbishments to public bunker toilets in the eastern beach area and new ablution block for penholders on the northern side of the harbour.
 - Construction of a land based wharf at Carnarvon to provide additional berthing capacity for fishing and other commercial vessels in Carnarvon has commenced and is due for completion in July 2005.
 - Regulations for the implementation of compulsory competency training for recreational boat users were developed. The regulations are supported by a training and assessment regime to be put into practice over the next few years.
 - Development and implementation of a strategy for the management of sewage discharge from vessels into the marine environment, with an effective date of 1 October 2004.
 - A Coordinator for Regional Operations was appointed to provide the Wheatbelt with a single entry point to the Department's services. In addition, in August 2004 an upgraded Regional Office was also opened in Kalgoorlie to facilitate the comprehensive provision of DPI services from a single access point.
 - In August 2004 the Department re-advertised for expressions of interest to provide coordination for the Multi-Purpose Taxi Service (MPT). A recommendation regarding the delivery of MPT Services has been reached by the evaluation panel and is currently under consideration.

Major Initiatives For 2005-06

- Provide a Public Transport Promotion Program to reduce private vehicle dependency by encouraging patronage on the Government's expanded metropolitan rail network.
- Implement the Freight Network Strategy to improve the efficiency of freight movement while reducing the impacts on the community and environment, including assisting Fremantle Port Authority to develop a plan for providing port facilities at Kwinana to handle excess throughput when the Fremantle Inner Harbour reaches capacity in about 2017.
- Develop a State Rail Freight Policy to ensure sustainable use of the State's rail network.
- Establish a peak reference consultative group for freight policy advice to Government through consolidating rail and road freight councils into a single land council to address intermodal freight issues effectively.
- Implement the program of national reform that is being managed through the National Transport Commission to achieve national consistency.
- Implement the intrastate air services regulatory regime to ensure the continued sustainability of air services that meet the needs of regional communities, tourism and business.
- Promote Western Australia as a premier location for international air services and international commercial pilot training, particularly for airlines from China to increase tourism and trade.

- Facilitate the establishment of an intermodal facility at North Greenbushes, including a significant upgrade of the railway line and construction of an intermodal terminal to increase overall mode efficiency.
- Develop a long-term plan for road and rail transport infrastructure to meet the needs of future activities at the Albany Port.
- Renew the North West Shipping Service contract for a further three years to maintain a competitive alternative service to remote communities and industry, and reduce the negative impact of heavy vehicles by taking freight off the roads.
- Develop a new ten-year plan for public transport in Perth to clarify planning priorities for extension of the network, measures to improve the efficiency of services, major infrastructure investment priorities and the funding needed to sustain the system.
- Provide grants to approved applicants totalling \$870,000 for the improvement of recreational boating facilities in Western Australia.
- Progress the upgrade of the Hillarys Boat Harbour including:
 - the extension of the western breakwater by 75 metres to reduce boat and jetty damage within the harbour;
 - replacement of damaged E Jetty, part of the Department's public pen system;
 - detailed design and commencement of construction for the Precinct Upgrade Project, involving major upgrades and refurbishments to land based infrastructure, with particular emphasis on the Eastern Beach, Eastern Entry and Plaza precincts;
 - completion of construction for refurbishments to public toilets in the eastern beach area; and
 - new ablution block for penholders on the northern side of the harbour.
- Undertake a review of omnibus operations in Western Australia to determine the adequacy of the existing regulatory framework and vehicle standards and associated impact on service delivery.
- Implement revised coordination arrangements for multi-purpose taxi services with the aim of improving the level of service received by multi-purpose customers.
- Introduce a regulated regime for marine pilotage and port marine safety at the DPI managed ports that meet national standards.
- Audit Registered Training Organisations to establish consistency with marine safety legislation.
- Provide grants totalling \$750,000 to local government in regional Western Australia to assist in the planning, development and promotion of shared-use pathways and cycling facilities under the Country Pathways Grant Scheme.

Service 2: Motor Vehicle Registration and Driver Licensing Services

The Road Traffic Act confers on DPI responsibility for licensing the State's drivers and registering vehicles. Drivers must demonstrate that they are competent to drive a vehicle by passing theoretical and practical tests and completing an incident free probationary period. Vehicles must be registered before they may lawfully be used on the road. Registration is conferred only where a vehicle is deemed roadworthy.

This service contributes to the Government's State Strategic Planning Framework goal - 'People and Communities' through:

- setting motor vehicle standards in accordance with national and state government requirements, examining motor vehicles for compliance with those standards and registering and transferring compliant motor vehicles;
- setting standards and requirements within government policies for the issue of a licence to drive on roads;
- assessing driver competency, issuing and renewing driver licences in accordance with national and state government requirements and driver competency standards;
- maintaining a database of registered vehicles and drivers, and managing vehicle identification numbers, to support the enforcement of road traffic and other relevant laws;
- collecting revenue for vehicle and driver licensing on behalf of other government agencies; and
- informing and educating road users about driver licensing, vehicle registration and related requirements.

	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	68,717	61,804	78,546	69,764	
Less Income	38,980	33,109	38,218	38,868	
Net Cost of Service	29,737	28,695	40,328	30,896	
Adjustments ^(a)	(3,945)	772	(4,139)	(2,686)	
Appropriation for delivery of Service	25,792	29,467	36,189	28,210	

(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 vehicle and driver transaction	\$14.14	\$13.60	\$16.39	\$11.89	Budget underestimated in 2004-05.
Average cost per vehicle inspection	\$82.69	\$41.17	\$63.63	\$76.94	
Average cost per driver assessment ^(a)	n/a	n/a	\$42.54	\$57.25	
Driver licence cards issued within 21 days of completed application	90%	90%	95%	95%	
Vehicle registrations issued within 7 days of completed applications & payment of appropriate fees	98%	98%	98%	100%	
Full Time Equivalents (FTEs)	416	432	549	533	

(a) This is a new measure for 2005-06. Comparable information for 2003-04 and 2004-05 has been provided where practicable.

Major Achievements For 2004-05

- The Transport Executive Licensing Information System (TRELIS) was implemented, replacing various legacy systems by which all driver and vehicle licensing transactions are undertaken in the State of Western Australia.
- A new Metropolitan Licensing Centre in Morley was established providing convenient access to public transport, a friendly customer service environment that meets universal access requirements, and located close to a major commercial precinct.
- Conducted a review of the Licensing Customer Contact Centre aimed at identifying business and technological improvements to better service the needs of the community.
- Introduced EFTPOS (not including credit cards) facilities at Licensing Centres.

Major Initiatives For 2005-06

- Assess the next phase of TRELIS development as a shared service provider to;
 - support the legislative change agenda (for example, Working with Children Card);
 - support Western Australian Police Service and Department of Justice system changes; and
 - support Insurance Commission of Western Australia goods and services tax (GST) reporting.

- Recruit additional permanent driver assessors to meet increased demand for driver assessments within an acceptable time frame.
- Implement a communication strategy to educate retirees and seniors regarding licensing issues associated with ageing including concessional licences, aged / medical retests, and towing caravans and boats.
- Implement a communication strategy targeted at school students that aims to raise awareness of vehicle safety, driver training and licensing issues to support the Office of Road Safety and Education Department's Keys for Life Program.
- Review and plan the licensing and vehicle inspections facilities required to meet current and future demand for licensing services.
- Participate in the Road Safety Council's Drink Driver Strategy Working Group to facilitate the implementation of the Revised Strategy to Counter Repeat Drink Driving aimed at reducing the numbers of repeat drink driving offenders.
- Conduct a review of business practices to meet the Western Australian Police Service requirement for the DPI to assume responsibility for administering demerit point functions as required by the Road Traffic Amendment Bill 2004.
- Undertake a review of motor vehicle and driver licence concessions and develop a proposal for government consideration.

Service 3: Land Accessibility Planning and Policy Development

This service contributes to the Government's State Strategic Planning Framework goal – 'The Economy' through:

- ensuring that sufficient land is available for purchase for both residential and commercial purposes;
- controlling lot sizes and therefore the costs of infrastructure required to service each lot;
- minimising delays and their attendant costs by making accurate, timely decisions on redevelopment and subdivision proposals; and
- providing resources to the Western Australian Planning Commission (WAPC) to enable:
 - the acquisition and management of properties reserved under Perth's Metropolitan Region Scheme for important urban roads, controlled access highways, parks and recreational reserves, special uses and major land redevelopment projects;
 - the disposal of surplus properties;
 - the management of rental properties;
 - other special planning projects undertaken within the Perth metropolitan area; and
 - administration of Crown land tenure, pastoral leases and native title.

	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	41,693	37,810	39,586	41,571	
Less Income	6,669	8,000	8,519	7,930	
Net Cost of Service	35,024	29,810	31,067	33,641	
Adjustments ^(a)	(5,644)	(147)	(574)	(173)	
Appropriation for delivery of Service	29,380	29,663	30,493	33,468	

(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 subdivision & development application processed ^(a)	n/a	n/a	\$2,166	\$2,333	
Average cost per policy and planning hour.....	\$59.28	\$63.14	\$54.78	\$58.48	
statutory planning applications processed within statutory timeframes ^(a)	n/a	n/a	73%	80%	
TPS amendments (for final approval) processed within non-statutory timeframes ^(a)	n/a	n/a	58%	80%	
Deposited and Strata Plans endorsed within non-statutory timeframes ^(a)	n/a	n/a	n/a	80%	
Cost per Crown Land action.....	\$2,671	\$1,981	\$2,138	\$2,198	
Full Time Equivalents (FTEs)	344	366	381	375	

(a) This is a new measure for 2005-06. Comparable information for 2003-04 and 2004-05 has been provided where practicable.

Major Achievements For 2004-05

- In late 2002 lessees of 97 pastoral leases were notified of land proposed to be excluded from the renewed lease in 2015. These exclusions were for a range of public purposes including conservation, recreation and tourism, Aboriginal uses and townsite expansion. Affected pastoral lessees were given the opportunity to accept the exclusion, withdraw from the lease in 2015 or negotiate a modified exclusion within a two year period. The majority of affected lessees opted to negotiate the exclusions. The statutory negotiation period has now ended and has seen the total notified area to be excluded reduced from approximately 1.6 million hectares to approximately 1 million hectares. This includes approximately 970,000 hectares for addition to the conservation estate, 26,507 hectares for recreation and tourism, 14,438 hectares for Aboriginal uses and 13,258 hectares for townsite expansion.
- The Bush Forever Office prepared a draft amendment to the Metropolitan Region Scheme and associated Statement of Planning Policy.

Major Initiatives For 2005-06

- Acquire land for the expanded Dampier to Bunbury natural gas pipeline corridor between Kwinana and Kemerton to facilitate additional gas transportation capacity from Dampier to the southwest of the state.
- Provide land management support for major looping of the Dampier to Bunbury natural gas pipeline to meet the requirements of Alinta, Alcoa and Diversified Utilities and Energy Trust (DUET).
- Establish a Rangelands Council to provide a broader institutional framework for policy advice and co-ordination for rangelands which incorporates conservation, Aboriginal, pastoral users, and other current and potential users of the rangelands.
- Undertake a feasibility study of the Shared Land Information Platform – Electronic Land Development Process (SLIP-ELDP) to define the scope, costs and benefits associated with full implementation and develop several projects and prototypes for elements of the process.
- As part of the State Infrastructure Study, complete an online infrastructure database, matched to the requirements of major projects proposed around the State to assist planning and decision making.
- Prepare the Country Land Development Program to assist the Western Australian Planning Commission in advising Government on land use planning and the coordination of services and infrastructure provision throughout the State.
- Under an agreed Service Level Agreement with the WAPC, acquire land for the Commission's Metropolitan Regional Improvement Scheme and manage Whiteman Park.

Service 4: Integrated Land and Transport Policy Development

By shaping the pattern of development and influencing the location, scale, density, design and mix of land uses, integrated land use and transport systems contribute to the Government's State Strategic Planning Framework goal - 'The Economy' by:

- creating a more efficient urban form which reduces trip times, numbers and costs;
- improving freight access to key terminals, improving freight flows and increasing competitiveness through reduced costs;
- reducing the costs associated with road trauma by enhancing the accessibility and safety of public transport systems;
- providing for the efficient distribution of goods and services to business and the community;
- ensuring flexibility to meet the demands of a changing economy and market environments;
- maximising the use of existing infrastructure rather than incurring the costs of green fields infrastructure with its resulting impact on home affordability; and
- enabling commuter access to industrial centres and to the services and goods they require.

	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	19,637	18,023	19,274	32,934	Additional funding for new initiatives in 2005-06.
Less Income	2,681	11,097	9,996	10,083	
Net Cost of Service	16,956	6,926	9,278	22,851	
Adjustments ^(a)	4,792	(632)	(457)	(100)	
Appropriation for delivery of Service	21,748	6,294	8,821	22,751	

(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 policy hour for integrated land and transport policy development	\$44.96	\$65.11	\$55.50	\$56.79	
Full Time Equivalents (FTEs)	180	182	198	206	

Major Achievements For 2004-05

- The regional planning program was continued to guide the future growth and development of Western Australia, including finalising the Carnarvon-Ningaloo Strategy, the Gingin Coast Structure Plan, and producing the Draft Pinjarra-Brunswick Sustainable Communities Strategy.
- The Urban Design Centre of Western Australia was established, providing leadership in urban design through demonstration as well as providing a Masters course in urban design.
- The Vision Plan for Cockburn Coast was prepared, providing an overall integrated development concept for the land between South Beach and Woodman Point.
- A transit-oriented development program was produced and is being implemented by a portfolio-wide steering committee. All stations and suitable bus 'hubs' are on a priorities program for planning and/or projects.

- A new metropolitan planning strategy titled 'Network City: Community Planning Strategy for Perth and Peel' was developed based on input from the Dialogue with the City process. More than 200 submissions were received. Network City will provide the strategic framework that will guide the future of Perth for the next 20-30 years.

Major Initiatives For 2005-06

- Finalise the 'Network city: community planning strategy for Perth and Peel' to reflect the results of submissions and, if approved, prepare an implementation plan to give Network City practical effect as the new metropolitan planning strategy for Perth and Peel.
- Develop a comprehensive transport strategy for Perth and Peel, enabling major transport corridors to function effectively and influencing travel patterns and behaviour consistent with the Network City model.
- Develop a ten year strategy to guide statutory and strategic planning in Perth, supported by policies and action plans, for the Western Australian Planning Commission and the City of Perth to approve and present to Government for adoption.
- Improve the delivery of planning and development projects and community services (based on sustainability principles, and coordination and partnership between state and local governments) through suburb-level revitalisation, for example in Maddington-Kenwick, and through activity centre revitalisation, for example in Wanneroo, Mirrabooka and Koondoola.
- Review the structure plan for Perth's North West Corridor to enable a staged approach to development in the corridor including identifying preferred centre locations and a location for the Alkimos-Eglinton wastewater treatment plant.
- Review the State Planning Strategy to ensure it reflects contemporary planning practice and government priorities, in particular Network City and the State Sustainability Strategy.
- Finalise the Perth Coastal Planning Strategy to guide decision making on possible future land use, conservation and development of the Perth metropolitan coastline.
- Finalise the Lower Great Southern Regional Strategy to guide land use planning and development in the region.
- Develop a regional strategy for the Central Midlands sub-region.
- As part of the implementation of the Kununurra-Wyndham Area Development Strategy finalise the local planning strategy for the Shire of Wyndham-East Kimberley, which sets out the strategic planning direction for the next 10-15 years.
- Complete a strategic review of land use and key infrastructure needs for Broome to accommodate growth.
- Provide a strategic framework for the future expansion and redevelopment of Onslow in light of major strategic industrial proposals currently being evaluated.
- Progress the outcomes of the Port Hedland 'enquiry by design' process to provide frameworks for further investigation by government agencies, ensure future industrial development in the region and give direction and support for future planning and decision making.
- Develop a coastal strategy for the Pilbara region, identifying areas for conservation, recreation, tourism, public access, infrastructure requirements and rural businesses, and including recommendations on implementation.
- Finalise a strategic framework to guide land use, land zoning, subdivision and water management strategies in the east Wanneroo area, providing future direction and certainty for land owners and the local horticulture industry.

CAPITAL WORKS PROGRAM

The DPI's planned capital works program for 2005-06 is \$14.7 million comprising \$9.3 million for works in progress and \$5.4 million for new works.

Major metropolitan projects include the:

- Wanneroo Revitalisation project;
- Information and Communications Technology Infrastructure upgrade;
- continuation of facility refurbishment of Hillarys Boat Harbour; and
- Shared Land Information Platform (SLIP) Infrastructure upgrade.

Major non-metropolitan projects include:

- the building of an access road and the construction of a boat launching facility at Coral Bay; and
- the upgrading of boat launching facilities at Ningaloo Marine Park in Exmouth.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Asset Replacement – Land Administration Services (LAS).....	596	149	149	149
Hillarys Boat Harbour				
Asset Replacement Program	880	350	350	370
Facility Refurbishment.....	6,232	2,278	2,278	1,378
Modify Breakwater	1,157	117	100	-
Wyndham Port Deferred Maintenance	2,100	1,600	1,600	500
Casuarina Harbour Pens Stage 1	976	878	852	98
Coral Bay Access Rd and Boat Launching Facility.....	5,220	422	100	4,798
Minor Works program	912	192	192	180
SLIP Infrastructure	1,888	516	516	1,106
Zero Emission Hydrogen Fuel Cell Buses	10,156	9,036	7,600	730
COMPLETED WORKS				
Barrack Square Redevelopment	13,562	13,562	487	-
Carnarvon Land Backed Wharf	4,248	4,248	3,586	-
Mews Road				
Commercial Centre	1,448	1,448	1,313	-
Site Redevelopment - Stage 3.....	591	591	550	-
Minor Works – Land Administrative Services.....	100	100	100	-
Navigation Aids				
2004-05 Program.....	600	600	600	-
Transport Executive Licensing Information System (TRELIS)	37,808	37,808	5,201	-
NEW WORKS				
Fremantle Fishing Boat Harbour - Memorial Jetty	100	-	-	100
Information and Communications Technology Infrastructure.....	6,735	-	-	1,095
Koondoola Revitalisation Project.....	1,000	-	-	500
Marine Oil Pollution Response Equipment - Enhancement/Replacement Program.....	495	-	-	86
Navigation Aids				
2005-06 Program.....	610	-	-	610
Upgrades to Boat Launching Facilities	1,500	-	-	1,000
Wanneroo Revitalisation Project.....	8,000	-	-	2,000
	106,914	73,895	25,574	14,700

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	11,561	21,299	25,574	14,700	10,735	5,739	3,732
Working capital requirement							
Loan and Other Repayments	2,524	1,973	1,948	2,037	2,061	2,074	2,074
	14,085	23,272	27,522	16,737	12,796	7,813	5,806
LESS							
Asset Sales	49	-	-	-	-	-	-
Borrowings.....	-	7,900	7,100	730	390	-	-
Commonwealth Grants	-	500	500	-	-	-	-
Drawdowns from the Holding Account	155	127	127	119	119	-	-
Funding Included in Service Appropriations ^(a)	2,524	-	-	-	-	-	-
Internal Funds and Balances.....	8,561	6,301	1,828	4,346	2,700	180	460
Other.....	1,000	-	2,016	-	-	-	-
Capital Contribution	1,796	8,444	15,951	11,542	9,587	7,633	5,346

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	70,098	67,007	80,419	81,487	83,330	85,768	88,269
Superannuation	7,507	6,339	7,042	7,411	7,633	7,861	8,096
Grants and subsidies ^(c)	40,609	33,955	40,767	49,290	35,010	32,341	32,250
Supplies and services	60,019	52,680	51,600	47,295	48,424	48,598	49,236
Accommodation	10,127	9,632	10,981	10,086	11,086	11,256	11,436
Finance costs	488	1,559	1,086	1,296	1,261	1,261	1,261
Capital user charge	24,108	23,100	22,527	23,754	24,827	25,690	26,349
Depreciation and amortisation	7,578	12,288	10,978	14,286	14,454	13,759	11,564
Costs of disposal of non-current assets	32	-	-	-	-	-	-
Other expenses	11,933	10,911	13,316	12,640	12,688	12,789	12,888
TOTAL COST OF SERVICES	232,499	217,471	238,716	247,545	238,713	239,323	241,349
Income							
User charges and fees	9,286	7,337	7,949	8,673	8,750	8,828	8,906
Regulatory fees and fines	51,222	49,102	54,230	54,208	54,768	56,052	57,896
Grants and subsidies	8,580	9,651	10,541	9,042	8,932	8,932	8,932
Interest revenue	470	91	427	429	428	428	428
Rent	6,438	5,800	6,929	7,033	7,033	7,033	7,033
Proceeds from disposal of non-current assets ..	52	-	-	-	-	-	-
Other revenue	6,907	5,909	5,117	5,087	5,087	5,087	5,087
Total Income	82,955	77,890	85,193	84,472	84,998	86,360	88,282
NET COST OF SERVICES	149,544	139,581	153,523	163,073	153,715	152,963	153,067
INCOME FROM STATE GOVERNMENT							
Service appropriations	130,773	137,814	149,275	161,820	151,981	150,373	150,463
Resources received free of charge	4,343	574	4,343	4,343	4,343	4,343	4,343
Liabilities assumed by the Treasurer	933	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	136,049	138,388	153,618	166,163	156,324	154,716	154,806
SURPLUS (DEFICIENCY) FOR THE PERIOD	(13,495)	(1,193)	95	3,090	2,609	1,753	1,739
Extraordinary items	17,109	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	3,614	(1,193)	95	3,090	2,609	1,753	1,739

(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 1164, 1404 and 1428 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	14,366	7,022	9,140	6,145	4,316	4,150	3,691
Restricted cash	6,897	-	7,406	8,619	9,919	11,219	12,519
Receivables	5,450	5,274	5,450	5,450	5,450	5,450	5,450
Inventories.....	171	369	171	171	171	171	171
Interest receivable	25	41	25	25	26	26	26
Amounts receivable for services.....	127	119	119	119	-	-	-
Prepayments	259	742	259	259	259	259	259
Other.....	-	3,679	-	-	-	-	-
Total current assets	27,295	17,246	22,570	20,788	20,141	21,275	22,116
NON-CURRENT ASSETS							
Amounts receivable for services.....	48,785	62,708	60,737	76,326	92,202	107,383	120,369
Land and buildings.....	93,804	91,737	92,521	91,238	89,955	88,672	87,389
Plant and equipment.....	4,283	1,112	10,624	10,088	8,821	8,399	9,083
Infrastructure	118,991	127,888	126,319	132,143	134,565	131,841	128,199
Other.....	37,797	36,882	37,088	33,497	29,906	26,315	22,724
Total non-current assets.....	303,660	320,327	327,289	343,292	355,449	362,610	367,764
TOTAL ASSETS.....	330,955	337,573	349,859	364,080	375,590	383,885	389,880
CURRENT LIABILITIES							
Superannuation	-	228	-	-	-	-	-
Payables	4,905	2,489	4,615	4,615	4,617	4,617	4,618
Provision for employee entitlements	11,894	11,111	11,894	11,894	11,894	11,894	11,894
Borrowings.....	2,581	1,836	2,776	2,800	2,813	2,813	2,813
Interest payable.....	165	226	165	165	165	165	165
Accrued salaries.....	2,358	174	-	213	513	813	1,113
Other.....	3,087	2,191	3,087	3,087	3,087	3,087	3,087
Total current liabilities.....	24,990	18,255	22,537	22,774	23,089	23,389	23,690
NON-CURRENT LIABILITIES							
Superannuation	-	159	-	-	-	-	-
Provision for employee entitlements	7,533	7,267	8,626	10,048	11,470	12,892	14,314
Borrowings.....	9,752	17,295	13,970	11,900	9,477	6,664	3,851
Total non-current liabilities	17,285	24,721	22,596	21,948	20,947	19,556	18,165
TOTAL LIABILITIES.....	42,275	42,976	45,133	44,722	44,036	42,945	41,855
EQUITY							
Contributed equity	89,557	115,014	105,508	117,050	126,637	134,270	139,616
Accumulated surplus/(deficit)	184,003	161,525	184,098	187,188	189,797	191,550	193,289
Reserves	15,120	18,058	15,120	15,120	15,120	15,120	15,120
Total equity.....	288,680	294,597	304,726	319,358	331,554	340,940	348,025
TOTAL LIABILITIES AND EQUITY.....	330,955	337,573	349,859	364,080	375,590	383,885	389,880

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	121,848	124,807	137,204	146,112	136,105	135,192	137,477
Capital Contribution.....	1,796	8,444	15,951	11,542	9,587	7,633	5,346
Holding Account Drawdowns	155	127	127	119	119	-	-
Net cash provided by State government.....	123,799	133,378	153,282	157,773	145,811	142,825	142,823
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(66,606)	(68,925)	(81,874)	(79,753)	(81,506)	(83,941)	(86,439)
Superannuation	(6,643)	(6,337)	(7,143)	(7,510)	(7,735)	(7,966)	(8,204)
Grants and subsidies	(41,695)	(33,955)	(40,767)	(49,290)	(35,010)	(32,341)	(32,250)
Supplies and services	(53,680)	(52,106)	(47,257)	(42,952)	(44,080)	(44,255)	(44,892)
Accommodation.....	(10,651)	(9,632)	(10,981)	(10,086)	(11,086)	(11,256)	(11,436)
Finance costs.....	(549)	(1,559)	(1,086)	(1,296)	(1,261)	(1,261)	(1,261)
Capital User Charge.....	(24,108)	(23,100)	(22,527)	(23,754)	(24,827)	(25,690)	(26,349)
Goods and Services Tax	(11,879)	(22,152)	(15,810)	(15,088)	(15,088)	(15,088)	(15,088)
Other.....	(12,897)	(10,341)	(13,315)	(12,639)	(12,688)	(12,789)	(12,888)
Receipts							
User charges and fees.....	10,146	7,337	7,949	8,673	8,750	8,828	8,906
Taxation	-	22,862	-	-	-	-	-
Regulatory fees and fines.....	51,344	26,240	54,230	54,208	54,768	56,052	57,896
Grants and subsidies	9,663	9,651	10,541	9,042	8,932	8,932	8,932
Interest received.....	486	91	427	428	428	428	428
Rent receipts.....	6,425	5,800	6,929	7,033	7,033	7,033	7,033
Goods and Services Tax	15,792	22,152	15,810	15,088	15,088	15,088	15,088
Other receipts.....	7,177	6,265	5,117	5,087	5,087	5,087	5,087
Net cash from operating activities.....	(127,675)	(127,709)	(139,757)	(142,809)	(133,195)	(133,139)	(135,437)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(11,374)	(17,869)	(22,655)	(14,700)	(10,735)	(5,739)	(3,732)
Proceeds from sale of non-current assets	49	-	-	-	-	-	-
Equity Contribution receipts.....	-	-	-	-	-	-	-
Net cash from investing activities.....	(11,325)	(17,869)	(22,655)	(14,700)	(10,735)	(5,739)	(3,732)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(2,524)	(1,973)	(2,687)	(2,776)	(2,800)	(2,813)	(2,813)
Proceeds from borrowings	-	7,900	7,100	730	390	-	-
Net cash from financing activities.....	(2,524)	5,927	4,413	(2,046)	(2,410)	(2,813)	(2,813)
NET INCREASE/(DECREASE) IN CASH HELD							
Cash assets at the beginning of the reporting period	42,190	13,360	21,263	16,546	14,764	14,235	15,369
Net cash transferred to/from other agencies.....	(3,202)	(65)	-	-	-	-	-
Cash assets at the end of the reporting period.....	21,263	7,022	16,546	14,764	14,235	15,369	16,210

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
EXPENSES							
Employee benefits expenses	-	300	-	-	-	-	-
Grants and subsidies	5,800	6,006	4,054	4,201	4,190	4,128	4,128
Supplies and services	2,251	-	800	800	800	800	800
Depreciation and amortisation	4	13	4	4	4	4	3
Loss on disposal of non-current assets	-	-	-	-	-	-	5,745
Cost of land sold	102,365	-	91,244	-	-	-	-
Costs of disposal of non-current assets.....	-	33,517	-	-	-	-	-
Other expenses	-	1,500	1,000	1,000	1,000	1,000	1,000
Receipts paid into Consolidated Fund	515,729	473,492	618,438	473,663	485,573	473,118	477,655
TOTAL ADMINISTERED EXPENSES ^(b) ..	626,149	514,828	715,540	479,668	491,567	479,050	489,331
INCOME							
User charges and fees.....	101,059	45,517	174,764	-	-	-	-
Regulatory Fees and Fines	424,401	423,946	438,205	427,138	441,249	457,073	470,656
Gain on disposal of non-current assets	-	-	-	26,865	28,365	3,291	-
Interest revenue	2,215	-	-	-	-	-	-
Other Revenue.....	88,822	31,522	32,962	12,136	8,635	5,430	5,420
Service Appropriations	5,800	6,006	4,054	4,201	4,190	4,128	4,128
Transfer of Assets/Liabilities.....	-	-	57,727	-	-	-	-
TOTAL ADMINISTERED INCOME ^(c)	622,297	506,991	707,712	470,340	482,439	469,922	480,204

- (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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	37,135	20,751	32,635	28,135	29,035	29,935	30,835
Receivables	24,699	10,850	23,174	23,174	23,174	23,174	23,174
Interest receivable	3	2	3	3	3	3	3
Other.....	1,153	-	1,153	1,153	1,153	1,153	1,153
Total Administered Current Assets	62,990	31,603	56,965	52,465	53,365	54,265	55,165
ADMINISTERED NON-CURRENT ASSETS							
Land and Buildings	2,020,159	1,541,194	2,013,940	2,006,220	1,992,196	1,978,172	1,964,148
Receivables	7,162	8,393	7,162	5,638	5,638	5,638	5,638
Plant and equipment.....	19	(3)	15	11	7	3	-
Other.....	729	15,282	4,729	8,729	12,729	16,729	20,729
Total Administered Non-Current Assets	2,028,069	1,564,866	2,025,846	2,020,598	2,010,570	2,000,542	1,990,515
TOTAL ADMINISTERED ASSETS.....	2,091,059	1,596,469	2,082,811	2,073,063	2,063,935	2,054,807	2,045,680
ADMINISTERED CURRENT LIABILITIES							
Payables	4	259	4	4	4	4	4
Interest payable	3	-	3	3	3	3	3
Other.....	6,853	3,373	6,433	6,013	6,013	6,013	6,013
Total Administered Current Liabilities.....	6,860	3,632	6,440	6,020	6,020	6,020	6,020
ADMINISTERED NON-CURRENT LIABILITIES							
Total Administered Non-Current Liabilities	-	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES..	6,860	3,632	6,440	6,020	6,020	6,020	6,020

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Employee benefits.....	-	(300)	-	-	-	-	-
Grants and subsidies	(5,800)	(6,006)	(4,054)	(4,201)	(4,190)	(4,128)	(4,128)
Supplies and services.....	(2,251)	-	(800)	(800)	(800)	(800)	(800)
Goods and Services Tax	-	-	(773)	-	-	-	-
Other.....	-	(1,500)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Receipts paid into Consolidated Fund.....	(515,729)	(473,513)	(618,459)	(473,684)	(485,594)	(473,139)	(477,676)
Transfer of Assets/Liabilities.....	33,526	-	-	-	-	-	-
Financing Activities							
Investing Activities							
Purchase of non-current assets.....	-	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
TOTAL ADMINISTERED CASH OUTFLOWS	(490,254)	(485,319)	(629,086)	(483,685)	(495,584)	(483,067)	(487,604)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
User charges and fees.....	90,494	47,062	176,309	42,606	45,610	17,336	8,300
Taxation	326,619	329,331	349,925	344,131	356,984	371,513	383,828
Regulatory fees and fines.....	97,784	94,615	88,280	83,007	84,265	85,560	86,828
Interest received.....	1,585	-	-	-	-	-	-
Goods and Services Tax	-	-	773	-	-	-	-
Other receipts	3,843	3,805	5,245	5,240	5,435	5,430	5,420
Service Appropriations	5,800	6,006	4,054	4,201	4,190	4,128	4,128
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH INFLOWS.....	526,125	480,819	624,586	479,185	496,484	483,967	488,504
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	35,871	(4,500)	(4,500)	(4,500)	900	900	900

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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
Port of Wyndham Management.....	1,612	1,400	1,400	1,100	1,100	1,100	1,100
Perth Bicycle Network/Country Pathways.....	949	1,857	6,925	5,616	2,785	2,785	2,785
Recreational Boating Facilities.....	135	650	650	650	650	650	650
North West Shipping	3,784	3,434	3,434	3,456	3,456	3,456	3,456
Regional Airport Development Scheme.....	2,005	1,940	1,940	1,940	1,940	1,940	1,940
Aviation (Public Air) Subsidies.....	1,157	1,250	1,250	852	852	852	852
Perth Parking Fees to Public Transport							
Authority	6,731	6,851	6,851	6,845	7,350	7,611	7,611
Other Grants to Public Transport Authority.....	12,694	3,000	3,000	-	-	-	-
Fare Subsidies	1,422	2,128	2,064	2,219	2,219	2,219	2,219
Student Fare Concessions.....	1,109	1,530	1,466	1,571	1,571	1,571	1,571
Taxi User Subsidy Scheme.....	6,245	6,441	6,486	6,058	6,191	6,309	6,448
LPG Subsidy Scheme	716	880	1,080	1,200	1,200	-	-
Concession To Probationary Drivers.....	-	-	-	635	654	674	694
Mirrabooka Shopping Centre	-	-	-	3,000	-	-	-
Maddington Kenwick Sustainability	-	-	-	2,000	2,000	-	-
Better Beaches Policy	-	-	-	250	250	250	250
Roleystone Revitalisation Scheme	-	-	-	-	-	250	-
Rockingham Redevelopment Office	-	-	290	250	-	-	-
Southwest Plantation Timber Rail at North							
Greenbushes	-	-	-	8,700	-	-	-
Travelsmart, Pedestrian Projects	227	187	164	136	136	136	136
Coastal Projects and Zone Management	41	1,170	1,795	1,270	1,270	1,270	1,270
Community Police	695	695	695	695	695	695	695
Marine Safety.....	129	-	123	123	123	123	123
Emergency Vehicle Insurance	132	120	120	120	120	120	120
Department of Land Information.....	102	130	130	130	130	130	130
Urban Design Projects	-	-	200	200	200	200	200
Mandurah Ocean Marina	104	-	232	-	-	-	-
Other.....	620	292	472	274	118	-	-
TOTAL	40,609	33,955	40,767	49,290	35,010	32,341	32,250

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
STATUTORY AUTHORITIES							
Western Australia Coastal Shipping							
Commission	5,800	6,006	4,054	4,201	4,190	4,128	4,128
TOTAL	5,800	6,006	4,054	4,201	4,190	4,128	4,128

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
TAXATION							
Conservancy Fees	277	280	280	283	292	301	311
Motor Vehicle Licence Fees	299,355	298,000	317,035	311,816	323,628	337,082	348,288
Motor Vehicle Recording Fees	44,968	43,585	36,800	29,586	30,716	31,880	33,079
FINES							
Speed and Red Light Fines	43,818	44,000	44,000	44,000	44,000	44,000	44,000
Final Demand Fees	1,121	1,050	1,050	1,082	1,083	1,085	1,086
Other Fines	5,123	3,500	3,950	5,800	5,858	5,916	5,975
OTHER							
Sale of Land	90,494	45,517	176,309	42,606	45,610	17,336	8,300
Motor Drivers Licences	27,264	31,331	32,890	32,315	33,356	34,431	35,540
Third Party Insurance Premiums	336,949	340,000	340,000	355,000	367,000	380,000	393,000
Firearm Licence Fees	2,475	2,200	2,200	2,256	2,316	2,378	2,377
TOTAL	851,844	809,463	954,514	824,744	853,859	854,409	871,956

TRUST ACCOUNT DETAILS

Dampier to Bunbury Natural Gas Pipeline Corridor Trust Account

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

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance	33,380	30,687	31,841	31,337
Receipts:				
Other	1,240	1,300	1,300	1,300
	34,620	31,987	33,141	32,637
Payments	2,779	1,800	1,804	1,804
CLOSING BALANCE	31,841	30,187	31,337	30,833

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
Services Provided to Western Australia Planning Commission	4,460	5,166	6,051	6,395
Indian Ocean Territories	254	80	80	81
Boat Registration Fees	6,161	6,000	6,000	6,300
Jetty Licences	378	324	324	331
Marine Examinations	114	93	93	162
Motor Vehicles	12,601	10,202	13,152	12,233
Motor Drivers	5,459	4,838	5,583	5,752
Proof of Age Card	107	75	126	126
Plate Fees	7,793	7,348	8,491	8,827
Recoups for Services Provided	7,449	7,000	7,000	7,700
Temporary Permits	559	366	564	391
Other Revenue	318	1,031	1,031	1,038
Proceeds from Rental Properties	1,366	1,026	859	859
Pastoral Leases	1,003	813	1,464	1,464
GST Input Credits	9,663	19,311	8,953	8,953
GST Receipts on Sales	6,129	2,841	6,135	6,135
TOTAL	63,814	66,514	65,906	66,747

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

COMMISSIONER OF MAIN ROADS

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 40

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
DELIVERY OF SERVICES							
Item 78 Net amount appropriated to deliver services	292,493	199,379	208,437	247,313	262,356	306,899	270,497
Amount Authorised by Other Statutes - Road Traffic Act 1974.....	181,883	300,000	277,770	261,648	272,807	263,821	306,837
Total appropriations provided to deliver services.....	474,376	499,379	486,207	508,961	535,163	570,720	577,334
CAPITAL							
Item 155 Capital Contribution	69,071	165,606	141,591	97,354	87,935	77,501	126,938
Amount Authorised by Other Statutes - Road Traffic Act 1974.....	120,136	6,000	41,265	52,168	52,821	75,261	43,451
GRAND TOTAL	663,583	670,985	669,063	658,483	675,919	723,482	747,723

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The strong economy throughout Australia, particularly given resource development projects and significant infrastructure projects in Western Australia, combined with a national skills shortage, has meant that there are a number of significant projects available for civil construction contractors to tender for. This has reduced the competitiveness of tender prices for roadworks resulting in unprecedented cost escalation in the civil construction industry and significant project cost increases.
- Road user expectations continue to increase for better access to the road network along with safer and more efficient roads. There is a requirement for Main Roads to continue to build relationships with its customers, stakeholders and the community through gaining a deeper understanding of their needs and expectations. The impact of the growth in the road freight task, which is increasing at a rate nearly double the State's Gross Product, is compounded by the increasing age of the road network. In addition, the heavy vehicle industry is seeking to gain greater economies through innovative larger vehicles amidst continuing community concern.
- Road funding needs continue to increase as a result of rapid growth in State development and the consequential increase in road freight and traffic demands result in a continuing need to improve and expand the network. These needs are in addition to those resulting from the demands of an ageing network. Rigorous asset management practices are being adopted together with innovative non-capital solutions to extend asset lives beyond their design life. A significant amount of pavements require reconstruction to prevent maintenance costs becoming prohibitive. As a result of these works being postponed due to funding constraints, whole of life cycle costs for these assets will increase.
- Main Roads recognises the need to embrace the application and use of new and emerging technologies to optimise the benefits that can be obtained from the existing network and has developed an Intelligent Transport Systems (ITS) Strategy. ITS are systems that apply information, communications and control technologies to improve the operation and safety of transport networks. They also increase the capability of existing networks enabling the deferment of capital works. Funding will be required over a number of years to fully implement these systems and to maximise benefits to be achieved.

- There are heightened requirements for Main Roads to positively contribute towards long-term environmental protection and to develop a sustainable road network. Main Roads is committed to meeting the requirements of the State Sustainability Strategy and continues to emphasise value for money, achievement of social benefits, environmental protection/ecological sustainability and even stronger community involvement and consultation in providing a fully integrated approach to sustainability.
- Maintaining and building capability throughout the organisation is an area of strategic focus as Main Roads positions itself to develop and maintain a highly motivated, skilled and sustainable workforce.

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
Decisions taken prior to State Election				
Black Spot Funding	5,000	5,000	5,000	5,000
Local Roads Program	3,300	-	2,900	-
Decisions taken since State Election				
Heavy Vehicle Operations surveillance and compliance activities	600	600	600	600

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
SERVICES							
<i>Service 1:</i>							
Road network operations management.....	67,425	57,505	63,334	77,898			
<i>Service 2:</i>							
Road-use efficiency improvements.....	51,851	59,643	58,364	54,605			
<i>Service 3:</i>							
Road infrastructure for community access	64,173	45,425	58,619	29,789			
<i>Service 4:</i>							
Road-use safety improvements	52,171	33,536	47,416	60,682			
<i>Service 5:</i>							
Road network maintenance.....	321,681	407,477	381,588	389,231			
<i>Service 6:</i>							
Road infrastructure for state development.....	122,239	157,166	196,669	94,271			
Total Cost of Services.....	679,540	760,752	805,990	706,476	754,182	853,484	902,962
<i>Less Income.....</i>	<i>113,869</i>	<i>149,028</i>	<i>169,516</i>	<i>109,466</i>	<i>112,421</i>	<i>139,627</i>	<i>154,941</i>
Net Cost of Services.....	565,671	611,724	636,474	597,010	641,761	713,857	748,021
Expenditure Capitalised	(235,354)	(230,910)	(261,773)	(215,735)	(202,851)	(230,952)	(298,065)
	330,317	380,814	374,701	381,275	438,910	482,905	449,956
Adjustments ^(a)	144,059	118,565	111,506	127,686	96,253	87,815	127,378
Appropriation provided to deliver Services .	474,376	499,379	486,207	508,961	535,163	570,720	577,334
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	189,207	171,606	182,856	149,522	140,756	152,762	170,389
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	663,583	670,985	669,063	658,483	675,919	723,482	747,723

(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 goals.

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

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Efficient road access for road users.					
Community Satisfaction	92%	90%	88%	90%	
Road Network Permitted for use by Heavy Freight Vehicles					
B-Doubles	97%	(b)	98.2%	98.2%	
Double Road Trains	96.8%	(b)	96.6%	96.6%	
Triple Road Trains	45%	(b)	41.2%	41.2%	
Road Standards	48.3%	54.3%	48.3%	48.3%	
Bridge Standards	93.1%	93.5%	93.5%	93.7%	
Outcome: Safe road access for road users.					
Community Perception of Road Safety					
Overall safety of freeways - metro	93%	90%	85%	90%	
Overall safety of highways - metro	93%	90%	90%	90%	
Overall safety of highways - rural	85%	89%	85%	90%	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: A well maintained road network.					
Smooth Travel Exposure	97.8%	97.5%	97.8%	97.8%	
Community Perception of Ride Quality					
Metro freeways	97%	97%	97%	97%	
Metro highways	93%	93%	93%	93%	
Rural highways	82%	82%	82%	82%	
Outcome: Road infrastructure that supports economic and regional development.					
Return on Construction Expenditure	3.39	2.54	2.87	3.04	

- (a) More details of effectiveness indicators are provided in the annual report.
 (b) Indicators were not prepared for the 2004-05 Budget.

Service 1: Road Network Operations Management

Works associated with the management of the road network to ensure the safe and efficient movement of people and goods throughout the State, which includes activities of the traffic operation centre, heavy vehicle operation activities, metropolitan and regional road asset management, road user and customer services, emergency telephones and street lighting, ITS and traffic signals, and road advisory services to 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	67,425	57,505	63,334	77,898	
Less Income	961	705	560	772	
Net Cost of Service	66,464	56,800	62,774	77,126	
Adjustments ^(a)	16,926	11,009	10,998	16,495	
Appropriation for delivery of Service	83,390	67,809	73,772	93,621	

- (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 lane kilometre of Network Managed	^(a)	\$1,470	\$1,600	\$1,700	
Full Time Equivalent (FTEs)	103	91	83	129	

- (a) This indicator was not prepared in 2003-04.

Major Achievements For 2004-05

- Established a Customer Contact Centre to improve access and service to customers. This project is a key initiative arising from Main Roads' Strategic Plan in an effort to provide excellence in customer service.
- A trial of battery backup for traffic signals has commenced to allow for continual operation during power blackouts. Results of the trial will be assessed over 12 months.
- Implementation of General Notices for heavy vehicles larger than 'as of right size' is in progress with the first notice ready for release. Efficiency in the road transport industry will be improved by allowing certain classes of restricted access heavy vehicles to access the road network using General Notices rather than trip-specific permits.
- The Heavy Vehicle Accreditation Scheme for restricted access heavy vehicles, including the Fatigue Management and Maintenance Management modules, has been reviewed.
- New infrastructure developments – the traffic impacts during construction of projects such as Roe Highway, Tonkin Highway and the New MetroRail project have been considered and managed to ensure minimal disruption to road users.
- Straying Stock Awareness – installed highly visible and high impact signs on the rural highways at major intersections and stopping places to inform the travelling public of the dangers of straying stock and kangaroos etc.
- Railway Crossings – delivered sign and standard improvements for standard gauge railway crossings in the Wheatbelt North Region and the Goldfields Esperance Region.

Major Initiatives For 2005-06

- Implementation of the first phase of the ITS strategy including freeway monitoring systems.
- Traffic signals – undertake research to identify appropriate locations for additional mast arms to improve road safety and additional signalised intersections to provide for traffic growth.
- Implement changes to the Heavy Vehicle Accreditation Scheme to satisfy stakeholder needs.
- Road Flooding Awareness – installation of variable message signs at Kununurra and Halls Creek to inform the public of road closures and flood conditions on the national highway during the Wet Season.
- Solar Powered Reflective Raised Pavement Markers – commencing a trial on the use of solar powered reflective raised pavement markers.
- River Monitoring Stations – in consultation with the Department of Environment (Water and Rivers Commission) and other key stakeholders, Main Roads is assisting in the installation of new river monitoring systems at the Shaw River and Coongan River Floodways on the Marble Bar Road. These systems will monitor water levels thereby allowing for earlier closure and opening of the Marble Bar Road at these locations.
- Travel Planner – to provide customers visiting Main Roads' website with access to a Travel Planner which provides a detailed map and direction for the most efficient trip from point of origin to destination.
- Road Condition Map – installation of electronic maps on the internet to enable real time reporting of the condition of the road network to assist travellers and other road users.
- Customer Consultative Committee – establish a committee to provide advice and feedback on the services provided by Main Roads.
- Incident Management System – implement a corporate Incident Management System including contingency plans for key Main Roads infrastructure including the Narrows Bridge, Fremantle Traffic Bridge, Traffic Operations Centre and others.
- Network Operations Strategy – develop a strategy to optimise safety and efficiency of the existing road network for all road users.

- Develop a compliance and enforcement strategy for heavy vehicles including facilities for on-road inspection.
- Expand Notice Networks for restricted heavy vehicles.

Service 2: Road-use Efficiency Improvements

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

	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	51,851	59,643	58,364	54,605	
Less Income	9,375	22,464	23,177	25,455	
Net Cost of Service	42,476	37,179	35,187	29,150	
Adjustments ^(a)	10,817	7,206	6,165	6,234	
Appropriation for delivery of Service	53,293	44,385	41,352	35,384	

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

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 Road Improvement Cost per lane kilometre	\$278,267	\$197,668	\$215,000	\$342,000	The lane kilometre unit rate in 2005-06 includes \$5.25 million for 6.22 lane kilometres of the Great Northern Highway Roe to Muchea project at \$888,000 per lane kilometre.
Average Cost per Intersection Improvement....	\$113,621	\$68,468	\$279,000	\$200,000	The estimated actual cost in 2004-05 for intersection improvements compared to the budget amount reflects the small number of works (five) and the inclusion of the contra flow works on the Mandurah Estuary Bridge (\$630,000) after the Budget Papers were prepared.
Average Cost for Bridge Strengthening per square metre	\$1,662	\$1,610	\$2,000	0	No bridge strengthening works are to be undertaken in 2005-06.
Full Time Equivalent (FTEs)	79	93	76	91	

Major Achievements For 2004-05

- Geraldton-Mount Magnet Highway – completed the widening of 40 kilometres of seal from 6 metres to 8 metres to meet Road Train requirements.
- Derby Highway (Great Northern Highway – Derby Airport) – completed the widening to 8 metres width and sealing of 7.8 kilometres, removed dangerous crests and realigned curves in November 2004. This road is the only sealed road that links Derby with the Great Northern Highway to form part of the inter-town route between Broome and Derby. It provides access to the Derby Export Facility, Derby Airport and serves as the access road to Curtin Air Base, an important defence installation in the North West.
- Great Northern Highway Section 3A (West Swan Road – Warbrook Road) – design and documentation completed in early 2005. Planned for construction during summer 2005-06. This project will improve ‘ride quality’ of the highway and provide increased efficiency for the movement of High Wide Loads.
- Great Northern Highway Section 3B (Stock Road to Bullsbrook Road) – design and documentation completed in late 2004. Construction contract to be awarded in April 2005. Preliminary construction works to be completed by the end of May 2005. Balance of construction works to be completed during summer 2005-06.
- Great Northern Highway Section 4 (Rutland Road to Metro Boundary) – construction to be completed in May 2005. This project will improve ‘ride quality’ of the highway and provide increased efficiency for the movement of High Wide Loads.
- Victoria Quay Access Link Road – completed a new link road between Beach Street and Queen Victoria Street in Fremantle. The link allows safer and more efficient movement of heavy vehicles travelling between Fremantle Port and Canning Highway.

Major Initiatives For 2005-06

- Derby Highway (Great Northern Highway – Derby Airport) – works to seal 11.2 kilometres and widen to 8 metres width are scheduled to commence in May 2006 with completion anticipated in September 2007. The widening works, which includes removal of dangerous crests and realigning curves will improve traffic efficiency and increase road safety. This road is used by various types of vehicles including road trains carting lead/zinc ore to the Derby Port. The works will also reduce maintenance costs caused by excessive edge wear.
- Great Eastern Highway:
 - reconstruct and widen various sections of the national highway between Hines Hill and Walgoolan;
 - reconstruct and widen various sections of the national highway between Walgoolan and Southern Cross;
 - construct passing lanes between El-Caballo and Northam; and
 - construct the Clackline Bypass.
- Great Northern Highway:
 - construct passing lanes, improve intersection, realign, reconstruct and widen various sections of the national highway between Muchea and Wubin;
 - undertake road widening works in conjunction with the Maintenance Contractor’s rehabilitation works on various sections totalling 48 kilometres of failing and sub-standard pavement on the section of the national highway between Muchea and Wubin; and
 - widen 4 kilometres of pavement on the national highway between Port Hedland and the Marble Bar Road north of Port Hedland.
- Lancelin Road – construct two additional passing lanes.
- Bussell Highway, Vasse to Margaret River – widen 5 kilometres of highway and construct two passing lanes immediately north of Metricup Road. This will provide much needed overtaking opportunity and improve safety on this highway.
- Marble Bar Road – widen 7 kilometres of pavement on Marble Bar Road between Great Northern Highway intersection (Port Hedland) and the Shaw River floodway.
- York – Merredin Road – widen and overlay 3 kilometres of York-Merredin Road (6 kilometres west of Bruce Rock).

Service 3: Road Infrastructure for Community Access

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

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

	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	64,173	45,425	58,619	29,789	
Less Income	18,051	26,305	26,962	4,295	
Net Cost of Service	46,122	19,120	31,657	25,494	
Adjustments ^(a)	11,746	3,706	5,546	5,453	
Appropriation for delivery of Service	57,868	22,826	37,203	30,947	

(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 Treatment Undertaken..... ^(a)		\$114,978	\$129,000	0	No works to be undertaken in 2005-06.
Average Cost for Bridge Deck Constructed per square kilometre.....	\$7,906	\$5,357	\$4,000	0	No works to be undertaken in 2005-06.
Average Cost of Road Construction per lane kilometre					
Rural Highways..... ^(a)		\$222,843	\$347,000	0	No works to be undertaken in 2005-06.
Rural Main Roads	\$730,848	\$367,399	\$438,000	\$503,000	
Full Time Equivalents (FTEs)	98	71	77	50	

(a) This indicator was not prepared in 2003-04.

Major Achievements For 2004-05

- Gibb River Road – this project is part of a strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities. Works completed by October 2004 include:
 - improving the formation, drainage and gravel to 23 kilometres in the Iminji/Mt House area;
 - sealing two sections of road totalling 1.2 kilometres to reduce dust pollution outside the Iminji and Barnett communities; and
 - sealing 2.7 kilometres on the Phillip Range jump up.
- Tanami Road – completed the installation of culverts/floodway at Sturt Creek in October 2004. This is part of the upgrade strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities.
- Broome Cape Leveque Road (Lombadina/Djarindjin to Bardi/One Arm Point) – completed the construction and sealing of 26 kilometres of Cape Leveque Road and adjoining roads in September 2004. This project will improve access to aboriginal communities and allow both communities all weather access to the airstrip near Lombadina Community. Other benefits include a reduction in vehicle damage and travel time, improvement in freight efficiency and provision of opportunities for economic development of the Dampier Peninsula.

- Great Northern Highway - Completed the construction of four bridges and approaches at Elvire River, Palm Creek, Upper Panton River and Roses Yard Creek in February 2005. The construction of these bridges will significantly reduce road closures in the East Kimberley.
- Constructed a new truck parking bay and rest area at the intersection of Great Northern Highway and Hillside – Woodstock Road. This will improve the level of service, increase transport efficiency and provide assistance in fatigue management.
- Marble Bar Road – constructed two concrete floodways as part of a strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities.
- Brookton Highway – upgraded 6.7 kilometres of Brookton Highway including three intersections. This concludes 20 kilometres of upgrading between Hyden and Karlgarin over last three years.
- Gorge Rock - Lake Grace Road – widened and sealed 10 kilometres of Gorge Rock - Lake Grace Road just east of Kulin Townsite.
- Gerard Street Bridge, Cannington - Main Roads managed the delivery of a new road bridge over the railway line at Gerard Street, Cannington on behalf of the City of Canning and the Public Transport Authority. Work commenced in June 2004 and was completed in April 2005. The new bridge will permit the closure of the nearby Crawford Street at grade railway crossing.

Major Initiatives For 2005-06

- Tanami Road – improve the formation, drainage and gravel to 20 kilometres in the Carranja area.
- Broome – Cape Leveque Road (Lombadina/Djarindjin to Bardi/One Arm Point) - works to construct and seal 10 kilometres of Cape Leveque Road, in the Lombadina area, are scheduled to commence in August 2005 with completion due in October 2005. This project will improve access to aboriginal communities and Broome. Other benefits include a reduction in vehicle damage and travel time, improvement in freight efficiency and provision of opportunities for economic development of the Dampier Peninsula.
- Gibb River Road – this project is part of a strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities. Works to improve the formation, drainage and gravel of 4.5 kilometres and seal 2.5 kilometres of road at Galvins Gorge Jump-up to be completed by August 2005.
- Great Northern Highway – provide a new intersection to the proposed Muchea Sale Yards south of Brand Highway Intersection.
- Great Northern Highway – construct a new truck parking bay on Great Northern Highway approximately 40 kilometres north of Munjina. This will improve the level of service, increase transport efficiency and provide assistance for fatigue management.
- Marble Bar Road – improve selected floodways as part of a strategy to improve the level of service, increase transport efficiency and provide improved access to remote communities.
- Brookton Highway (Gorge Rock Section) – upgrade 4.5 kilometres of Brookton Highway (20 kilometres east of Corrigin).
- New MetroRail Package E – a design and construct contract was awarded in January 2004 to construct the South West Metropolitan Railway rail corridor in the central median of Kwinana Freeway from the Narrows Bridge to the Glen Iris railway tunnel. The works include construction of a new southbound railway bridge across the Narrows between the two existing bridges, strengthening and realignment of traffic lanes of the northbound Narrows Bridge to accommodate the northbound railway and strengthening and widening of the Mount Henry Bridge to accommodate the railway within a median transit corridor. Contract completion is by December 2005.

- Karratha – Tom Price Road Stage 2 – design and construction of a 90 kilometres section of new road between Karratha and the Roebourne – Wittenoom Road at Curlewis. This is the second stage of the new route between Karratha and Tom Price. The project will provide significant benefits to local communities, tourism and the mining industry. Construction is expected to commence in early 2006 with completion by 2008.

Service 4: Road-use Safety Improvements

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

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

	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	52,171	33,536	47,416	60,682	
Less Income	12,048	8,128	13,339	3,925	
Net Cost of Service	40,123	25,408	34,077	56,757	
Adjustments ^(a)	10,218	4,925	5,970	12,139	
Appropriation for delivery of Service	50,341	30,333	40,047	68,896	

- (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 Improvements Undertaken	\$194,872	\$147,207	\$154,000	\$211,000	
Average Cost of Road Constructed per lane kilometre (by road type)					
Rural Highways	^(a)	\$252,489	\$249,000	\$281,000	Unit rate of \$249 000 per lane kilometre is significantly less than that identified in Program 3 (\$347,000) as the majority of works in Program 4 is being delivered under an alliance with Term Network Contractors.
Rural Main Roads	^(a)	\$129,394	\$131,000	\$377,000	One project only.
Full Time Equivalent (FTEs)	80	53	62	101	

- (a) These indicators were not prepared in 2003-04.

Major Achievements For 2004-05

- State Black Spot Program - a total of \$15 million was directed towards projects with high safety benefits. A total of 44 projects were undertaken on State Roads and 173 projects on local roads. Significant projects undertaken include:
 - Reid Highway and Mirrabooka Avenue to modify traffic signals and install high friction surfacing on the approaches to the intersection;
 - Great Northern Highway and Hamilton Road to install right turn lane and painted median; and
 - Karrinyup Road and Cedric Street intersection to upgrade traffic islands and install pedestrian facilities including audible push buttons.

- National Black Spot Programme – \$5.4 million of funding from this programme enabled 14 projects on State roads and 52 projects on Local roads across the State to be undertaken.
- Other significant safety projects undertaken include:
 - Rail Crossings State wide – renewal of old and outdated technology at 16 crossings to ensure continued safety and the upgrading of six crossings to provide an increased level of protection by the installation of either boom barriers or flashing lights;
 - Bussell Highway – improvements to the level of safety at the previous T-junction with Robertson Drive as a result of the construction of a roundabout;
 - South Western Highway – the construction of two overtaking lanes between Wagerup and Yarloop to increase the number of safe passing opportunities, thereby reducing the potential for unsafe overtaking manoeuvres; and
 - Great Eastern Highway – re-alignment and reconstruction of 2 kilometres of the highway to provide a 9 metre seal through the Boorabin curves located between Yellowdine and Bulla Bulling. The realignment of the curves and seal widening works will provide a higher level of safety by improving the geometry of the road.

Major Initiatives For 2005-06

- Black Spot Program – As part of the State Government’s commitment to the ‘Arriving Safely – Western Australia Road Safety Strategy’ the funding for the State Black Spot Program has increased from \$15 million to \$20 million per year. Projects worth \$10 million at 166 locations across the State on local roads will be funded with a further \$10 million at 37 locations on State Roads. The projects have been selected for having high safety benefits at recognised crash locations or to treat locations that have the potential for crashes to occur. The works identified at the 203 locations will assist in reducing roads as a factor in road crashes.
- The National Black Spot Programme, will fund 54 additional projects around the State totalling \$6.2 million.
- A further demonstration of the State Government’s commitment to reducing road trauma is the Western Australia Safer Roads Program that includes an investment of \$80 million over four years into ‘on the ground’ road safety improvements on the State’s highway and main roads network. The program is designed to take a ‘Systems Approach’ to focus attention on the interaction between the road, speed, driver and the vehicle. A major focus will be to address single vehicle run off road crashes in country areas that account for 45% of fatal crashes in the State. Projects to be funded from the 2005-06 allocation include:
 - Albany Highway – sealing of 50 kilometres of shoulder within the Shire of Kojonup and the installation of 125 kilometres of audible edge line within the Shire of Kojonup and between Albany and Cranbrook. Both treatments will warn drivers who may be about to drive off the road and give them a chance to recover;
 - Brand Highway – sealing of 50 kilometres of shoulder within the Shire of Carnamah and the installation of 100 kilometres of audible edge line within the Shire of Carnamah and between Dongara and Greenough. Both locations have been identified as having significant levels of run off road crashes mainly attributed to driver fatigue;
 - State-wide – targeted installation of 20 linear kilometres of wire rope barriers on sections of highway with a demonstrated history of run off road crashes. The treatment will provide an additional level of protection by minimising the severity of a crash if the other safety features (eg. sealed shoulders and audible edge lines) are not able to assist in preventing a crash from occurring; and
 - Wanneroo Road and Joondalup Drive – the intersection will be modified to allow right turn movements under traffic signal control and include extending the right turn pockets on Wanneroo Road for vehicles turning into Joondalup Drive West bound. The works will reduce the high incidence of right turn crashes that currently exist at this intersection.

Service 5: Road Network Maintenance

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

	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	321,681	407,477	381,588	389,231	
Less Income	44,950	36,706	48,545	58,955	
Net Cost of Service	276,731	370,771	333,043	330,276	
Adjustments ^(a)	70,475	71,863	58,347	70,638	
Appropriation for delivery of Service	347,206	442,634	391,390	400,914	

(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 lane kilometre of Road Network Maintained	\$4,847	\$4,333	\$4,700	\$5,000	The 2004-05 budget unit rate excluded the cost of maintaining the bridge network.
Average Cost per lane kilometre of Road Network Depreciated	\$4,847	\$5,019	\$3,738	\$3,956	The methodology for calculating the earthworks component of road depreciation was amended following publication of the abstract 'Accounting for Road Earthworks' by the Australian Accounting Standards Board.
Full Time Equivalents (FTEs)	292	341	321	400	

Major Achievements For 2004-05

- Term Network Contracts (TNCs) have been continually assessed to ensure value for money and a Performance Measurement Framework, which provides improved and ongoing reporting on the performance of TNCs, has been successfully introduced.
- Great Eastern Highway – Walgoolan to Southern Cross – road widening works in conjunction with TNC Contractor's rehabilitation works currently being undertaken on 12 kilometres of failing pavement between Walgoolan and Southern Cross.
- Great Eastern Highway Bridge Works – concrete overlay and repairs to three bridges at Southern Brook, Kokatea Creek and Lockier Creek, Nanamullen Bridge at Clackline and part strengthening and maintenance of Clackline Brook timber bridge.
- Causeway Bridges – concrete repairs have been carried out to maintain the integrity of the structure.
- Great Eastern Highway – completed alliancing contract to reconstruct and widen 21 kilometres of failing pavement on the section of the National Highway between Walgoolan and Southern Cross.
- Continued the maintenance of railway level crossings in partnerships with Westnet Rail and the Public Transport Authority. Main Road's contribution assisted with the maintenance of approximately 500 sets of active rail/road level crossings.

Major Initiatives For 2005-06

- Ongoing assessment of the TNCs and the Traffic Control Infrastructure Contract.
- Great Eastern Highway – award Alliance Contract to reconstruct and widen 60 kilometres of failing and sub-standard pavement on the section of the national highway between Hines Hill and Walgoolan. Design works to commence in July 2005 and construction works to be undertaken in 2005-06 and 2006-07.
- Eyre Highway – commence reconstruction and widening of Caiguna East and Balladonia sections as part of an ongoing program to rehabilitate failing sections of pavement and to widen this important east west national highway link.
- Maintenance closures of the Graham Farmer Freeway tunnel will continue to occur on a quarterly basis.

Service 6: Road Infrastructure for State Development

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

	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	122,239	157,166	196,669	94,271	
Less Income	28,484	54,720	56,933	16,064	
Net Cost of Service	93,755	102,446	139,736	78,207	
Adjustments ^(a)	23,877	19,856	24,481	16,727	
Appropriation for delivery of Service	117,632	122,302	164,217	94,934	

(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 Road Construction per lane kilometre					
Freeways	0	0	0	\$2,192,000	No freeways were constructed during 2003-04 or 2004-05.
Urban Highways	\$1,575,515	\$1,019,668	\$1,278,000	\$1,381,000	
Rural Highways	\$345,260	\$1,292,603	\$739,000	\$513,000	Incorrect quantity information was used to determine the unit rates for Urban and Rural Highways in the 2004-05 Budget Papers.
Average Cost per square metre of Bridge Constructed (Concrete)	\$2,419	\$2,442	\$2,700	\$3,000	
Full Time Equivalents (FTEs)	187	246	257	156	

Major Achievements For 2004-05

- Lancelin-Cervantes – completed design, documentation and land acquisition for this last section of the coastal road link from Perth to Dongara by early 2005. The project is a new construction on a green field site and includes a realignment of Mimegarra Road (unsealed) and connections to Wedge Island, Grey and Ocean Farm Estate. Funding has been allocated to commence these works in 2007-08.
- Agricultural Lime Sands Route 2 (New Norcia – Goomalling) – the project to upgrade a section between New Norcia and Goomalling includes reconstruction, realignment, widening and various safety improvements over 78 kilometres of roads. Works undertaken in 2004-05 involved reconstruction, realignment, widening and primer sealing of 2 kilometres of road and two intersection improvements.
- Grain Logistics Roads - ongoing improvements to local roads will reduce transport costs for the cartage of grain. The project improved various sections of the Moorine Rock South Road. Works undertaken in 2004-05 included 5.5 kilometres of reconstruction, widening and primer sealing and 7.7 kilometres of sealing works.
- Mowen Road – ongoing construction and sealing of this local road between Margaret River and Nannup will improve access for tourism and reduce transport costs for the cartage of blue gum plantation timber. Sealing was completed from the west to Sues Road in February 2005 providing a sealed link between Margaret River and Sues Road.
- Tonkin Highway (Mills Road West – Thomas Road) – a design and construct contract was awarded in January 2003 for the construction of 18 kilometres of four lane controlled access highway with grade separated interchanges at Albany Highway and Corfield Street, grade intersections at Mills Road, Champion Drive, Armadale Road, Ranford Road, Rowley Road and Thomas Road bridges over the Canning Rive and Southern River. The first stage to Armadale Road was completed on 2 April 2005. The second stage is expected to be complete late 2005, some 12 months earlier than the State Government's committed date of December 2006.
- Armadale Road Duplication – works to duplicate Armadale Road from Wungong Brook to Anstey Road have commenced with completion in 2005.
- Great Eastern Highway (Sawyers Valley – The Lakes) – upgrading of Great Eastern Highway to a four-lane dual carriageway from Old Sawyers Road to the Lakes turn-off will involve reconstruction, realignment and widening a 13 kilometres section of the highway. The upgrade works commenced in August 2004 and will significantly enhance safety and reduce travel times for commuter and freight traffic.
- Geraldton Southern Transport Corridor – design and construction of 4.9 kilometres of Highway from the Geraldton Port to North West Coastal Highway, 13 kilometres of single track rail link from Narngulu to the Geraldton Port, rail unloading arrangements within the Geraldton Port, fill to the eastern breakwater, beach reclamation, works for the Town Beach Foreshore Redevelopment and beach reclamation works north of the Batavia Coast Marina. Construction commenced in March 2004.
- Roe Highway (South Street to Kwinana Freeway) – an Alliance contract for the design and construction of 4.5 kilometres of dual carriageway at freeway standard with grade separations at South Street, Karel Avenue and Kwinana Freeway. A principal shared path is also to be built on the north side of the highway interconnecting with the adjacent local network and the principal shared path on the west side of Kwinana Freeway. The project, which also includes the construction of socio-environmental infrastructure such as noise barriers and screen walls, will improve road safety, reduce freight transport costs and enhance community amenities and access from Midland/Kenwick to Kwinana and beyond. Construction commenced in December 2004.

Major Initiatives For 2005-06

- South Coast Highway (Ravensthorpe - Munglinup) – construct two passing lanes and widening works to cater for the increased heavy vehicle movements associated with the Ravensthorpe Nickel Mine. BHP Billiton to contribute to these works.
- Albany Ring Road (Chesterpass Road to Albany Highway) – construct 6.7 kilometres of highway to facilitate the transport of blue gum logs from plantations to the east and north-east of Albany to the chip mill situated at the Mirambeena Industrial Estate. Construction of this link removes the need for the road trains carrying logs to mix with urban traffic.

- Grain Logistics Roads - improve 6 kilometres of Moorine Rock South Road to reduce transport costs for the cartage of grains.
- Agricultural Lime Sands Route 2 (New Norcia – Goomalling) - the project to upgrade a section between New Norcia and Goomalling includes reconstruction, realignment, widening and various safety improvements over 78 kilometres of roads. Works to be undertaken in 2005-06 include 11 kilometres of sealing and 14 kilometres of widening, overlay and primer sealing.
- Mowen Road – ongoing construction and sealing of this local road between Margaret River and Nannup will improve access for tourism and reduce transport costs for the cartage of blue gum plantation timber. Sealing was completed from the west to Sues Road in February 2005 with the work now proceeding east of Sues Road toward Nannup.
- Great Eastern Highway (Sawyers Valley – The Lakes) – completion of 3.25 kilometres of dual carriageway at the eastern end of the project including upgrading of The Lakes turn off intersection is planned for completion by March 2006. Landscaping work is planned for completion by the end of August 2006.
- Mitchell Freeway (Hodges Drive to Burns Beach Road) - the detailed design for the Mitchell Freeway Extension is anticipated to be completed by November 2005, subject to the outcomes of the extended consultation process and decisions made by the Government. Tenders are anticipated to be called in December 2005 with the award of a construct only contract in April 2006. Construction is anticipated to commence in May 2006, subject to the outcomes of the extended consultation process and decisions made by the Government.
- The New Perth Bunbury Highway project (Kwinana Freeway Extension / Peel Deviation) – this project is to be delivered by an alliance contract with construction to commence in 2007. Funding is a joint Commonwealth/State responsibility. Preconstruction activities including planning for the alliance contract planning and land acquisition are currently underway.

CAPITAL WORKS PROGRAM

The capital expenditure for Main Roads in 2005-06 total \$301.7 million comprising the purchase of operating assets (\$5 million) and roadworks (\$296.7 million) that include improvements to and expansion of the road networks in the State.

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

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

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

The operating assets provision includes funds directed towards the construction of a new office at Albany. This new facility will provide for changes in operational activities, and where appropriate, the requirements of other agencies within the Planning and Infrastructure portfolio.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Albany Ring Road				
Chester Pass Road to Albany Highway - Construct and Seal	7,912	1,012	535	5,100
Brookton Highway				
Corrigin to Hyden - Widen	18,004	11,504	1,000	1,000
Broome-Cape Leveque Road				
Various Improvements.....	17,630	9,155	2,856	995
Buildings and Equipment	52,030	21,130	9,620	5,000
Carnarvon-Mullewa Road				
NW Coastal Highway to Gascoyne Junction - Construct and Seal.....	24,069	13,503	3,257	3,328
Dampier Road				
Extend Dual Carriageway and Construct Passing Lanes	6,211	211	-	500
Derby Highway				
Derby Spur - Widen and Seal	16,555	7,969	3,936	1,786
Geraldton-Mt Magnet Road				
Bringto to Mullewa Shires - Widen and Primerseal.....	6,677	6,327	2,200	350
Geraldton Southern Transport Corridor Stage 1- Construct.....	37,660	35,160	21,225	2,500
Gibb River Road				
Derby - Gibb River - Wyndham - Improve formation, and gravel	25,039	10,539	1,212	1,500
Goldfields Highway				
Lake Raeside Section - reconstruct.....	11,082	82	-	500
Wiluna to Meekatharra - Construct and Seal	74,184	884	150	5,300
Great Central Road (Outback Highway)				
Laverton to Docker River - Improve Formation and Gravel	19,506	6,645	783	551
Great Eastern Highway				
Hines Hill to Merredin - Reconstruct	20,685	6,792	6,011	9,299
Merredin to Walgoolan- Reconstruct	13,626	5,562	3,392	6,901
Great Northern Highway				
Dunham Deviation - Construct.....	14,388	759	759	300
Elvire River and Palm Creek - Construct Bridges.....	8,080	8,040	7,625	40
Roe Highway to Muchea - Reconstruct and Widen	35,232	13,477	9,169	6,324
Upper Panton, Roses Yard and Fletcher's Creeks - Construct Bridges.....	9,861	9,681	9,201	180
Waddington to Miling - Realign and Reconstruct.....	19,000	3,000	3,000	2,670
Karratha-Tom Price Link Road				
Stage 2 - Construct and Seal	89,019	11,019	10,044	12,048
Minor Works (includes Black Spot and urgent minor works)	394,842	142,728	42,333	38,344
Mitchell Freeway				
Hodges Drive to Shenton Avenue - Construct	48,714	30,500	26,249	16,214
Mowen Road				
Rosa Brook Road to Nannup - Construct and Seal	14,187	3,857	1,303	1,549
Muir's Road				
Mt Barker Northern Bypass - Construct.....	6,155	1,155	82	-
Nyamup to Strachan - Reconstruct.....	8,853	3,103	1,034	250
New Perth-Bunbury Highway				
Construct	336,800	3,100	3,100	4,000
Old Coast Road				
Australind to Eaton - construct and seal including bridge	4,307	7	-	1,000
Operational Costs.....	792,410	141,039	60,117	52,750
Perth-Bunbury Highway				
Bunbury Port Access - construct and seal including bridges	21,208	208	-	500
Port Beach Road				
North Fremantle - Realign and Construct.....	5,250	2,250	1,750	3,000
Queen Victoria Street				
Fremantle Traffic Bridge - Reconfigure Navigation Span.....	33,569	569	-	1,000
Roe Highway				
South Street to Kwinana Freeway - Construct and Seal including bridges	65,999	35,591	30,259	26,408
Safer Roads Program				
Bussell Highway, Vasse to Margaret River - Construct passing lanes and improve intersections	3,100	110	110	2,990
Reid Highway - West Swan Road to Great Northern Highway.....	27,000	500	500	1,500
Tanami Road				
Improve Formation and Drainage.....	10,099	5,099	1,000	1,000
Tonkin Highway				
Mills Road West to Thomas Road - Design and Construct	137,432	115,680	35,814	21,752
Various Local Roads				
Railway Crossings - Improvements.....	48,099	19,644	2,674	2,655
Various Roads - Perth Bicycle Plan Stage 2				
Safety and Network Improvements	12,483	8,483	4,000	1,000
York-Merredin Road				
Widen and Seal	6,005	3,955	800	1,550

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Abernethy Road				
Tonkin Highway - Construct Interchange	6,904	6,904	1,312	-
Armadale Road				
Wungong Brook East of Lake Road to Tonkin Highway - Construct second carriageway (Plus LGA and Developer Contributions)	2,906	2,906	2,745	-
Bibbawarra Road				
Construct Floodway over Gascoyne River	3,286	3,286	3,092	-
Bussell Highway				
Vasse to Margaret River - Widen and Reconstruct	1,797	1,797	1	-
Cervantes-Greenhead Road				
Lancelin to Cervantes - Design and Construct	2,847	2,847	593	-
East-West Heavy Haulage Route				
Lime Sands Route Stage 1- Construct	25,923	25,923	1,047	-
Freight Network Review				
Leach Highway - Various Traffic Management Improvements	1,885	1,885	1,057	-
Graham Farmer Freeway				
Design and Construct	387,045	387,045	36	-
Great Eastern Highway				
Northam Bypass - Design and Construct	49,276	49,276	937	-
Orrong Road/GEH Bypass - Construct	3,315	3,315	1	-
Sawyers Valley to The Lakes - Reconstruct and Duplicate	34,732	34,732	29,841	-
Walgoolan to Southern Cross - Reconstruct	3,000	3,000	3,000	-
Karratha-Tom Price Link Road				
Stage 1 - Construct and Seal	25,839	25,839	717	-
Kwinana Freeway				
Interchanges and Extension - Design and Construct	158,650	158,650	547	-
Marble Bar Road				
Rippon Hills to Shaw River - Construct and Primerseal	41,796	41,796	500	-
Mt Magnet-Agnew-Youanmi Road				
Youanmi turnoff to Agnew - Design, Construct and Seal	63,594	63,594	438	-
North West Coastal Highway				
Ashburton River Bridge - Construct	10,733	10,733	2,914	-
Perth Access Plan				
Various Improvements	18,057	18,057	65	-
Perth-Bunbury Highway				
Dawesville Deviation - Construct and Seal	15,814	15,814	520	-
Roe Highway				
Nicholson Road to South Street - Construct and Seal	37,066	37,066	5,396	-
Welshpool Road to Nicholson Road - Construct and Seal	78,164	78,164	1,600	-
South Western Highway				
Waroona to Harvey - Widen and Overlay Various Sections and Provide six Overtaking Lanes	93	93	1	-
Various Local Roads				
Blue Gum Plantation - Various Improvements	4,296	4,296	1,544	-
Grain Logistics - Improvements	8,303	8,303	818	-
Various State Highways				
Grandstand Road - Ascot Waters - Construct	2,000	2,000	2,000	-
NEW WORKS				
Eyre Highway				
Caiguna East/Balladonia - Reconstruct	19,400	-	-	19,400
Freight Network Review				
Various Highways	1,250	-	-	1,250
Great Eastern Highway				
Clackline Bypass - Construct	3,400	-	-	3,400
Tammin to Doodlakine - Reconstruct and widen	900	-	-	900
Wooroloo to Northam - Construct passing lanes	2,300	-	-	1,670
Great Northern Highway				
Fitzroy Crossing to Gogo - Reconstruct and widen	11,803	-	-	300
Muecha to Bindoon - Improve road geometry	7,500	-	-	600
Muecha to Wubin - Construct passing lanes	1,730	-	-	1,730
Milyeannup Coast Road				
Improve formation and gravel	800	-	-	200
Mitchell Freeway				
Shenton Avenue to Burns Beach Road - Construct	37,500	-	-	2,000
North West Coastal Highway				
Carnarvon Flood Mitigation Works	4,500	-	-	2,250

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
Safer Roads Program				
Albany Highway, Cranbrook to Albany - Install audible edgelines	500	-	-	500
Albany Highway, Kojonup Shire - Various improvements	2,500	-	-	2,500
Brand Highway, Various sections - Various improvements	1,800	-	-	1,800
Bussell Highway/Caves Road - Upgrade intersection	200	-	-	200
Canning Highway, Palmyra - Install pedestrian access	250	-	-	250
Cockburn Road, Coogee - Install pedestrian access	150	-	-	150
Fremantle Road/Mandurah Bypass - Install pedestrian access	250	-	-	250
Guildford Road, Maylands - Install pedestrian access	350	-	-	350
Pinjarra-Williams Road, Collie turnoff to Quindanning - Widen and realign.....	500	-	-	500
Various Rural State Roads - Install wire rope barriers.....	3,000	-	-	3,000
Various Urban State Roads - Improve pedestrian facilities	1,000	-	-	1,000
Victoria Street, Midland - Improve pedestrian access	500	-	-	500
Wanneroo Road	2,200	-	-	2,200
South Street				
Pinetree Gully Road - Construct pedestrian overpass	1,000	-	-	500
South Western Highway				
Hester Hill to Bridgetown - Reconstruct and construct passing lanes	2,500	-	-	2,450
Thomas Road intersection - Upgrade	1,000	-	-	1,000
Waroona to Harvey - Widen and provide passing lanes	13,560	-	-	350
Wokalup to Roelands - Widen and construct passing lanes.....	11,676	-	-	200
Toodyay Road				
Construct passing lanes.....	2,500	-	-	2,500
Various National Highways				
Planning Studies.....	403	-	-	113
Yabulu Ravensthorpe Nickel Project				
Ravensthorpe to Hopetoun Road - Reconstruct and widen.....	1,120	-	-	790
South Coast Highway - Various improvement works.....	9,880	-	-	3,280
	3,638,205	1,687,350	367,822	301,717

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	324,934	376,203	367,822	301,717	305,967	407,368	430,405
Working capital requirement							
Loan and Other Repayments	36,380	55,730	35,730	35,730	35,730	32,580	6,594
	361,314	431,933	403,552	337,447	341,697	439,948	436,999
LESS							
Asset Sales	3,483	4,000	4,000	4,000	3,000	3,000	2,000
Commonwealth Grants	47,090	89,378	101,123	63,674	65,063	108,102	122,125
Drawdowns from the Holding Account	13,773	18,749	19,489	23,153	27,665	32,240	36,826
Funding Included in Service Appropriations ^(a)	108,414	38,303	62,261	90,723	99,928	140,959	105,424
Internal Funds and Balances	(13,561)	103,060	26,736	-	-	-	-
Other.....	12,908	6,837	7,087	6,375	5,285	2,885	235
Capital Contribution	189,207	171,606	182,856	149,522	140,756	152,762	170,389

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	58,177	55,500	63,500	66,700	68,400	70,000	71,800
Superannuation	8,001	9,900	5,700	6,000	6,100	6,300	6,450
Grants and subsidies ^(c)	68,127	51,088	80,347	55,640	51,900	58,100	52,640
Supplies and services	389,362	510,627	545,344	409,448	376,433	448,507	488,316
Accommodation	5,853	6,000	7,700	10,500	10,765	11,015	11,055
Finance costs	13,337	13,329	11,500	9,827	7,085	4,485	3,156
Capital User Charge	12,076	27,210	33,445	52,205	66,712	80,527	93,316
Depreciation and amortisation	134,249	193,273	143,773	152,208	158,522	163,425	163,425
State Taxes	-	520	-	-	-	-	-
Costs of disposal of non-current assets	2,717	2,000	2,000	2,000	1,200	1,200	1,200
Other expenses	33,694	27,202	38,870	40,319	41,821	43,395	45,036
TOTAL COST OF SERVICES	725,593	896,649	932,179	804,847	788,938	886,954	936,394
Income							
User charges and fees	28,693	107,152	108,098	49,490	2,855	1,051	381
Grants and subsidies	77,514	133,260	144,678	103,366	104,996	134,656	151,940
Proceeds from disposal of non-current assets ..	3,231	4,000	4,000	4,000	3,000	3,000	2,000
Other Revenue	4,027	2,800	2,800	2,100	2,100	1,300	1,000
Total Income	113,465	247,212	259,576	158,956	112,951	140,007	155,321
NET COST OF SERVICES	612,128	649,437	672,603	645,891	675,987	746,947	781,073
INCOME FROM STATE GOVERNMENT							
Service Appropriations	474,376	499,379	486,207	508,961	535,163	570,720	577,334
Resources received free of charge	714	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	475,090	499,379	486,207	508,961	535,163	570,720	577,334
SURPLUS (DEFICIENCY) FOR THE PERIOD	(137,038)	(150,058)	(186,396)	(136,930)	(140,824)	(176,227)	(203,739)
Extraordinary items	235,354	230,910	261,773	215,735	202,851	230,952	298,065
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	98,316	80,852	75,377	78,805	62,027	54,725	94,326

(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 839, 876 and 927 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	35,701	30,636	42,378	43,476	56,302	62,739	90,644
Restricted cash	889	945	889	889	889	889	889
Receivables	18,260	12,399	18,433	16,768	13,245	14,212	15,179
Inventories	25,980	6,991	25,980	25,980	25,980	25,980	25,980
Amounts receivable for services	18,749	24,852	23,153	27,665	32,240	36,826	41,262
Prepayments	669	208	669	669	669	669	669
Total current assets	100,248	76,031	111,502	115,447	129,325	141,315	174,623
NON-CURRENT ASSETS							
Amounts receivable for services	426,666	595,087	546,546	671,089	797,371	923,970	1,046,134
Land and Buildings	8,334,036	6,465,630	8,339,916	8,344,606	8,354,996	8,358,986	8,362,976
Receivables	316	-	316	316	316	316	316
Plant and equipment	7,283	6,050	7,273	6,404	6,254	6,104	5,954
Roads network	8,185,464	8,909,652	8,691,305	9,169,208	9,656,227	10,177,964	10,794,574
Inventories	30,017	17,717	30,017	30,017	30,017	30,017	30,017
Intangibles	-	-	-	719	719	719	719
Total non-current assets	16,983,782	15,994,136	17,615,373	18,222,359	18,845,900	19,498,076	20,240,690
TOTAL ASSETS	17,084,030	16,070,167	17,726,875	18,337,806	18,975,225	19,639,391	20,415,313
CURRENT LIABILITIES							
Superannuation	134	13,164	134	134	134	134	134
Payables	31,215	34,779	34,265	25,955	23,917	27,942	31,967
Provision for employee entitlements	16,108	13,480	15,508	14,908	14,908	14,908	14,908
Borrowings	35,730	35,730	35,730	35,730	32,580	6,594	5,000
Monies in trust	890	945	890	890	890	890	890
Interest payable	3,150	3,638	3,150	3,150	3,150	3,150	3,150
Accrued Salaries	1,762	1,464	1,762	1,762	1,762	1,762	1,762
Other	53,873	60,089	58,538	44,827	41,710	43,589	45,467
Total current liabilities	142,862	163,289	149,977	127,356	119,051	98,969	103,278
NON-CURRENT LIABILITIES							
Superannuation	-	51,843	-	-	-	-	-
Payables	2,503	-	2,503	2,503	2,503	2,503	2,503
Provision for employee entitlements	2,907	2,771	2,907	2,907	2,907	2,907	2,307
Borrowings	146,832	111,102	111,102	75,372	42,792	36,198	31,198
Total non-current liabilities	152,242	165,716	116,512	80,782	48,202	41,608	36,008
TOTAL LIABILITIES	295,104	329,005	266,489	208,138	167,253	140,577	139,286
EQUITY							
Contributed Equity	641,355	748,831	835,961	1,071,533	1,232,217	1,384,979	1,555,368
Accumulated surplus/(deficit)	9,228,094	9,269,972	9,303,471	9,382,276	9,444,303	9,499,028	9,593,354
Reserves	6,919,477	5,722,359	7,320,954	7,675,859	8,131,452	8,614,807	9,127,305
Total equity	16,788,926	15,741,162	17,460,386	18,129,668	18,807,972	19,498,814	20,276,027
TOTAL LIABILITIES AND EQUITY	17,084,030	16,070,167	17,726,875	18,337,806	18,975,225	19,639,391	20,415,313

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	292,376	306,106	342,434	356,753	376,641	407,295	413,909
Capital Contribution.....	189,207	171,606	182,856	149,522	140,756	152,762	170,389
Holding Account Drawdowns	13,773	18,749	19,489	23,153	27,665	32,240	36,826
Net cash provided by State government	495,356	496,461	544,779	529,428	545,062	592,297	621,124
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(58,475)	(56,100)	(64,100)	(67,300)	(68,400)	(70,000)	(71,800)
Superannuation	(7,929)	(10,500)	(5,700)	(6,000)	(6,100)	(6,300)	(6,450)
Grants and subsidies	(68,127)	(51,088)	(80,481)	(55,640)	(51,900)	(58,100)	(52,640)
Supplies and services.....	(158,130)	(267,002)	(275,722)	(215,734)	(178,736)	(211,651)	(184,948)
Accommodation.....	(5,853)	(6,000)	(7,700)	(10,500)	(10,765)	(11,015)	(11,055)
Finance costs	(12,849)	(13,329)	(11,500)	(9,827)	(7,085)	(4,485)	(3,156)
Capital User Charge.....	(12,076)	(27,210)	(33,445)	(52,205)	(66,712)	(80,527)	(93,316)
State Taxes	-	(520)	-	-	-	-	-
Goods and Services Tax	(45,339)	(56,192)	(56,192)	(39,005)	(35,120)	(46,531)	(46,531)
Other.....	(8,712)	(14,104)	(15,024)	(15,280)	(15,530)	(15,790)	(16,050)
Receipts							
User charges and fees.....	20,240	106,848	107,794	50,289	6,356	1,051	381
Grants and subsidies	77,515	133,260	144,678	103,366	104,996	134,656	151,940
Goods and Services Tax	45,618	56,323	56,323	39,871	35,141	45,564	45,564
Other receipts	2,993	2,800	2,800	2,100	2,100	1,300	1,000
Net cash from operating activities	(231,124)	(202,814)	(238,269)	(275,865)	(291,755)	(321,828)	(287,061)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(241,029)	(257,240)	(268,103)	(220,735)	(207,751)	(234,452)	(301,565)
Proceeds from sale of non-current assets	3,483	4,000	4,000	4,000	3,000	3,000	2,000
Net cash from investing activities.....	(237,546)	(253,240)	(264,103)	(216,735)	(204,751)	(231,452)	(299,565)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(36,380)	(55,730)	(35,730)	(35,730)	(35,730)	(32,580)	(6,594)
Net cash from financing activities	(36,380)	(55,730)	(35,730)	(35,730)	(35,730)	(32,580)	(6,594)
NET INCREASE/(DECREASE) IN CASH HELD							
	(9,694)	(15,323)	6,677	1,098	12,826	6,437	27,904
Cash assets at the beginning of the reporting period	46,284	46,903	36,590	43,267	44,365	57,191	63,628
Cash assets at the end of the reporting period.....	36,590	31,580	43,267	44,365	57,191	63,628	91,532

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
EXPENSES							
Receipts paid into Consolidated Fund	2,719	2,000	2,500	2,450	2,375	2,300	2,300
TOTAL ADMINISTERED EXPENSES ^(b)..	2,719	2,000	2,500	2,450	2,375	2,300	2,300
INCOME							
Regulatory Fees and Fines	2,719	2,000	2,500	2,450	2,375	2,300	2,300
TOTAL ADMINISTERED INCOME ^(c)	2,719	2,000	2,500	2,450	2,375	2,300	2,300

(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 PAYMENTS AND RECEIPTS

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Receipts paid into Consolidated Fund	(2,719)	(2,000)	(2,500)	(2,450)	(2,375)	(2,300)	(2,300)
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(2,719)	(2,000)	(2,500)	(2,450)	(2,375)	(2,300)	(2,300)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines	2,719	2,000	2,500	2,450	2,375	2,300	2,300
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH INFLOWS	2,719	2,000	2,500	2,450	2,375	2,300	2,300
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS	-	-	-	-	-	-	-

(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
State Road funds applied to roadworks on the Local Government road network-Capital	54,104	45,097	69,649	36,373	37,705	40,746	40,405
State Road funds applied to roadworks on the Local Government road network-Recurrent..	39,894	35,586	66,053	48,595	50,076	50,710	56,128
TOTAL	93,998	80,683	135,702	84,968	87,781	91,456	96,533

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
Permits - oversize vehicles and loads	2,719	2,000	2,500	2,450	2,375	2,300	2,300
TOTAL	2,719	2,000	2,500	2,450	2,375	2,300	2,300

PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 41

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
DELIVERY OF SERVICES							
Item 79 Net amount appropriated to deliver services	399,714	455,170	480,706	545,177	619,783	668,485	691,527
Total appropriations provided to deliver services	399,714	455,170	480,706	545,177	619,783	668,485	691,527
CAPITAL							
Item 156 Capital Contribution	108,533	64,823	71,515	422,040	99,263	74,738	79,393
GRAND TOTAL	508,247	519,993	552,221	967,217	719,046	743,223	770,920

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Perth's population is forecast to grow over the next three decades, reaching a population of 2.1 million by 2031. Accessible and reliable public transport is important in enhancing the quality of life and wellbeing for this growing population.
- The population is ageing and the trend towards urbanisation and concentration in the coastal strip continues. Promotion of the benefits of public transport will motivate increased use of public transport.
- Improved regional infrastructure and services are essential to ensure regional strength and vibrancy. Access to fairly priced public transport services that link communities and provide access to health services and employment opportunities, including transport to schools, is essential.
- The community is showing increased awareness of the adverse environmental, social and health impacts of high car usage. Engaging and involving the community in future development will optimise the use of public transport infrastructure.
- Perth has one of the world's highest levels of car ownership. This inevitably places heavy demands on limited road infrastructure causing congestion at peak times. This has been shown to cause stress, aggression and fatalities. An integrated bus and train network with high frequency and optimal travel time from origin to destination will reduce this congestion.
- Improvements in technology provide opportunities to make the transport system safer, more reliable, attractive and easier to use, which should increase patronage.
- The rail corridor provides opportunities to improve access to ports and inter-modal facilities contributing to increased rail haulage of freight. In areas such as Geraldton, Fremantle, Kwinana and Kewdale, the Public Transport Authority (PTA) is working with the private sector and other Government agencies to increase rail corridor utilisation.
- The Government is committed to making a positive difference to the lives of people with disabilities, their families and carers. The public transport system is being enhanced and all future developments are being designed to meet this goal.

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
Decisions taken prior to State Election				
Rockingham City Transit System.....	-	400	800	824
Decisions taken since State Election				
Better beaches policy	300	315	331	347
Fare deal for families – new student concessions	2,300	3,000	3,000	3,100
Improve frequency of bus services – Clarkson and Warwick.....	257	257	257	257
Karratha bus services.....	25	-	-	-
Joondalup CAT bus service.....	130	130	130	130
Learning and training guarantee, transport subsidy	375	750	1,250	1,750
Repayment of residual freight debt	(9,427)	(16,552)	(16,552)	(16,552)

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
SERVICES							
<i>Service 1:</i>							
Metropolitan and regional passenger services.....	355,212	397,576	424,945	490,330			
<i>Service 2:</i>							
Country passenger rail and road coach services.....	35,539	36,752	40,881	42,016			
<i>Service 3:</i>							
Regional school bus services.....	71,598	66,773	69,576	74,067			
<i>Service 4:</i>							
Rail corridor and residual freight issues management	53,163	62,934	60,017	51,543			
Total Cost of Services	515,512	564,035	595,419	657,956	755,497	802,620	825,863
<i>Less Income.....</i>	<i>141,154</i>	<i>121,510</i>	<i>121,510</i>	<i>123,419</i>	<i>132,714</i>	<i>145,228</i>	<i>145,573</i>
Net Cost of Services	374,358	442,525	473,909	534,537	622,783	657,392	680,290
Adjustments ^(a)	25,356	12,645	6,797	10,640	(3,000)	11,093	11,237
Appropriation provided to deliver Services ...	399,714	455,170	480,706	545,177	619,783	668,485	691,527
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	108,533	64,823	71,515	422,040	99,263	74,738	79,393
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	508,247	519,993	552,221	967,217	719,046	743,223	770,920

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

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Accessible, reliable and safe public transport system ^(b)					
Use of public transport – passengers per service kilometre					
Metropolitan Bus Services	1.23	1.20	1.26	1.29	Projected patronage increase in 2005-06 does not offset the increase in service kilometres following the opening of new stations at Clarkson and Thornlie and the introduction of three-car sets.
Metropolitan Train Services	4.64	4.90	4.49	4.07	
Metropolitan Ferry Services	13.16	13.20	12.47	12.49	
Regional Bus Services	0.96	1.00	0.88	0.90	
Country Passenger Rail Services	0.279	0.270	0.265	0.266	
Country Passenger Road Coach Services	0.072	0.074	0.075	0.078	
Accessible Public Transport					
The proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service ^{(c)(d)}	n/a	n/a	70%	70%	
Metropolitan and regional passenger services reliability					
Bus Services within four minutes of scheduled time.....	92.75%	90%	88%	85%	Road work associated with the construction of the Southern railway is expected to cause delays to bus services.
Trains arriving within three minutes of scheduled time.....	89.3%	97.5%	95%	95%	
Ferries arriving within three minutes of scheduled time.....	98%	98%	98%	98%	
Country passenger rail and road coach services reliability					
Prospector arriving within 15 minutes of scheduled time.....	89%	95%	60%	90%	New railcars experienced some performance issues in 2004-05. These are expected to be resolved in 2005-06.
Australind arriving within 10 minutes of scheduled time.....	88%	90%	60%	90%	Delays due to upgrade works undertaken on Australind track.
Avon Link arriving within 10 minutes of scheduled time.....	97%	95%	80%	95%	The introduction of Merredin services resulted in some delays.
Road Coaches arriving within 10 minutes of scheduled time.....	95%	95%	95%	95%	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Regional school bus services reliability					
Drop off no less than 10 minutes before school starts and pick up within 10 minutes of school ending.....	95%	95%	85%	90%	Special Education School Buses have difficulty in getting to school on time due to wheelchair access students. Routes are being reviewed to enable Key Effectiveness Indicator to be met.
Level of overall customer satisfaction – customer satisfaction index:					
Metropolitan Bus Services.....	82%	80%	82%	82%	
Metropolitan Train Services.....	90%	92%	92%	92%	
Metropolitan Ferry Services.....	95%	97%	95%	95%	
Country Passenger Rail and Road Coach Services.....	88%	90%	90%	90%	
Customer perception of safety – independent external surveys:					
Train station – Daytime.....	95%	95%	95%	96%	
On-board train – Daytime.....	95%	96%	96%	96%	
Train station – Night-time.....	62%	70%	70%	70%	
On-board train – Night-time.....	79%	78%	78%	80%	
Bus station – Daytime.....	97%	95%	97%	97%	
On-board bus – Daytime.....	99%	98%	99%	99%	
Bus station – Night-time.....	68%	65%	68%	68%	
On-board bus – Night-time.....	86%	80%	86%	86%	
Level of notifiable safety occurrences – notifiable occurrences: ^(d)					
Category A Occurrences per million passenger boardings ^(e)	0.31	1.71	1.71	5	Under direction of General Manager Rail Safety Department of Planning and Infrastructure, the PTA adopted national reporting definitions for notifiable occurrences effective 1 January 2005 backdated to 1 January 2002. This now requires PTA to report all incidents on the PTA network.
Category A Occurrences per million train kilometres ^(e)	1.24	7.08	7.08	14	As above
Category B Occurrences per million passenger boardings ^(f)	5.35	5.79	5.79	14	As above
Category B Occurrences per million train kilometres ^(f)	23.28	23.98	23.98	60	As above
Regional school bus services: notifiable occurrences (accidents) reported each school year.....	8	5	7	6	
Outcome: Protection of the long term functionality of the rail corridor and railway infrastructure.					
Number of Lease breaches.....	Nil	Nil	Nil	Nil	

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

(b) Metropolitan services are provided by Transperth, and country passenger and road coach services are delivered by Transwa.

(c) New key effectiveness indicator developed in conjunction with the Office of the Auditor General. Comparable information for 2003-04 is not available.

(d) The estimates for 2004-05 and targets for 2005-06 are represented by the upper control limits beyond which management intervention would be required.

(e) 'Category A' incidence represents serious injury, death or significant damage.

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

Service 1: Metropolitan and Regional Passenger Services

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

	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	355,212	397,576	424,945	490,330	Increased costs due to opening new stations on the Northern Suburb line and Thornlie Spur as well as the interest costs associated with the construction of the Southern Suburbs railway. Revenue increase due to opening of new stations on the Northern Suburbs line and the Thornlie Spur.
Less Income	85,610	87,578	84,578	88,514	
Net Cost of Service	269,602	309,998	340,367	401,816	
Adjustments ^(a)	(7,521)	2,631	(1,300)	-	
Appropriation for delivery of Service	262,081	312,629	339,067	401,816	

(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 passenger kilometre					
Transperth Bus Operations	\$0.61	\$0.56	\$0.66	\$0.67	Budgeted total cost in 2005-06 is higher than estimated total cost in 2004-05 mainly due to interest expensed on New MetroRail Project.
Transperth Train Operations	\$0.70	\$0.58	\$0.90	\$1.09	
Transperth Ferry Operations	\$1.59	\$1.21	\$1.49	\$1.48	
Average cost per 1,000 place kilometres					
Transperth Bus Operations	\$59.48	\$56.76	\$66.07	\$68.93	Budgeted total cost in 2005-06 is higher than estimated total cost in 2004-05 mainly due to interest expensed on New MetroRail Project.
Transperth Train Operations	\$66.79	\$72.34	\$80.14	\$96.78	
Transperth Ferry Operations	\$136.49	\$117.36	\$132.53	\$131.19	
Regional Bus Services	\$46.81	\$47.20	\$55.61	\$57.56	
Total passenger place kilometres (millions)					
Transperth Bus Operations	3,552.0	3,548.0	3,544.9	3,558.8	The introduction of three-car sets phased in from 2004-05 increases place kilometres.
Transperth Train Operations	2,090.0	2,015.0	2,351.8	2,542.7	
Transperth Ferry Operations	5	4.9	5.1	5.1	
Regional Bus Operations	163.0	164.0	174.0	169.7	
Full Time Equivalent (FTEs)	759	848	891	985	

Major Achievements For 2004-05

- For the sixth year in succession Transperth recorded an increase in patronage.
- Customer satisfaction with Transperth services overall continued to remain high – 82% for bus, 90% for train, and 95% for ferry.
- Construction of new rail stations at Armadale, Greenwood, Gosnells and Bassendean.
- Established new bus depots at Mandurah, Claisebrook and Nowergup.
- Commenced the rollout of the Trainsafe program, including the central monitoring room and real time Closed Circuit TV (CCTV) monitoring.
- Added 69 new gas buses to the Transperth bus fleet.
- In association with Department of Planning and Infrastructure and other stakeholders, commenced the Fuel Cell Bus trial, involving three fuel cell buses and a re-fuelling and maintenance facility at Morley.
- Further upgraded the service frequency on the express Transperth bus service between Perth and Mandurah, as a prelude to the future rail link.
- Signed formal contracts for the provision of regional town bus services in Manjimup, Collie, Narrogin, Port Hedland, Esperance and Carnarvon.
- Completed reviews of bus services in Port Hedland, Albany and Geraldton with a view to developing more effective services.
- New MetroRail Project:
 - commenced operations to Clarkson;
 - commissioned 54 electric railcars (18 three car units); and
 - continued construction for the Southern Suburbs Railway.

Major Initiatives For 2005-06

- Introduce the new smartcard-based 'SmartRider' ticketing system.
- Open new Thornlie station and develop a feeder bus service to support the new Thornlie train station and spur line.
- Upgrade the Transperth website to include web-based functionality so that passengers can identify their nearest bus stop and the services operating from that stop.
- Provide magnetic-strip ticketing on regional town bus services.
- Commence concrete re-sleepering on the Armadale line.
- Construct special events siding at West Leederville and extend Claremont showgrounds platform for special events.
- New MetroRail Project:
 - Thornlie service to commence in July 2005;
 - remaining 39 electric railcars (13 three car units) to be completed; and
 - continue construction of the Southern Suburbs Railway.

Service 2: Country Passenger Rail and Road Coach Services

Provision of customer focussed, safe and cost effective passenger transport to regional 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	35,539	36,752	40,881	42,016	
Less Income	7,720	8,600	8,600	9,550	
Net Cost of Service	27,819	28,152	32,281	32,466	
Adjustments ^(a)	(218)	-	-	-	
Appropriation for delivery of Service	27,601	28,152	32,281	32,466	

(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 passenger kilometre					
Transwa Rail	\$0.32	\$0.27	\$0.30	\$0.31	
Transwa Road Coaches.....	\$0.19	\$0.16	\$0.21	\$0.20	
Average cost per 1,000 place kilometres					
Transwa Rail	\$161.13	\$159.31	\$178.28	\$183.23	Increased cost in 2005-06 driven by higher capital charges resulting from increased investment activity.
Transwa Road Coaches.....	\$82.18	\$82.91	\$93.07	\$95.65	
Total passenger place kilometres (millions)					
Transwa Rail	133.5	147.2	141.7	141.7	
Transwa Road Coaches.....	160.4	160.4	167.9	167.9	
Full Time Equivalents (FTEs)	130	129	121	124	

Major Achievements For 2004-05

- Opening of the new depot at Kewdale to house and service the new Prospector railcars.
- Third Prospector railcar commenced service.
- Negotiated significant reduction in the maintenance costs for the new Prospector fleet.

Major Initiatives For 2005-06

- Launch of the Avonlink train service.
- Launch of the new Internet booking system.

Service 3: Regional School Bus Services

Provision of regional school bus transport to Western Australian school 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	71,598	66,773	69,576	74,067	Increase due to higher costs under the new Composite Rate Model.
Less Income	389	330	330	330	
Net Cost of Service	71,209	66,443	69,246	73,737	
Adjustments ^(a)	(1,255)	-	-	-	
Appropriation for delivery of Service	69,954	66,443	69,246	73,737	

(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 1,000 place kilometres: student bus services.....	\$69.84	\$68.90	\$75.26	\$79.12	Increase due to higher costs under the new Composite Rate Model.
Total passenger place kilometres: student bus services (millions).....	964.0	943.0	851.6	861.0	The rationalisation of services has seen a number of school bus contracts terminated.
Full Time Equivalents (FTEs)	26	30	34	32	

Major Achievements For 2004-05

- Computer system enhancements to allow better management of the new school bus contracts that were signed by contractors in January 2004 (affects 702 contracts).
- Developed a student details database for 24,000 students.
- Implementation of a new Safety Management Plan.
- Reviewed school bus routes to maximise service delivery and efficiencies in rural Western Australia.
- Reviewed bus routes, including special education services, to maximise service delivery and efficiencies in Metropolitan Perth.

Major Initiatives For 2005-06

- Liaise with the Department of Education and Training to review student transport assistance policy with regards to:
 - integration of students with special needs into mainstream schools;
 - compulsory school attendance to Year 11 (2006) and Year 12 (2007); and
 - integration of vocational studies into school curriculum through increased usage of TAFE facilities.
- Continued review of bus routes to maximise service delivery and efficiencies in rural Western Australia and Metropolitan Perth.
- Complete major surveys into school bus route average speed, fuel consumption and tyre life.

Service 4: Rail Corridor and Residual Freight Issues Management

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

	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	53,163	62,934	60,017	51,543	Reduction in 2005-06 is as a result of reduction in interest due to the repayment of the freight debt.
Less Income	47,435	25,002	28,002	25,025	
Net Cost of Service	5,728	37,932	32,015	26,518	
Adjustments ^(a)	34,350	10,014	8,097	10,640	
Appropriation for delivery of Service	40,078	47,946	40,112	37,158	

(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 managing the rail freight corridor and residual freight issues ^(a)	\$53,163	\$62,934	\$60,017	\$51,544	Reduction in 2005-06 is as a result of reduction in interest due to the repayment of the freight debt.
Full Time Equivalents (FTEs)	25	23	22	20	

(a) Under the terms and conditions of the Railway Infrastructure Lease, an independent inspection of the Railway Infrastructure is carried out every five years. The first independent inspection is currently underway and the report is due by 15 June 2005.

Major Achievements For 2004-05

- Refurbishment of heritage railway stations at York, Brookton and Wongan Hills.
- Completion of planning for redevelopment of the Kewdale freight terminal.
- Implementation of Stage 1 of the Land and Transport Information System (LATIS) and geographic information system. Stage 1 provides background data on the railway system, its topography and reporting on contaminated sites to comply with the proposed contaminated sites legislation.

Major Initiatives For 2005-06

- Retire residual freight debt consistent with Government debt management policy.
- Commencement of redevelopment of the Kewdale freight terminal.
- Ongoing development of LATIS with respect to workflow control, incident reporting system and 'as constructed' plans.

CAPITAL WORKS PROGRAM

The Public Transport Authority of Western Australia's planned capital works program for 2005-06 is \$529.5 million, comprising \$519 million for works in progress and \$10.5 million for new works.

Included in the 2005-06 Program is expenditure of \$400.7 million for the New MetroRail Project. The major expenditure includes:

- the delivery of 13 three car sets – \$42 million;
- continuation of construction of the Kwinana Freeway Rail Corridor – \$28.6 million;
- continuation of construction on the Southern Suburbs Railway Infrastructure – \$149.6 million;
- commencement of construction of nine stations between Canning Bridge and Mandurah – \$43.9 million; and
- continuation of City Project works including two stations – \$105 million.

Other key expenditure projects contained within the capital works program aim at maintaining, improving and expanding the public transport infrastructure. These works include:

- the construction of the Rockingham City centre transit system in line with the New MetroRail project's timeline;
- the construction of an interim station at Herne Hill in the Swan Valley as part of the Regional Rail Station Program;
- continuation of the bus acquisition program;
- progression of the SmartRider ticketing system, encompassing Perth Station Barriers and associated works;
- continuation of the Accessible Public Transport Upgrade program to provide access for people with disabilities and meet legislative requirements at rail and bus stations in line with a prioritised program;
- the 'Building Better Stations' program, including the commencement of construction at Midland and Kelmscott, and planning and design work at Bayswater and Maddington stations;
- works to enhance the bus-rail interchange facilities at Armadale rail station;
- continuation of the concrete re-sleeper program for the metropolitan rail system;
- special works for railway stations include upgrades of communications systems and improvements to secure parking and end of trip facilities at rail stations;
- the commencement of construction of a new Joondalup Special Event station and commence upgrade of East Perth Railway Station; and
- restoration of the façade at Fremantle Railway Station.

Some core projects are due for completion in 2005-06, including:

- the Claisebrook Depot redevelopment;
- the Safer Rail initiative project which covers lighting, CCTV and passenger information facilities at existing railway stations;
- the Geraldton Southern Transport Corridor project;
- the upgrade of Train Control and Passenger Information System; and
- work on North Quay Rail Loop project in cooperation with Main Roads and Fremantle Ports.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Buildings and Miscellaneous				
Accessible Public Transport Upgrade Program	7,988	1,294	923	4,894
Claisebrook Depot – Upgrade.....	5,800	1,315	1,315	4,485
Computing Hardware and Software	6,501	4,871	2,059	1,630
Lockable Pit Lids	250	220	220	30
Minor Works – Transwa	1,450	400	362	150
Minor Works – Transperth Train Operations	3,475	2,606	955	569
PABX Replacement.....	789	367	100	357
Refurbish and fit-out 2nd Floor – Public Transport Centre	715	400	400	315
Regional rail station program ^(a)	2,330	1,350	1,350	980
Rockingham Transit system.....	10,800	1,000	1,000	9,800
Safer Rail Initiative	25,963	24,240	5,094	1,723
Signage Corporate standards	1,603	1,448	1,390	155
Smartcard ticketing system	13,467	2,902	2,902	6,600
Split and replace radio system	12,215	352	113	-
Train Control Upgrade	8,000	6,283	4,264	1,717
Upgrade existing SCADA	210	50	50	160
Upgrade transmission systems – Armadale, Fremantle and Midland.....	626	50	50	576

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
Bus and Railcar Acquisition				
Bus Acquisition Program	398,309	186,859	35,812	33,072
EMU Railcar Modifications – 2001-02 Program	17,718	15,818	6,744	1,900
Improvements to Station Facilities				
Bayswater Station	3,000	50	50	350
Disability Access for other Minor Stations	4,352	3,183	1,418	1,169
East Perth Station – Upgrade	6,250	300	285	250
Fremantle Bike Barn	240	120	120	120
Fremantle Station – Upgrade	2,300	100	100	200
Joondalup Special Event	250	87	50	163
Kelmscott Station – Upgrade	2,800	89	50	711
Maddington Station	3,200	50	50	300
Midland Station Interchange	3,750	64	50	436
Perth station barriers and associated works	7,488	3,730	3,730	3,758
Shenton Road Bridge – Upgrade	770	21	-	749
Special Works for Railway Stations	8,660	157	157	6,708
Station Amenities	650	200	200	450
Infrastructure				
Geraldton Southern Transport Corridor	52,114	39,193	29,000	12,921
North Quay Rail Loop	14,910	7,217	5,500	7,693
Upgrade pedestrian gates – Fremantle to Robbs Jetty	600	200	200	200
New MetroRail Project				
Railcars	286,367	238,911	86,569	41,994
Infrastructure	1,277,005	574,343	324,981	358,726
Perway-Track and Associated Works				
2000-01 Program	18,849	14,536	2,871	2,583
2001-02 Program	5,470	4,170	1,975	100
2004-05 Program	1,200	50	50	750
Concrete Re-sleeping Projects	60,060	3,500	2,900	7,800
Defective Rail Replacement Program	3,000	1,700	1,051	1,300
Jointless track – Armadale line	2,200	100	100	100
Northern Suburbs – Upgrade Crash Barriers	100	25	25	75
Rerailing Urban System	2,761	272	272	280
COMPLETED WORKS				
Buildings and Miscellaneous				
Audio Loops	600	600	507	-
Convert urban station power poles to break poles	670	670	385	-
Electrical and signals accommodation – Claisebrook	295	295	295	-
IT Data Room	155	155	155	-
Lifts Upgrade	1,380	1,380	1	-
Minor capital works – Transwa	200	200	200	-
Minor works – Transperth	300	300	300	-
Public Transport Centre Security upgrade	390	390	134	-
Road rail cherry picker	390	390	344	-
Smartcard Ticketing System (Stage 1)	12,788	12,788	7,701	-
Stage 2A – Innovative Bus Services	3,435	3,435	14	-
Bus and Railcar Acquisition				
Prospector/Avonlink Railcars	60,050	60,050	11,437	-
Simulator	2,161	2,161	128	-
Upgrade of Australind Railcars	850	850	176	-
Improvements to Station Facilities				
Armadale Station – Upgrade	8,778	8,778	4,246	-
Bassendean Station – Upgrade	6,300	6,300	661	-
Car park lighting at the East Perth terminal	273	273	5	-
Gosnells Station – Upgrade	9,100	9,100	7,760	-
Greenwood Station – Stage 1	8,149	8,149	5,840	-
Joondalup Station Car Park	705	705	56	-
Perth Station accommodation Stage 3	699	699	664	-
Infrastructure				
Network and Infrastructure maintenance	100	100	100	-
Perway-Track and Associated Works				
2002-03 Program	307	307	294	-
Cyclic Works	9,529	9,529	277	-
Pedestrian Gates – East St, Moore St and Phillimore St	601	601	434	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
NEW WORKS				
Buildings and Miscellaneous				
Parking for security guards	510	-	-	510
Replace emergency telephone	610	-	-	210
Security Fire Protection – TSEs and feeder stations	275	-	-	275
Training Facilities Transit Guards Claisebrook	200	-	-	200
Bus and Railcar Acquisition				
EMU System	330	-	-	330
Improvements to Station Facilities				
Armadale Station – Stage 2	3,750	-	-	500
Disability Access for Intermediate Stations & Track Works	24,320	-	-	350
Disability Access for other Minor Stations	5,900	-	-	2,150
Fremantle Station External Restoration	2,000	-	-	800
Guildford Station – Upgrade	3,250	-	-	50
Joondalup Special Event Stage 1	4,000	-	-	500
Perth Station Plaza & Associated Works	150	-	-	150
Infrastructure				
Bus Priority Projects	24,330	-	-	250
Level Crossing Improvements	2,027	-	-	350
Upgrade auxiliary power supply	725	-	-	725
Upgrade pedestrian gates – Armadale to Mundijong stations	600	-	-	200
Perway-Track and Associated Works				
Continued Maintenance	3,000	-	-	1,700
Claisebrook wash down plant	1,300	-	-	1,300
	2,492,037	1,272,398	568,971	529,549

(a) Includes construction of interim station at Herne Hill in Swan Valley. In 2005-06, \$700,000 is allocated for the Swan Valley train station.

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	269,999	527,905	568,971	529,549	431,024	73,713	100,382
Working capital requirement							
Loan and Other Repayments	43,414	54,265	54,758	63,573	69,243	73,734	79,213
	313,413	582,170	623,729	593,122	500,267	147,447	179,595
LESS							
Asset Sales	2,430	-	900	-	-	-	-
Borrowings	168,765	517,347	555,748	504,039	400,783	73,713	99,382
Drawdowns from the Holding Account	-	-	-	-	-	-	1,000
Internal Funds and Balances	33,684	-	1,665	(1,486)	1,741	-	-
Capital Contribution ^(a)	108,534	64,823	65,416	90,569	97,743	73,734	79,213

(a) Capital contribution provided for the capital works program differs from the total capital contribution provided to the PTA due to capital funds provided for land rationalisation expenditure and principal debt repayment.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	51,271	61,167	58,269	63,194	80,206	86,106	89,022
Superannuation	4,579	5,263	5,218	4,666	6,196	6,727	6,990
Grants and subsidies ^(c)	208,723	212,670	222,971	236,188	260,343	259,861	268,592
Consultancies expense	372	-	-	-	-	-	-
Supplies and services	81,864	63,204	93,027	84,790	88,919	90,437	90,045
Accommodation ^(d)	7,951	9,416	8,513	9,920	13,768	21,348	21,784
Finance costs	69,570	78,581	91,113	119,498	131,933	143,262	147,485
Capital User Charge	23,976	59,652	43,506	60,013	76,904	83,335	90,225
Depreciation and amortisation	63,807	66,585	68,884	75,466	91,985	105,947	105,947
State Taxes	3,399	4,282	3,798	4,095	5,116	5,468	5,644
Other expenses	-	3,215	120	126	127	129	129
TOTAL COST OF SERVICES	515,512	564,035	595,419	657,956	755,497	802,620	825,863
Income							
User charges and fees	79,723	81,100	81,100	84,740	94,440	106,240	106,140
Regulatory Fees and Fines	1,139	-	-	-	-	-	-
Grants and subsidies	19,786	9,902	10,232	7,478	7,731	7,992	7,992
Interest revenue	1,326	750	750	750	750	750	750
Rent	7,024	6,919	6,919	5,800	5,745	5,791	5,791
Proceeds from disposal of non-current assets ..	1,489	-	-	-	-	-	-
Other Revenue	30,667	22,839	22,509	24,651	24,048	24,455	24,900
Total Income	141,154	121,510	121,510	123,419	132,714	145,228	145,573
NET COST OF SERVICES	374,358	442,525	473,909	534,537	622,783	657,392	680,290
INCOME FROM STATE GOVERNMENT							
Service Appropriations	399,714	455,170	480,706	545,177	619,783	668,485	691,527
Resources received free of charge	1,013	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	400,727	455,170	480,706	545,177	619,783	668,485	691,527
SURPLUS (DEFICIENCY) FOR THE PERIOD	26,369	12,645	6,797	10,640	(3,000)	11,093	11,237
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	26,369	12,645	6,797	10,640	(3,000)	11,093	11,237

(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 940; 1,068 and 1,161 respectively.

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

(d) Accommodation costs include electricity expenditure relating to the operation of the rail network. This cost is projected to increase from 2006-07 as the New MetroRail Project becomes operational.

BALANCE SHEET
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	10,818	25,542	19,116	20,606	18,863	18,864	18,864
Receivables	63,722	12,299	37,923	24,761	11,671	11,671	11,671
Inventories.....	7,439	5,545	7,439	7,439	7,439	7,439	7,439
Interest receivable	41	41	41	41	41	41	41
Amounts receivable for services.....	-	-	-	-	-	1,000	-
Prepayments	4,852	263	952	952	952	952	952
Total current assets	86,872	43,690	65,471	53,799	38,966	39,967	38,967
NON-CURRENT ASSETS							
Amounts receivable for services.....	75,575	142,258	144,557	220,023	312,008	416,955	522,902
Land and Buildings	211,063	199,942	212,106	214,812	212,364	209,916	208,389
Plant and equipment.....	354,664	508,422	472,445	520,859	534,152	538,943	557,474
Infrastructure	813,973	1,244,029	1,181,286	1,496,871	1,791,466	1,757,588	1,735,019
Intangibles	-	-	-	1,328	699	-	-
Other.....	476,717	278,549	480,617	480,767	480,767	480,767	480,767
Total non-current assets.....	1,931,992	2,373,200	2,491,011	2,934,660	3,331,456	3,404,169	3,504,551
TOTAL ASSETS.....	2,018,864	2,416,890	2,556,482	2,988,459	3,370,422	3,444,136	3,543,518
CURRENT LIABILITIES							
Superannuation	236	234	236	236	236	236	236
Payables	99,611	28,031	53,992	40,841	27,756	27,763	27,771
Provision for employee entitlements	11,522	10,751	11,509	11,509	11,509	11,509	11,509
Borrowings.....	382	380	381	383	384	386	386
Interest payable	17,715	15,216	17,715	17,715	17,715	17,715	17,715
Workers compensation	1,591	725	1,591	1,591	1,591	1,591	1,591
Finance leases	8,867	7,721	7,730	2,918	-	-	-
Other.....	16,383	30,627	15,572	14,808	14,086	13,406	12,764
Total current liabilities.....	156,307	93,685	108,726	90,001	73,277	72,606	71,972
NON-CURRENT LIABILITIES							
Superannuation	-	55	-	-	-	-	-
Provision for employee entitlements	2,307	2,269	2,405	2,405	2,405	2,405	2,405
Borrowings.....	1,110,691	1,314,302	1,650,551	1,770,218	2,104,675	2,104,654	2,124,823
Finance leases	10,648	2,950	2,918	-	-	-	-
Other.....	228,784	214,443	215,193	202,366	190,261	178,836	168,053
Total non-current liabilities	1,352,430	1,534,019	1,871,067	1,974,989	2,297,341	2,285,895	2,295,281
TOTAL LIABILITIES.....	1,508,737	1,627,704	1,979,793	2,064,990	2,370,618	2,358,501	2,367,253
EQUITY							
Contributed Equity.....	483,758	735,960	543,523	879,513	958,848	1,033,586	1,112,979
Accumulated surplus/(deficit)	26,369	32,786	33,166	43,956	40,956	52,049	63,286
Reserves	-	20,440	-	-	-	-	-
Total equity.....	510,127	789,186	576,689	923,469	999,804	1,085,635	1,176,265
TOTAL LIABILITIES AND EQUITY.....	2,018,864	2,416,890	2,556,482	2,988,459	3,370,422	3,444,136	3,543,518

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	340,007	388,487	411,724	469,711	527,798	562,538	585,580
Capital Contribution.....	108,534	64,823	71,515	422,040	99,263	74,738	79,393
Holding Account Drawdowns	-	-	-	-	-	-	1,000
Net cash provided by State government	448,541	453,310	483,239	891,751	627,061	637,276	665,973
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(48,347)	(61,082)	(58,184)	(62,196)	(79,208)	(85,108)	(88,024)
Superannuation	(5,031)	(5,263)	(5,218)	(5,664)	(7,194)	(7,725)	(7,988)
Grants and subsidies	(208,888)	(212,670)	(221,671)	(236,188)	(246,043)	(259,861)	(268,592)
Consultancies payments.....	(372)	-	-	-	-	-	-
Supplies and services	(89,014)	(63,118)	(112,778)	(84,758)	(88,916)	(90,436)	(90,045)
Accommodation	(8,685)	(9,416)	(8,513)	(9,920)	(13,768)	(21,348)	(21,784)
Finance costs	(63,596)	(73,953)	(86,485)	(113,642)	(124,887)	(135,058)	(138,156)
Capital User Charge.....	(23,976)	(59,652)	(43,506)	(60,013)	(76,904)	(83,335)	(90,225)
State Taxes	(2,934)	(4,282)	(3,798)	(4,095)	(5,116)	(5,468)	(5,644)
Goods and Services Tax	(55,426)	(80,805)	(80,804)	(78,293)	(69,599)	(45,205)	(45,205)
Other.....	(323)	(3,215)	(120)	(126)	(127)	(129)	(129)
Receipts							
User charges and fees.....	79,811	81,100	81,100	84,740	94,440	106,240	106,140
Regulatory fees and fines.....	1,145	-	-	-	-	-	-
Grants and subsidies	20,310	9,902	10,232	7,478	7,731	7,992	7,992
Interest received.....	1,335	750	750	750	750	750	750
Rent receipts.....	6,634	6,919	6,919	5,800	5,745	5,791	5,791
Goods and Services Tax	52,986	80,804	80,804	78,293	69,598	45,205	45,205
Other receipts	12,711	3,817	3,487	5,212	4,183	4,154	4,154
Net cash from operating activities.....	(331,660)	(390,164)	(437,785)	(472,622)	(529,315)	(563,541)	(585,760)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(257,207)	(527,905)	(568,971)	(529,549)	(431,024)	(73,713)	(100,382)
Proceeds from sale of non-current assets	2,430	-	900	-	-	-	-
Net cash from investing activities.....	(254,777)	(527,905)	(568,071)	(529,549)	(431,024)	(73,713)	(100,382)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(154,223)	(45,413)	(45,890)	(384,369)	(66,325)	(73,734)	(79,213)
Other payments for financing activities.....	(9,191)	(8,852)	(8,943)	(7,760)	(2,923)	-	-
Proceeds from borrowings	288,765	517,347	585,748	504,039	400,783	73,713	99,382
Net cash from financing activities.....	125,351	463,082	530,915	111,910	331,535	(21)	20,169
NET INCREASE/(DECREASE) IN CASH HELD	(12,545)	(1,677)	8,298	1,490	(1,743)	1	-
Cash assets at the beginning of the reporting period..	-	27,219	10,818	19,116	20,606	18,863	18,864
Net cash transferred to/from other agencies.....	23,363	-	-	-	-	-	-
Cash assets at the end of the reporting period ...	10,818	25,542	19,116	20,606	18,863	18,864	18,864

(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
Albany Spur line	-	85	85	660	-	-	-
Local Government	-	-	1,300	-	14,300	-	-
Metropolitan Bus Services							
Bus Operators.....	132,676	140,268	145,499	156,277	165,047	175,294	181,190
Ferry Services	503	485	485	500	515	530	546
Regional Bus Services	6,652	7,710	9,560	8,787	8,961	9,613	9,731
Regional School Bus Services							
School Bus Services.....	63,992	59,291	61,591	65,550	67,037	69,720	72,252
Student Fare Concessions	4,900	4,831	4,451	4,414	4,483	4,704	4,873
TOTAL	208,723	212,670	222,971	236,188	260,343	259,861	268,592

ARMADALE REDEVELOPMENT AUTHORITY

CAPITAL WORKS PROGRAM

The Armadale Redevelopment Authority (ARA) has completed its Concept Plan and Redevelopment Scheme for the initial seven sites under its jurisdiction, and has accepted full planning and development responsibility for those areas. In addition, an interim scheme has been gazetted over Brookdale, while master planning is being progressed.

The following capital works projects will be undertaken in 2005-06:

- \$2 million for city centre improvements as part of the implementation of the Armadale Redevelopment Scheme;
- \$4.2 million, following a similar amount in 2004-05, for core infrastructure to facilitate development of the Forrestdale Business Park to be applied as required to facilitate development, and will be repaid by owners as part of a developer contribution scheme; and
- \$1 million for road works and provision of civic facilities in Kelmscott, to build on the \$1 million capital injection in 2004-05 that was invested for land acquisition for future road works in Kelmscott.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Forrestdale Business Park.....	10,000	4,250	4,160	4,250
Implementation of Armadale Redevelopment Scheme.....	12,000	4,000	3,725	2,000
Kelmscott District Centre Works	2,000	1,000	1,000	1,000
	24,000	9,250	8,885	7,250

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	365	6,250	8,885	7,250	3,500	2,000	2,000
	365	6,250	8,885	7,250	3,500	2,000	2,000
LESS							
Internal Funds and Balances	(1,635)	-	1,635	-	-	-	-
Other.....	-	4,250	4,250	4,250	1,500	-	-
Capital Contribution	2,000	2,000	3,000	3,000	2,000	2,000	2,000

MIDLAND REDEVELOPMENT AUTHORITY

CAPITAL WORKS PROGRAM

The Midland Redevelopment Authority's aim is to revitalise Midland into a strategic regional centre by improving existing vacant and under-utilised public land and buildings. The Authority's land development activities are funded by a combination of land sales revenues and approved borrowings. The Authority will continue its successful land sales program in 2005-06 with residential and commercial land releases.

In 2005-06, the Authority will also continue to deliver social, economic and environmental returns to the Government by spending \$4.2 million in the Helena Precinct for the provision of infrastructure and landscaping works. This expenditure will create a subdivision comprising 54 residential lots with public open space. In addition, \$1.9 million has been set aside for the continued environmental remediation and landscaping works on the former Midland Railway Workshops site. The Authority will spend a further \$1 million towards land marketing and project services including the procurement of specialist consultancies on issues relating to project management, environmental, landscaping and engineering.

A Heritage Conservation Project, costing \$14.2 million will commence on the former Midland Railway Workshops site. This project will include major works on the preservation of heritage buildings, their machinery and equipment and conservation works to provide for their interpretation and display. The Authority will also spend a further \$3.1 million in 2005-06 to undertake other major works in relation to the Heritage Conservation Project.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Railway Workshop Precinct				
Development Works	37,714	13,189	10,088	11,297
Midland Central Precincts				
Development Works	9,652	2,906	1,753	-
Ongoing Project Services.....	9,672	5,030	1,568	1,019
COMPLETED WORKS				
Land Acquisition Program	2,010	2,010	1,550	-
Railway Workshop Precinct				
Development Works	4,832	4,832	3,480	-
NEW WORKS				
Railway Workshop Precinct				
Development Works	14,245	-	-	3,140
	78,125	27,967	18,439	15,456

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	8,662	13,033	18,439	15,456	23,465	15,207	4,910
Working capital requirement							
Loan and Other Repayments	-	-	-	-	3,733	-	-
	8,662	13,033	18,439	15,456	27,198	15,207	4,910
LESS							
Asset Sales	334	10,565	14,791	9,624	17,793	12,907	4,910
Borrowings.....	7,653	2,468	3,648	2,392	-	-	-
Capital Contribution	675	-	-	3,440	9,405	2,300	-

ALBANY PORT AUTHORITY

CAPITAL WORKS PROGRAM

The Albany Port Authority's 2005-06 capital works program of \$5.3 million includes \$2.6 million for the enhancement of rail access to the woodchip stockpiles, \$500,000 for minor works and \$250,000 for motor vehicle replacement.

It is expected that woodchip exports will increase significantly in 2005-06 as a second shipper's storage facility commences operations.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Minor Works				
2004-05 Program	500	500	500	-
Motor Vehicle Replacement				
2004-05 Program	250	250	250	-
NEW WORKS				
Freehold Land				
Acquisition of Freehold Land	2,000	-	-	2,000
Minor Works				
2005-06 Program	500	-	-	500
Motor Vehicle Replacement				
2005-06 Program	250	-	-	250
Rail Enhancement				
Rail Access	2,600	-	-	2,600
	6,100	750	750	5,350

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	211	750	750	5,350	750	750	750
	211	750	750	5,350	750	750	750
LESS							
Borrowings	-	-	-	2,000	-	-	-
Internal Funds and Balances	211	750	750	750	750	750	750
Equity Contribution	-	-	-	2,600	-	-	-

FREMANTLE PORT AUTHORITY

CAPITAL WORKS PROGRAM

Fremantle Ports' Capital Works Program for 2005-06 involves expenditure of \$40 million.

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

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

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

- North Quay Rail Loop and North Quay Rail Terminal (Project cost \$24.9 million, including \$5.4 million from the Federal Government through Auslink):
 - construction of the new North Quay Rail Loop and Stage One of the new North Quay Rail Terminal began at the end of 2004, with completion expected at the end of 2005. The new infrastructure, which will be needed before the redevelopment of the Leighton marshalling yards, is an important part of the State Government's strategy to achieve increased use of rail for movement of containerised freight to and from the Inner Harbour. The dual gauge rail loop will provide for direct access to North Quay for containers from regional Western Australia. The planning and approval process is currently underway to service the needs of HIs melt Stage 2 on the assumption that a future decision will be made to proceed with Stage 2.
- Kwinana Bulk Terminal Bulk Handling Infrastructure Upgrade:
 - a major project is currently being completed at Fremantle Ports' Kwinana Bulk Terminal to upgrade bulk handling infrastructure to service HIs melt's commercial pig iron plant and other customers. As well as meeting customer needs, environmental improvements have been given a high priority. The upgrading includes substantial infrastructure to speed the unloading process including a new generation unloader, upgrading of conveyors and provision of export infrastructure comprising a heavy duty concrete pad and equipment to handle the pig iron exports.
- Dredging and Upgrade of Inner Harbour Berths:
 - much of the Inner Harbour at Fremantle is currently dredged to 13 metres and a project is currently underway to examine the need for deepening to accommodate the larger ships coming and expected to come in the future to the Inner Harbour. In advance of this program is work to ensure the portion of the Inner Harbour currently dredged only to 11 metres is deepened in line with requirements and various berths and facilities in the Inner Harbour, including North Quay Berths and Berth H on Victoria Quay, upgraded to enable the Port to adequately handle trade requirements and increase utilisation of these berths for both containers and general cargo.
- Cathodic Protection Installation:
 - a project involving extending cathodic protection of steel tubular piles that support the berth structure in both the Inner Harbour and Outer Harbour areas of the port is planned. This will reduce the rate of corrosion that currently exists on the piles without cathodic protection.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Fremantle Waterfront Project				
Commercial Precinct Access and Services.....	2,977	332	260	2,645
Victoria Quay (VQ) Street Lighting.....	160	90	90	70
HIs melt				
Infrastructure for HIs melt - Stage 2.....	71,260	515	515	13,765
North Quay				
Environmental Improvement Program	2,584	584	410	200
Land Acquisitions	4,087	3,592	3,592	495
Rail Loop and the New Rail Terminal.....	24,917	20,363	19,000	4,554

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS (continued)				
Outer Harbour				
Kwinana Bulk Terminal (KBT) - Infrastructure & Equipment Replacement & Upgrade	50,580	1,285	1,285	1,100
Kwinana Bulk Jetty				
Fire Fighting Foam System	650	325	325	325
Plant and Equipment				
Mobile Truck Mounted Capstans	100	50	50	50
Replacement of 22 AGA Navigational Aid Buoys	2,697	717	390	-
Port Security Works	2,096	1,972	1,206	124
Victoria Quay				
Administration Building				
New Plant Room	940	500	500	220
Inner Harbour				
Fremantle Waterfront, Ferry Terminal Offices, Visitor Amenities and Signage				
COMPLETED WORKS				
Fremantle Waterfront Project				
New Access Road (From Gate No. 2) due to rail realignment	1,941	1,941	1,772	-
New Electrical Substation C	700	700	700	-
HIsmelt				
Infrastructure for HIsmelt - Stage 1 and Other Bulk Users	30,348	30,348	25,754	-
Minor Works				
2004-05 Program	500	500	500	-
North Quay				
Rail Loop Seawall & Noise Barriers	1,000	1,000	1,000	-
Outer Harbour				
KBT - Dust Control & Roadworks	1,550	1,550	1,550	-
KBT - Extend Jetty No 2 Road	200	200	200	-
KBT - New Wheeled loader/Front End Loader	650	650	650	-
KBT - New Weightbridge Under Surge Bins	300	300	300	-
KBT - Upgrade Conveyor and Install Splitter (Conveyor BC8)	100	100	100	-
KBT - Bulk Handling Business, Land and Associated Costs	18,279	18,279	3,000	-
Kwinana Bulk Jetty				
Replacement of Trucks	75	75	75	-
Upgrade of Transfer Towers T3 and T4	70	70	70	-
Plant and Equipment				
Re-Engining Pilot Transport Vehicle	575	575	45	-
Water Tanker	100	100	100	-
Wharf Sweeper	100	100	100	-
Rous Head				
Purchase of Seabed	200	200	200	-
Victoria Quay				
Power Mains & Infrastructure including Substation A Refurbishment	1,540	1,540	1,540	-
NEW WORKS				
Cathodic Protection Installation	1,745	-	-	630
Inner Harbour				
Berth H Upgrade	2,000	-	-	1,000
Dredging Berth 10, 11 and 12	6,000	-	-	3,000
Minor Works				
2005-06 Program	500	-	-	500
North Quay				
Berth Upgrades	33,000	-	-	10,000
Outer Harbour				
Kwinana Bulk Jetty				
Control Systems Upgrade	350	-	-	100
Truck Loading Bay and Weighbridge	200	-	-	200
Plant and Equipment				
Special Purpose Trucks	860	-	-	260
Victoria Quay				
Security & Cargo Lighting for VQ Cargo Area	120	-	-	120
Replacement Workshop & Firestation	1,800	-	-	100
	269,701	89,553	66,279	39,958

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	9,675	45,593	66,279	39,958	45,631	53,594	74,265
LESS							
Asset Sales	24	-	45	285	50	50	50
Borrowings	3,800	29,498	39,863	28,865	39,986	47,494	71,135
Internal Funds and Balances	4,930	14,873	15,041	7,920	5,182	3,539	2,873
Third Party Contributions	-	-	6,010	1,355	200	2,300	-
Capital Contribution	921	1,222	5,320	1,533	213	211	207

GERALDTON PORT AUTHORITY

CAPITAL WORKS PROGRAM

The Geraldton Port Authority's (GPA) capital works program for 2005-06 is approved at \$2.63 million. This figure includes \$1.3 million for works in progress and \$1.334 million for new works. The capital expenditure will be funded by a mix of borrowing from the Western Australian Treasury Corporation (WATC) totalling \$1.3 million and the balance of \$1.33 million from the Authority's internal funds.

The Port Enhancement Project (PEP) was successfully completed in early 2004. The GPA can now load vessels to 11.5 metres at zero tide, a vast improvement over the 8.0 metres previously. The Dynamic Under Keel Clearance System, on a 1.3 metre tide, has enabled drafts of up to 12.8 metres through Geraldton Port compared to 9.3 metres previously. The GPA now facilitates trade in the most cost effective and efficient manner. The growth in trade has brought the rail unloading facilities and the ship loading capacity of the Port to full reliable utilization. The ongoing modifications to the Bulk Handling Facility are part of the development that will take place in the port as a result of the additional influx of the iron ore exports.

The Southern Transport Corridor will benefit the Port by increased train size/capacity through the development of an extended rail spur on the Eastern breakwater. The \$1.3 million borrowing from the WATC will fund the contribution payable towards the project by the GPA. This is the second tranche in a two-year program extending over 2004-05 and 2005-06.

As a part of the ongoing enhancement of capacity within the Port, ensuring that the existing capability of the infrastructure is maintained, a series of minor works have been planned including waste water capture, water supply pipe replacements, maintenance workshop equipment replacement, and port occupational health and safety.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Roads/Rail.....	2,600	1,300	1,300	1,300
COMPLETED WORKS				
Fishing Industry Facilities				
Upgrade Sewer Scheme.....	500	500	153	-
Infrastructure Expansion				
Mobile Ship Loader Berth 6	1,950	1,950	1,950	-
Recondition Berth 4 Conveyors.....	1,850	1,850	1,850	-
Relocate Luzenac Talc.....	200	200	200	-
Minor Works				
2003-04 Program	752	752	55	-
2004-05 Program	1,315	1,315	1,315	-
New Work Base	748	748	723	-
Pilot Boat	500	500	500	-
Port Security.....	2,000	2,000	1,889	-
NEW WORKS				
Miscellaneous Works.....	1,334	-	-	1,334
	13,749	11,115	9,935	2,634

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	52,464	3,115	9,935	2,634	1,374	1,415	1,500
	52,464	3,115	9,935	2,634	1,374	1,415	1,500
LESS							
Borrowings.....	53,908	1,000	9,132	1,300	-	1,415	-
Internal Funds and Balances.....	(1,444)	2,115	803	1,334	1,374	-	1,500
Capital Contribution	-	-	-	-	-	-	-

WESTERN AUSTRALIAN PLANNING COMMISSION

PART 10 - MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 42

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
DELIVERY OF SERVICES							
Item 80 Net amount appropriated to deliver services.....	4,478	2,291	3,566	4,511	4,296	4,360	4,431
Amount Authorised by Other Statutes							
- Metropolitan Region Improvement Tax Act 1959	43,628	45,500	48,000	54,000	58,000	61,000	66,000
- Town Planning and Development Act 1928	812	-	350	-	-	-	-
Total appropriations provided to deliver services	48,918	47,791	51,916	58,511	62,296	65,360	70,431
CAPITAL							
Item 157 Capital Contribution	42,500	7,500	7,500	5,100	5,400	5,400	5,400
GRAND TOTAL	91,418	55,291	59,416	63,611	67,696	70,760	75,831

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

The Western Australian Planning Commission (WAPC) is committed to preparing and implementing the strategic and statutory land use development and planning framework for Western Australia. The key goals of this strategy are:

People and Communities

To enhance the quality of life and wellbeing of all people throughout Western Australia.

- There is increasing demand from the community for integrated development that recognises good design, employment, transport and a quality environment as keys to successful development. Suburbanisation is now being replaced with the creation of communities.
- The WAPC works with clients across the State to manage issues involving population and economic growth, environmental management and infrastructure, and in doing so creates strong linkages with other programs including the State Sustainability Strategy.
- Strategic and statutory initiatives are being undertaken to work with people to develop vibrant communities through good design, building relationships and the integration of social, economic and environmental factors.

The Economy

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

- There is significant commitment to planning for improved public transport. The growth of Perth and the State's population is causing increased pressure on the State's transport systems. There is an increasing realisation that creating more road space will not necessarily solve road capacity problems and there is a need to promote travel demand management based on the better integration of transport and land use.
- The coordination of activities of State and local governments, developers and servicing authorities is increasingly important to ensure cost effective and adequate future land supply for the State. Quality development depends on the timely and efficient provision of infrastructure. There is increasing demand for new communities to have a high level of servicing at the beginning of the development cycle.
- The creation of local and regional employment is part of the ongoing development cycle to ensure that the State's growth is managed successfully.

The WAPC is committed to:

- Developing solutions to stimulate a healthy economy and greater employment opportunities.
- Coordinating activities with State and local governments and developers to ensure the timely provision of infrastructure and services to secure a cost effective and adequate land supply for future growth.
- Ensuring that land use and transport planning is fully integrated to improve the quality of our communities, accessibility and efficiencies in all transport modes.

The Environment

To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.

- The quality of urban and rural life has a high dependence on the quality of the natural environment and the sustainability of natural resources. The WAPC plays a key role in the protection of the State's environmental and natural resource assets. This includes acquiring land to protect bushland, coastal areas, wetlands and other environmental areas. The protection of the State's key natural resource assets such as agricultural land, mineral resources and flood plains is being achieved through the application of planning policies and initiatives.
- Innovative policies and plans are developed and implemented to encourage and reward developments that achieve sustainable outcomes. These and other similar initiatives support the development of vibrant communities through good design and integrated social, economic and environmental factors.

The Regions

To ensure that regional Western Australia is strong and vibrant.

- The WAPC's regional planning program promotes sustainable development through regional and sub-regional growth. The State's diverse regions require initiatives tailored to suit their individual needs.
- To encourage and promote development in the regions, the WAPC works closely with government agencies and regional communities to coordinate the development of land and the provision of utility and social services, and to stimulate investment in value-adding enterprises.

Governance

To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.

- Good quality, timely information and the engagement of the community are critical to achieving good planning outcomes.
- To assist in the development of good planning decisions, the WAPC facilitates the creation of systems and processes that enable good quality information to be obtained.
- The WAPC is also committed to continuing community involvement in the planning processes, and to the exploration and introduction of new and innovative techniques through which the community can participate and make creative and effective contributions.

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
SERVICES							
<i>Service 1:</i>							
Statutory Planning	8,345	4,672	7,319	7,444			
<i>Service 2:</i>							
Strategic Planning	5,766	5,299	11,717	11,078			
<i>Service 3:</i>							
Asset Management	34,783	20,417	31,867	13,838			
Total Cost of Services	48,894	30,388	50,903	32,360	32,792	33,553	34,332
<i>Less Income</i>	<i>35,291</i>	<i>9,042</i>	<i>25,754</i>	<i>7,532</i>	<i>7,666</i>	<i>7,853</i>	<i>8,045</i>
Net Cost of Services	13,603	21,346	25,149	24,828	25,126	25,700	26,287
Adjustments ^(a)	35,315	26,445	26,767	33,683	37,170	39,660	44,144
Appropriation provided to deliver Services .	48,918	47,791	51,916	58,511	62,296	65,360	70,431
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	42,500	7,500	7,500	5,100	5,400	5,400	5,400
TOTAL CONSOLIDATED FUND APPROPRIATIONS	91,418	55,291	59,416	63,611	67,696	70,760	75,831

(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, Chairman 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 develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	Land use planning and land use implementation strategies to guide the State's long-term urban settlement and economic development.	1. Statutory Planning 2. Strategic Planning 3. Asset Management

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Land use planning and land use implementation strategies to guide the State's long-term urban settlement and economic development.					
The number of planning applications determined within set statutory parameters:					
- Metropolitan Perth	4,235	3,750	4,100	4,000	
- Country Western Australia	1,104	1,200	1,600	1,500	

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

Service 1: Statutory Planning

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

	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.....	8,345	4,672	7,319	7,444	Re-alignment of Budget Statements to reflect current WAPC operating activities. Transfer of appeals functions to the Department of Justice in 2004-05.
Less Income.....	4,384	1,767	2,737	2,254	
Net Cost of Service	3,961	2,905	4,582	5,190	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	3,961	2,905	4,582	5,190	

(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
Determinations which were processed without a successful appeal	99%	90%	99%	99%	
Applications processed within the statutory time-frames.....	69%	80%	73%	80%	
Average cost per application determined	\$1,563	\$943	\$1,284	\$1,353	
Full Time Equivalents (FTEs)	6	1	1	1	

Major Achievements For 2004-05

- Improvements to the efficiency of statutory planning application processing were continued through the implementation of measures that resulted from the Statutory Planning Internal Improvements Review and the Planning Processes Review Study, including:
 - application referral streamlining;
 - clarification of application information requirements;
 - information systems improvements; and
 - assessment of fast-tracking for simple applications.
- The draft Liveable Neighbourhoods operational policy was released for public comment from October 2004 to February 2005. Work is ongoing on the assessment of submissions and the preparation of a final code.
- A Planning Bulletin on Model Scheme Text was issued in May 2005.
- Work on Residential Design Codes (R-Codes) is ongoing – a report was completed in March 2005 and the review is anticipated to be completed by June 2006.
- Several planning legislation bills, designed to consolidate and help streamline planning legislation, were introduced into Parliament in April 2005.
- Consultation on a range of draft Statements of Planning Policy (SPPs) commenced in April 2005, including an update of SPP No. 1: State Planning Framework and SPP No. 3: Urban Growth and Settlement.
- Consultation on the draft update of the WAPC's State Planning Framework commenced in April 2005.
- The WAPC's participation in urban revitalisation continued through initiatives including the Maddington-Kenwick Sustainable Communities Partnership and transit-oriented development initiatives such as the new Thomsons Lake town centre and railway station.

Major Initiatives For 2005-06

- Complete major policy and statutory reviews of:
 - R-Codes;
 - Model Scheme Text; and
 - Liveable Neighbourhoods policy.
- Review and finalise land use statutory policies, including:
 - Statement of Planning Policy No. 1: State Planning Framework;
 - Statement of Planning Policy No. 3: Urban Growth and Settlement; and
 - Statement of Planning Policy for Cultural Heritage and Conservation.
- Continue implementation of the Planning for Aboriginal Communities program.

Service 2: Strategic Planning

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

	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.....	5,766	5,299	11,717	11,078	Re-alignment of Budget Statements to reflect current WAPC operating activities. Non-recurrent project and study contributions received in 2004-05.
Less Income.....	4,564	2,337	2,832	2,333	
Net Cost of Service	1,202	2,962	8,885	8,745	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	1,202	2,962	8,885	8,745	

(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
Planning Decisions - Strategic, Environment, Industry, Infrastructure and Transport	337	220	250	250	
Client satisfaction with Strategic Planning activities (via survey)	77%	77%	77%	77%	
Client satisfaction with the timeliness of Strategic Planning activities (via survey)	65%	65%	65%	65%	
Average cost per Planning Decision - Strategic, Environment, Industry, Infrastructure and Transport.....	\$17,110	\$24,086	\$46,868	\$44,312	

Major Achievements For 2004-05

- The 'Network City Framework' and 'Action Plan' were endorsed by the WAPC and Cabinet in mid 2004, and the strategy itself was released for public comment in September.
- The final 'Ningaloo Coast Regional Strategy Carnarvon to Exmouth' was endorsed by Cabinet and released in August 2004.
- The draft North West Corridor Structure Plan will be completed for release in 2005-06.
- The preparation of transport strategies continued, including for the transport of freight from Fremantle Ports to Kewdale.
- The Country Land Development Program was consolidated into a single program and released in December 2004, and the Metropolitan Development Program for 2004-05 to 2008-09 was released in April 2005.
- The draft strategic assessment guidelines for the Fremantle Outer Harbour development were approved by the Environmental Protection Authority and the Commission, and released for public comment in April 2005.

Major Initiatives For 2005-06

- Initiate a review of the State Planning Strategy to ensure it reflects contemporary planning practice and Government priorities.
- Endorse the final 'Network city community planning strategy for Perth and Peel' which will reflect the results of submissions received, and endorse the implementation plan.
- Complete the Capital City Perth Strategy.
- Endorse the Perth Coastal Planning Strategy, which will guide decision making on possible future land use, conservation and development of the Perth metropolitan coastline.
- Endorse the final Greater Bunbury Region Scheme.
- Continue the regional planning program, including:
 - finalise the Broome Planning Strategy, the Lower Great Southern Strategy and the Gingin Coast Plan; and
 - implement the Carnarvon-Ningaloo Regional Strategy, the Goldfields-Esperance Regional Plan and the Geraldton Regional Plan.
- Implement the Kewdale Hazelmere Master Plan.
- Continue planning for the Fremantle Outer Harbour.
- Prepare a structure plan for the Binningup-Myalup area.
- Prepare a management plan for the Peel Regional Park.

Service 3: Asset Management

The acquisition, management and disposal of properties reserved under the Metropolitan and Peel Region Schemes and Greater Bunbury Region Schemes (Provisional) for primary and other regional roads, parks and recreation and regional open space areas, special uses including planning control area and improvement plans and major land development 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.....	34,783	20,417	31,867	13,838	IFRS requirement to report gain/loss on disposal of assets on a net basis.
Less Income.....	26,343	4,938	20,185	2,945	IFRS requirement to report gain/loss on disposal of assets on a net basis.
Net Cost of Service	8,440	15,479	11,682	10,893	
Adjustments ^(a)	35,315	26,445	26,767	33,683	
Appropriation for delivery of Service	43,755	41,924	38,449	44,576	

- (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
Hectares Managed - Improvement plans, regional roads and other uses (includes rental properties)	4,666	4,700	4,700	4,800	
Hectares Managed - Parks and recreational reserves	7,709	8,000	8,000	8,500	
Management - progress on formulation and implementation of management plans	3 completed, 3 draft final, 1 in progress	2 completed, 2 draft final	3 completed, 3 draft	4 completed, 2 draft	
Acquisitions - acceptances within approved range	97%	75%	97%	80%	
Disposals - realised at in excess of reserved price	100%	75%	95%	80%	
Acquisitions - approved schedule acquired within period.....	92%	92%	92%	92%	
Disposal - approved schedule acquired within period.....	86%	86%	86%	86%	
Available days tenanted	93%	93%	93%	93%	
Approved management program achieved	70%	70%	70%	75%	
Approved management plan activities achieved.....	65%	70%	70%	75%	
Average cost per hectare managed:	\$1,855	\$898	\$1,170	\$1,040	Increase in quantity of hectares managed.

Major Achievements For 2004-05

- A total of \$62 million was spent purchasing land for the Metropolitan, Peel and proposed Greater Bunbury Region Schemes. This included \$8 million for regional open space for the Peel Region Park, Leschenault Estuary foreshore and 'Muddy Lakes' to the south of Bunbury. Also, for the Southern suburbs railway line \$5 million was spent on land acquisitions in the Peel Region and \$3.4 million in the Metropolitan Region outside the City of Perth.
- Progressing the acquisition of sites to preserve natural resources, \$3.8 million was spent on Bush Forever sites, land with a value of \$1.4 million was purchased to protect public drinking water supplies over the Gngangara water mound and \$1 million was spent purchasing land for the Canning River foreshore.
- A further \$2.5 million was spent on advance payments or settling landowner and tenant claims associated with the acquisition of the new underground railway station in William Street, Perth.

Major Initiatives For 2005-06

- Call for expressions of interest for the redevelopment of the 140 William Street site over the proposed railway station.
- Continue planning for the Thomsons Lake town centre.
- Complete the Transport Heritage Centre at Whiteman Park.
- Continue the acquisition of land for the Peel Deviation and the Peel Regional Park.
- Continue the land acquisitions required for the Swan, Canning and Helena foreshores.
- Create the Canning River and Herdsman Lake regional parks and transfer them to the City of Canning and the City of Stirling, respectively, and the Conservation Commission.

CAPITAL WORKS PROGRAM

The WAPC's 2005-06 capital expenditure reflects provision for the acquisition of land under the Metropolitan Region Scheme, continuation of the Bush Forever Project and development of public facilities on reserved land.

The capital works program also includes separate Consolidated Fund allocations for the purchase of reserved land under the Peel Region Scheme and the provisional Greater Bunbury Region Scheme, and the Leighton beach rehabilitation and landscaping project.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Buildings/Infrastructure	5,995	2,100	2,100	995
Leighton marshalling yards and foreshore rehabilitation.....	3,200	1,500	1,500	1,700
Other Minor Equipment.....	1,286	103	103	110
Regional Land Acquisitions				
2004-05 Program.....	7,000	2,000	2,000	2,500
Swan/Helena Regional Park	1,000	500	500	500
COMPLETED WORKS				
Acquisition of Land				
2004-05 Program.....	50,040	50,040	50,040	-
Ascot (Kuljak Island) Project.....	800	800	500	-
Leighton beach rehabilitation and landscaping	1,000	1,000	1,000	-
Perth's Bushplan				
2004-05 Program.....	10,000	10,000	10,000	-
Port Catherine				
2003-04 Program.....	4,308	4,308	2,000	-
Recreation Reserves (Area Assistance Scheme)				
2003-04 Program Carryover	952	952	952	-
2004-05 Program.....	1,060	1,060	1,060	-
Regional Land Acquisitions				
2003-04 Program Carryover	10,000	10,000	10,000	-
Transfer of Regional Parks to CALM				
2003-04 Program.....	1,300	1,300	468	-
NEW WORKS				
Acquisition of Land				
2005-06 Program.....	38,800	-	-	38,800
Perth's Bushplan				
2005-06 Program.....	10,000	-	-	10,000
Recreation Reserves (Area Assistance Scheme)				
2005-06 Program.....	2,500	-	-	2,500
Regional Land Acquisitions				
2005-06 Program.....	5,000	-	-	5,000
	154,241	85,663	82,223	62,105

CAPITAL CONTRIBUTION

The WAPC has a capital contribution of \$5.1 million for 2005-06. These funds will be used for the implementation of the country region schemes and the Leighton beach rehabilitation and landscaping project.

The Income Statement shows a positive change in equity resulting from operations each year. The change in equity will be used to fund the WAPC's Land Acquisition Program.

The Balance Sheet shows the WAPC's equity position will increase each year due to the accumulation of land under various programs and schemes.

	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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program.....	107,486	83,000	82,223	62,105	56,208	50,310	57,414
	107,486	83,000	82,223	62,105	56,208	50,310	57,414
LESS							
Asset Sales.....	10,278	21,500	20,500	12,500	10,600	12,700	5,000
Funding Included in Service Appropriations ^(a)	-	-	-	1,600	1,600	1,600	1,600
Internal Funds and Balances	54,708	54,000	54,223	42,905	38,608	30,610	45,414
Capital Contribution.....	42,500	7,500	7,500	5,100	5,400	5,400	5,400

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	549	10	467	90	93	97	99
Superannuation	83	254	76	8	8	9	9
Grants and subsidies ^(c)	2,504	-	6,549	7,500	5,100	5,203	4,308
Consultancies expense	7,199	2,552	6,435	6,564	7,728	7,896	8,069
Supplies and services	13,965	10,599	14,077	12,800	14,617	14,946	16,282
Accommodation	1,584	1,268	1,106	1,134	1,162	1,192	1,220
Capital User Charge	3,346	1,161	2,309	1,583	1,344	1,408	1,479
Depreciation and amortisation	246	140	292	260	260	260	260
Loss on disposal of non-current assets	-	9,000	-	-	-	-	-
Costs of disposal of non-current assets	11,855	-	17,000	-	-	-	-
Other expenses	7,563	5,404	2,592	2,421	2,480	2,542	2,606
TOTAL COST OF SERVICES	48,894	30,388	50,903	32,360	32,792	33,553	34,332
Income							
User charges and fees	2,782	2,596	2,862	2,809	2,917	3,032	3,172
Grants and subsidies	1,052	970	215	220	226	231	238
Interest revenue	4,061	1,600	1,600	200	150	150	150
Rent	3,824	2,700	2,860	2,932	3,005	3,080	3,157
Proceeds from disposal of non-current assets...	13,053	-	17,000	-	-	-	-
Other Revenue	10,519	1,176	1,217	1,371	1,368	1,360	1,328
Total Income	35,291	9,042	25,754	7,532	7,666	7,853	8,045
NET COST OF SERVICES	13,603	21,346	25,149	24,828	25,126	25,700	26,287
INCOME FROM STATE GOVERNMENT							
Service Appropriations	48,918	47,791	51,916	58,511	62,296	65,360	70,431
TOTAL INCOME FROM STATE GOVERNMENT	48,918	47,791	51,916	58,511	62,296	65,360	70,431
SURPLUS (DEFICIENCY) FOR THE PERIOD	35,315	26,445	26,767	33,683	37,170	39,660	44,144
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	35,315	26,445	26,767	33,683	37,170	39,660	44,144

(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 6, 1 and 1 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents.....	25,955	6,532	6,395	2,400	3,351	3,990	4,607
Restricted cash.....	2,588	-	2,000	1,500	1,000	1,000	1,000
Receivables.....	4,898	1,519	2,422	2,422	2,422	2,422	2,422
Inventories.....	-	4	-	-	-	-	-
Interest receivable.....	279	190	190	190	190	190	190
Amounts receivable for services.....	430	290	570	830	1,090	1,350	1,610
Prepayments.....	2	120	2	2	2	2	2
Total current assets.....	34,152	8,655	11,579	7,344	8,055	8,954	9,831
NON-CURRENT ASSETS							
Amounts receivable for services.....	-	280	-	-	-	-	-
Land and Buildings.....	517,401	578,449	780,463	816,933	849,792	884,953	924,620
Receivables.....	2,500	-	2,500	-	-	-	-
Plant and equipment.....	308	197	329	329	329	329	329
Loans and Advances.....	-	2,500	-	-	-	-	-
Other.....	1,210	-	1,118	1,118	1,118	1,118	1,118
Total non-current assets.....	521,419	581,426	784,410	818,380	851,239	886,400	926,067
TOTAL ASSETS.....	555,571	590,081	795,989	825,724	859,294	895,354	935,898
CURRENT LIABILITIES							
Payables.....	256	482	256	256	256	256	256
Provision for employee entitlements.....	89	63	35	31	31	31	31
Accrued Salaries.....	65	18	-	2	2	2	2
Other.....	1,188	252	1,187	1,141	1,141	1,141	1,141
Total current liabilities.....	1,598	815	1,478	1,430	1,430	1,430	1,430
NON-CURRENT LIABILITIES							
Superannuation.....	-	232	-	-	-	-	-
Provision for employee entitlements.....	107	50	15	15	15	15	15
Total non-current liabilities.....	107	282	15	15	15	15	15
TOTAL LIABILITIES.....	1,705	1,097	1,493	1,445	1,445	1,445	1,445
EQUITY							
Contributed Equity.....	37,269	62,500	35,769	31,869	28,269	24,669	21,069
Accumulated surplus/(deficit).....	509,762	520,512	536,529	570,212	607,382	647,042	691,186
Reserves.....	6,835	5,972	222,198	222,198	222,198	222,198	222,198
Total equity.....	553,866	588,984	794,496	824,279	857,849	893,909	934,453
TOTAL LIABILITIES AND EQUITY.....	555,571	590,081	795,989	825,724	859,294	895,354	935,898

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations.....	48,778	47,651	51,776	58,251	62,036	65,100	70,171
Capital Contribution.....	42,500	7,500	7,500	5,100	5,400	5,400	5,400
Net cash provided by State government	91,278	55,151	59,276	63,351	67,436	70,500	75,571
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(484)	(10)	(663)	(87)	(92)	(95)	(97)
Superannuation.....	(103)	(54)	(76)	(8)	(8)	(8)	(9)
Grants and subsidies.....	(2,286)	-	(6,549)	(7,500)	(5,100)	(5,203)	(4,308)
Consultancies payments.....	(7,204)	(2,539)	(6,435)	(6,596)	(7,761)	(7,930)	(8,103)
Supplies and services	(16,463)	(10,852)	(14,236)	(12,924)	(14,742)	(15,076)	(16,413)
Accommodation	(306)	(90)	(982)	(1,004)	(1,032)	(1,054)	(1,083)
Capital User Charge.....	(3,346)	(1,161)	(2,309)	(1,583)	(1,344)	(1,408)	(1,479)
Goods and Services Tax.....	(5,705)	(3,325)	(3,325)	(3,325)	(3,330)	(3,330)	(3,330)
Other.....	(5,485)	(6,830)	(2,574)	(2,062)	(2,247)	(2,304)	(2,361)
Receipts							
User charges and fees.....	117	2,596	76	76	78	80	82
Grants and subsidies.....	1,043	970	215	220	225	231	237
Interest received	4,122	1,600	1,689	200	150	150	150
Rent receipts.....	3,872	269	2,860	2,932	3,005	3,080	3,157
Goods and Services Tax.....	5,051	3,325	3,325	3,325	3,330	3,330	3,330
Other receipts	5,161	3,895	3,703	3,796	3,891	3,987	4,087
Net cash from operating activities	(22,016)	(12,206)	(25,281)	(24,540)	(24,977)	(25,550)	(26,140)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(101,802)	(83,000)	(74,643)	(55,806)	(52,608)	(46,711)	(53,814)
Equity contribution payments	-	-	-	(9,000)	(9,100)	(19,400)	-
Proceeds from sale of non-current assets.....	10,278	21,500	20,500	21,500	19,700	21,800	5,000
Net cash from investing activities	(91,524)	(61,500)	(54,143)	(43,306)	(42,008)	(44,311)	(48,814)
NET INCREASE/(DECREASE) IN CASH HELD.....	(22,262)	(18,555)	(20,148)	(4,495)	451	639	617
Cash assets at the beginning of the reporting period.....	50,805	25,087	28,543	8,395	3,900	4,351	4,990
Cash assets at the end of the reporting period.....	28,543	6,532	8,395	3,900	4,351	4,990	5,607

(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
Araluen Botanic Park	400	-	250	400	500	500	500
Coastal Zone Management	665	-	1,227	952	952	952	952
Dialogue with the City Communities Program	-	-	800	550	600	600	600
Larkhill - City of Rockingham.....	-	-	1,500	1,650	925	925	-
Leighton marshalling yards and beach rehabilitation.....	-	-	1,360	2,560	-	-	-
Management of Regional Parks - CALM.....	832	-	-	-	-	-	-
Other.....	271	-	105	388	1,723	1,826	1,856
Parks and Reserves - Regional Open Space	336	-	1,307	1,000	400	400	400
TOTAL	2,504	-	6,549	7,500	5,100	5,203	4,308

Part 11

Minister for State Development; Energy

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
719	Industry and Resources			
	– Delivery of Services	100,576	110,596	114,544
	– Administered Grants, Subsidies and Other Transfer Payments	28,096	44,417	52,930
	– Capital Contribution	1,910	2,810	8,370
	– Administered Capital Contribution.....	-	88,067	2,100
	Total	130,582	245,890	177,944
745	Office of Energy			
	– Delivery of Services	15,224	15,326	22,264
	– Administered Grants, Subsidies and Other Transfer Payments	-	600	1,400
	Total	15,224	15,926	23,664
761	Independent Market Operator .....	...	...	...
762	Western Power Corporation.....	...	...	...
	GRAND TOTAL			
	– Delivery of Services	115,800	125,922	136,808
	– Administered Grants, Subsidies and Other Transfer Payments	28,096	45,017	54,330
	– Capital Contribution	1,910	2,810	8,370
	– Administered Capital Contribution.....	-	88,067	2,100
	Total	145,806	261,816	201,608

INDUSTRY AND RESOURCES

PART 11 - MINISTER FOR STATE DEVELOPMENT; ENERGY

DIVISION 43

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
DELIVERY OF SERVICES							
Item 81 Net amount appropriated to deliver services	94,543	100,048	110,068	114,000	113,984	114,227	114,043
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	528	528	528	544	560	577	594
Total appropriations provided to deliver services	95,071	100,576	110,596	114,544	114,544	114,804	114,637
ADMINISTERED TRANSACTIONS							
Item 82 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	20,925	18,871	28,693	41,677	31,608	21,911	24,618
Amount Authorised by Other Statutes - Petroleum (Submerged Lands) Act 1982 ..	15,558	9,225	15,724	11,253	7,497	6,247	3,993
CAPITAL							
Item 158 Capital Contribution	3,953	1,910	2,810	8,370	6,584	5,320	750
Item 159 Administered Capital Contribution	-	-	88,067	2,100	-	-	-
GRAND TOTAL	135,507	130,582	245,890	177,944	160,233	148,282	143,998

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Western Australia's exposure to the global economy and particularly Asia, which currently accounts for almost three-quarters of the State's exports, provides opportunities and risks. Asia is the world's fastest growing market, with China and India expected to increase their relative share of the global economy significantly.
- Exports to China have grown 24 percent per annum over the past five years. China's industrialisation is a major factor in the growth and development in the State's resources sector. The iron ore sector, in particular, is in an unprecedented period of growth with plans for rapid expansion in production.
- World energy demand, reflected in current high oil prices (US\$50 per barrel), is driving demand for liquefied natural gas (LNG) in Asia and in the United States. LNG developments currently in the planning stage would raise Western Australia's LNG exports from 8.7 million tonnes in 2004 to over 25-30 million tonnes per annum by 2010.
- However, Western Australia's export income is highly dependent on a limited range of products (mainly primary commodities), with export growth relying on growth in a few markets. For instance, an economic slow down in China could significantly detract from economic growth in Western Australia due to China's large contribution to our export growth.

- China's industrialisation is having other impacts on Western Australia, in terms of competition from China. For example, the demand for construction materials in China, particularly for steel and cement, has caused significant increases in the construction cost of new projects proposed for Western Australia.
- Western Australia is competing against low-wage economies in the resources, manufacturing and services sectors. The furniture industry is one example of an industry where lower priced imported product is threatening local production. The high value of the Australian dollar (relative to the United States dollar) has further eroded Western Australia's international competitiveness, compared with previous years.
- Western Australia faces skills shortages and an ageing workforce profile that, if not addressed, may hamper the State's ability to maintain growth and attract investment. The skills shortage has the potential to delay or even curtail some development plans in the resources sector and highly skilled industries, and may also impact on the State's ability to secure local content opportunities in project developments. Other State jurisdictions are similarly placed, though Western Australia's record levels of business investment and economic growth is placing additional pressures on the local labour market.
- In order to maintain its competitiveness to sustain economic growth and high value employment for its citizens, the State relies on its ability to increase productivity. Notwithstanding the current skills shortage, over the medium to long term, Western Australian companies must increase the knowledge content of their businesses. Increased knowledge will serve to enhance productivity and flexibility, and allow companies to take advantage of the opportunities and adjust to the challenges that face Western Australia.
- Significant future capacity building is needed for entrepreneurs and small to medium enterprises in market development, adoption and access to best-practice technology, and research and development and innovation and commercialisation. While the majority of the growth in trade with Asia has been in the resources sector, another significant opportunity for Western Australia lies in the export of services such as the knowledge and expertise in Western Australian companies that provide services to the resources sector.
- The sustainability of royalty returns to the State depends on future sales of minerals and of petroleum extracted from onshore or within State waters. Exploration, particularly in 'greenfield' locations away from known discoveries, is the key to the sustainability of the State's resources industry. Exploration expenditure levels are directly correlated to the long term health of the resources industry and consequently to the State's economy. The recovery in exploration in Australia, however, has not been as strong as the worldwide recovery, and the current level of gold exploration in Western Australia appears to be insufficient to replace reserves mined in recent years.
- Certainty and timeliness in project approvals is a key feature in determining the State's investment attractiveness. The Government is working to implement changes to the approvals system in Western Australia in order to enhance its attractiveness by providing appropriately rigorous assessments, co-ordinated efficiently across government, within acceptable timeframes.

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
Decisions taken prior to State Election				
Native Vegetation Clearing Regulations.....	950	-	-	-
Skilled Migration Strategy.....	600	600	-	-
United States of America Trade Office	800	500	500	500
Promote Western Australia at International Trade Exhibitions	200	200	200	200
Chemistry Centre-Lease accommodation.....	-	2,600	2,600	2,600
Environmental approval processes and timelines	630	630	630	630
Decisions taken since State Election				
Major hazard facility regulations.....	1,000	1,900	1,900	1,900
Raytheon financial assistance.....	1,000	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
SERVICES							
<i>Service 1:</i>							
Titles and Royalties Administration	23,399	21,857	23,124	22,437			
<i>Service 2:</i>							
Health, Safety and Environmental Services	21,793	20,829	22,220	24,086			
<i>Service 3:</i>							
Investment Services	28,321	29,403	30,463	30,558			
<i>Service 4:</i>							
Geological Services	20,026	22,199	22,962	22,606			
<i>Service 5:</i>							
Scientific Services.....	9,493	9,278	9,526	9,460			
<i>Service 6:</i>							
Industry Development Services.....	24,196	24,591	36,727	31,721			
Total Cost of Services	127,228	128,157	145,022	140,868	138,937	145,522	140,037
<i>Less Income.....</i>	<i>21,140</i>	<i>19,920</i>	<i>29,074</i>	<i>20,752</i>	<i>21,250</i>	<i>21,699</i>	<i>22,191</i>
Net Cost of Services	106,088	108,237	115,948	120,116	117,687	123,823	117,846
Adjustments ^(a)	(11,017)	(7,661)	(5,352)	(5,572)	(3,143)	(9,019)	(3,209)
Appropriation provided to deliver Services.	95,071	100,576	110,596	114,544	114,544	114,804	114,637
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	36,483	28,096	44,417	52,930	39,105	28,158	28,611
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	3,953	1,910	2,810	8,370	6,584	5,320	750
Administered Capital Contribution	-	-	88,067	2,100	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	135,507	130,582	245,890	177,944	160,233	148,282	143,998

(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.	Responsible development of the State's industry and resources for the benefit of Western Australians.	1. Titles and Royalties Administration 2. Health, Safety and Environmental Services 3. Investment Services 4. Geological Services 5. Scientific Services 6. Industry Development Services

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: Responsible development of the State's industry and resources for the benefit of Western Australians.					
KEY STAKEHOLDER/CUSTOMER SATISFACTION RATINGS					
Rating of Minister's satisfaction with the quality of policy and planning advice delivered in respect to responsible development of the State's industry and resources.	86%	86%	86%	86%	
Subscriber satisfaction with quality of resource sector information	99%	(b)	99%	100%	
Non-commercial stakeholder agreement that 'the Department of Industry and Resources encourages a climate conducive to ongoing resources development in Western Australia' ..	79%	95%	85%	90%	Protocol between Local Government Authorities and the Department being progressively rolled out.
Commercial stakeholder rating of the Department's services related to project and infrastructure facilitation and investment attraction	83%	86%	82%	86%	
The extent to which clients agree that the Department contributes to industry and trade development	88%	75%	75%	75%	
Explosives and Dangerous Goods level of community confidence	73%	-	-	75%	Biennial survey. No survey performed in 2004.
Customer satisfaction regarding scientific services	77%	77%	77%	77%	
Geological products and data services rating – geoscience information	4.2	(b)	4.2	4.2	
Geological products and data services rating – exploration information	3.9	(b)	4.0	4.2	
CONFORMANCE WITH REGULATION AND GOVERNMENT POLICY					
Level of compliance with expenditure conditions (form 5) in mineral titles	89%	97%	90%	97%	
Percentage of royalties collected during the period as compared to the total proportion of royalties due according to government policy .	100%	100%	100%	100%	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
<i>Mines Safety and Inspection Act 1994</i> compliance index (Base year: 1998-99 = 100)	105	108	108	108	
Minerals Industry Environmental Management assessment scores – Environmental compliance index (Base year: 1998-99 = 100)	102	107	102	103	
Petroleum Industry Environmental Management – the performance of the industry, measured as a percentage of audited projects which attracted zero major corrective action reports (CARs)	95%	95%	95%	95%	
STATE DEVELOPMENT PERFORMANCE					
The proportion of international mineral exploration expenditure expended in Western Australia	9%	10%	10%	11%	
Australia's rating on the Fraser Institute Investment Attractiveness index	2nd	1st	2nd	1st	
Percentage of Australian mineral exploration expenditure expended in Western Australia	59%	65%	59%	60%	
Percentage of Australian petroleum exploration expenditure expended in Western Australia	67%	65%	67%	65%	
Area of Western Australia under mineral exploration title (Square km)	246,002	270,000	270,000	280,000	
Area of Western Australia under petroleum exploration title (Square km)	467,649	620,000	478,570	478,570	
Minerals industry health and safety services- Lost-Time Injury Frequency Rate per million hours worked (LTIFR – surface)	3.6	3.8	3.8	3.7	
Minerals industry health and safety services- Lost-Time Injury Frequency Rate per million hours worked (LTIFR – underground)	7.1	5.5	6.0	5.8	
Petroleum industry health and safety services- Lost-Time Injury Frequency Rate per million hours worked (LTIFR)	3.6	4.5	3.4	3.3	
Petroleum industry health and safety services - Total Injury Frequency rate (TIFR)	13.5	18	13.1	13.0	
Comparative mining Workers Compensation Premium Rates Ratio	0.6	(b)	0.64	0.63	
Dangerous goods accidents - storage	16	(b)	12	10	
Dangerous goods accidents - transport	10	(b)	20	20	

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

(b) Not reported in 2004-05 Budget Statement.

Service 1: Titles and Royalties Administration

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

Products and services include:

- granting and maintaining titles to explore for and mine minerals;
- granting and maintaining titles to explore for and produce petroleum, ensure petroleum resource management, promote invitations for bids for exploration areas; and
- collecting royalties according to legislation and government 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	23,399	21,857	23,124	22,437	The higher estimated actual income for 2004-05 reflects a proportion of a one-off petroleum ad valorem registration fee paid on the sale of an interest in the North West Shelf (NWS) gas titles to China National Offshore Oil Corporation (CNOOC) NWS Private Limited, and applied to this service.
Less Income	7,921	8,199	12,162	7,947	
Net Cost of Service	15,478	13,658	10,962	14,490	
Adjustments ^(a)	(7,045)	(1,843)	(1,468)	(1,498)	
Appropriation for delivery of Service	8,433	11,815	9,494	12,992	

(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 mineral title service	\$759	\$631	\$709	\$648	
Average cost per petroleum title operation and resource service	\$548	\$850	\$575	\$515	
Average cost per royalty returns verified and audited	\$978	\$1,575	\$1,600	\$1,620	
Full Time Equivalents (FTEs)	206	217	196	196	

Major Achievements For 2004-05

- The *Mining Amendment Act 2004* was passed by Parliament in October 2004 and assented to in November 2004. The amendments substantially change the roles for exploration and mining titles, and over time should result in a substantial reduction in the existing mining lease application backlog. Consultation with stakeholders on the draft regulations was undertaken, and the Act and Regulations are due to come into force on 30 June 2005.

- The infrastructure and processes have now been implemented to provide for the use of Regional Standard Heritage Agreements (RSHA) as a native title outcome in the grant process for exploration titles. Early indications show that approximately 50 percent of applicants for licences are utilising the Heritage Agreements.
- The Department's Mineral and Title Services quality management system was implemented, with certification to ISO 9001: 2000 for the Mineral Title Approval and Mining Act Compliance Processes. This confirms that the Western Australian title system operates to internationally recognised standards.
- A revised Quality Management System was developed in preparation for the Petroleum and Royalties Division's full compliance with ISO 9001:2000.
- A number of royalty anomalies were corrected, including the introduction of escalated specific rate royalties and removal of the royalty concession for marketable grade ilmenite used as feedstock into a beneficiation plant.
- A record was set for the level of bidding for new petroleum exploration within the State's jurisdiction. Six new petroleum exploration areas were released in March 2004. These range from 'frontier lands' of central Western Australia's Officer Basin to the more prospective Perth Basin and the highly prospective North West Shelf (NWS). A comprehensive information package containing data on the prospectivity of release areas, information about conservation areas, native title claims and how to make an application for an exploration permit supported the area releases.
- The Central Canning Basin Prospectivity Study was completed and enhances the petroleum exploration acreage in the Canning Basin. Seismic reprocessing and reviews of the geology were conducted as part of the project to encourage onshore petroleum exploration and development in the State.

Major Initiatives For 2005-06

- Facilitation of secure access to mineral and petroleum resources through:
 - solutions to deal with the backlog of mining title applications including the use of Regional Standard Heritage Agreements as a native title outcome in the grant process for exploration titles and the introduction of the mining lease application 'reversion' process for 'easier to grant' exploration titles;
 - further development of a facilitation role for smaller-scale mineral projects and a range of small and large petroleum projects; and
 - facilitation of a feasibility study on the establishment of a Petroleum Data Centre in Western Australia to more effectively manage oil and gas data for both government and industry.
- Obtain an appropriate return to the community from the resources sector through the provision of advice to government on royalties and an effective and efficient royalty assessment and collection system.

Service 2: Health, Safety and Environmental Services

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

Products and services include the regulation and promotion of:

- health and safety in the mineral and petroleum industries;
- environmental management in the mineral and petroleum industries; and
- safe storage, handling and transport of dangerous goods.

	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	21,793	20,829	22,220	24,086	The higher estimated actual income for 2004-05 reflects a proportion of a one-off petroleum ad valorem registration fee paid on the sale of an interest in the NWS gas titles to CNOOC NWS Private Limited, and applied to this service.
Less Income	4,889	4,381	9,131	4,835	
Net Cost of Service	16,904	16,448	13,089	19,251	
Adjustments ^(a)	(1,252)	(1,511)	(603)	(680)	
Appropriation for delivery of Service	15,652	14,937	12,486	18,571	

(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 health and safety weighted service provided to the minerals industry	\$75	\$72	\$68	\$67	Significant number of measures transferred to National Offshore Petroleum Safety Authority on 1 January 2005. It is likely that all remaining component measures will be re-evaluated during 2005-06.
Average cost per environmental regulatory weighted service provided to the minerals industry	\$44	\$30	\$40	\$39	
Average cost per petroleum safety and health weighted unit of audit and assessment	\$1,155	\$1,045	\$2,036	\$2,944	
Average cost per petroleum environmental audit and assessment	\$1,430	\$1,087	\$1,270	\$1,376	
Full Time Equivalents (FTEs)	173	190	200	209	

Major Achievements For 2004-05

- Regulations, policies and administrative procedures were developed to support the *Mines Safety and Inspection Amendment Act 2004*. Changes arising from the Act were promoted through a targeted education campaign and updates to the relevant web site.
- Safety reforms were introduced in close collaboration with the Department of Consumer and Employment Protection to focus on the links between mine safety legislation and the *Occupational Safety and Health Amendment Act 2004*. The Act also replaced the Mines Occupational Safety and Health Board (MOSHAB) with the Mining Industry Advisory Committee (MIAC). The MOSHAB work program over the last year was extensive and ongoing work will be continued by MIAC.
- Regulations have been drafted for consultation with industry and other stakeholders under the new *Dangerous Goods Safety Act 2004* which will be implemented in August 2005.

- Extensive national and State consultation has taken place on the development of regulations, codes and procedures to give effect to counter-terrorism measures related to security sensitive substances. Regulations to control access to ammonium nitrate will be introduced when the *Dangerous Goods Safety Act 2004* is proclaimed.
- The National Offshore Petroleum Safety Authority (NOPSA) took over regulation of safety in Commonwealth waters from 1 January 2005. It will also regulate offshore petroleum activities in Western Australian coastal waters under an interim contract with the Western Australian Government. A smooth transition of responsibilities from the State to the NOPSA was achieved.

Major Initiatives For 2005-06

- Promotion and regulation of safety and health within the State's mineral, petroleum and dangerous goods industries through:
 - development of regulations and codes of practice to underpin the *Dangerous Goods Safety Act 2004* which will come into effect in August 2005;
 - completion of a major upgrade of explosives reserves to achieve higher levels of security and safety;
 - agreed counter-terrorism measures to be introduced, related to security sensitive substances;
 - further development of the Hazardous Materials Management (HAZMAN) System that enables on-line registration of some dangerous goods licences, on-line renewal and payment of licences and permits, and provision of information to the public and other government agencies;
 - for areas not covered by NOPSA, a review of petroleum safety legislation and development of regulations to deal with petroleum safety separately from other petroleum regulatory functions;
 - implementation of new systems to integrate onshore petroleum safety, dangerous goods, and occupational health and safety for improved service delivery;
 - implementation of an across-government response to the issues raised in the recommendations of the Ritter Inquiry, including strategies to develop and retain in-house expertise to meet increased responsibilities and skills demand from the resources sector; and
 - development of a Quality Management System to ensure 'best practice' administration of regulation.
- Encouragement and assistance for effective environmental management in the resources sector through:
 - development and implementation of environmental regulations based on objective risk assessment and environmental outcomes;
 - implementing fully integrated processes and supporting information technology (IT) systems for the native vegetation clearing permit provisions of the *Environmental Protection Act 1986*, including delegation to the Department of Industry and Resources for the administration and assessment requirements for mineral and petroleum projects; and
 - enhanced environmental approvals systems.

Service 3: Investment Services

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

Products and services include:

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

	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	28,321	29,403	30,463	30,558	
Less Income	218	581	674	674	
Net Cost of Service	28,103	28,822	29,789	29,884	
Adjustments ^(a)	(2,475)	(1,621)	(1,575)	(1,639)	
Appropriation for delivery of Service	25,628	27,201	28,214	28,245	

(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 resource sector information service delivered	\$180,450	\$73,508	\$101,543	\$101,860	
Average cost per resource sector investment attraction program delivered	\$374,366	\$245,025	\$355,402	\$305,580	
Average cost per infrastructure project facilitated	\$379,522	\$487,823	\$373,603	\$397,254	
Average cost per resource development project facilitated	\$57,712	\$66,825	\$85,570	\$84,883	
Full Time Equivalents (FTEs)	134	148	147	147	

Major Achievements For 2004-05

- The Department of Industry and Resources continued to facilitate the development of major projects in the Western Australian resources sector. With the current level of growth being experienced in this sector, a large number of projects are currently being coordinated, particularly in the areas of iron ore, alumina, petroleum and liquefied natural gas.
- A protocol with the Western Australian Local Government Association that sets out areas of responsibility and an operating framework for cooperation on projects of State significance was completed to improve coordination between State and local government.
- A whole-of-government Project Approvals Coordination Unit (PACU) was established to streamline and align the various approvals required for project implementation including primary and secondary approvals, State and Commonwealth approvals, environmental, biodiversity, heritage and native title approvals.
- In conjunction with the Chamber of Minerals and Energy, the Minerals Institute was established with funding provided by the government. The Institute is working with the tertiary institutions to address issues related to the provision of graduate training relevant to the mining industry.
- Resource, infrastructure and planning studies on the Pilbara Coast, Port Hedland and West Kimberley were released for public comment. The study for the Kemerton dual rail corridor to Bunbury Port was completed and support was provided to the Pinjarra-Brunswick Sustainability Study.
- The seawater supply components of the common user Burrup Infrastructure Package and the Burrup West Corridor were completed and construction of the new Bulk Liquids Jetty is underway at the Port of Dampier.

- A Memorandum of Understanding (MoU) on infrastructure required for a permanent residential workforce for the Ravensthorpe Nickel Project was negotiated with BHP Billiton.
- The Australian Marine Complex Precinct plan was progressed with LandCorp.
- The corridor-planning phase for expansion of the Dampier to Bunbury Natural Gas Pipeline easement was completed.
- The Open Source Software Demonstration Centre at Technology Park, Bentley was established and Cabinet approved both the preparation of the Bentley Technology Precinct Master Plan and its Governance Model.

Major Initiatives For 2005-06

- Develop policies to attract and promote sustainable resource and industry development in Western Australia through:
 - negotiation of two new State Agreements for the \$4 billion Pilbara LNG Project and the \$1.8 billion Fortescue Metals Group iron ore project that will outline the responsibilities of the companies and the State Government as regards project establishment, provision of supporting infrastructure, local content provisions, anticipated export tonnages, future downstream processing and eventual site rehabilitation;
 - definition of the infrastructure requirements of the Midwest in relation to the projected growth of the iron ore industry and of Mirambeen (Albany) for the wood processing precinct; and
 - a major review of risk information for the Kwinana industrial area to assist long term planning.
- Assist investors to achieve successful resource and industry project development through:
 - facilitation of environmental approvals for the Gorgon Joint Venture, an LNG and domestic gas development project on Barrow Island; and
 - facilitation of expansion of existing iron ore operations and development of new operations.
- Plan and coordinate the provision of infrastructure and land to assist industry development through:
 - finalisation of infrastructure issues impacting on the expansion of iron ore mining and processing projects in the Pilbara that include access to a second rail corridor between the mine sites and Port Hedland, dust issues and land use planning;
 - implementation of Kimberley Broadband Solutions by matching Commonwealth funding towards improving broadband telecommunications in Broome, Kununurra, Fitzroy Crossing, Derby, Halls Creek and Wyndham and their surrounding areas; and
 - establishment of hard infrastructure development within the Bentley and Australian Marine Complex Technology Precincts and commencement of work to establish a research and development facility within the Kemerton Industrial Park.

Service 4: Geological Services

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

Products and services include:

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

	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	20,026	22,199	22,962	22,606	The increase from 2003-04 is mainly due to the impact of the pre-competitive geoscience information program.
Less Income	437	176	295	278	
Net Cost of Service	19,589	22,023	22,667	22,328	
Adjustments ^(a)	(1,535)	(1,345)	(531)	(572)	
Appropriation for delivery of Service	18,054	20,678	22,136	21,756	

(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 weighted total published product	\$235,629	\$234,781	\$210,000	\$210,000	
Average cost per weighted data transaction unit	\$40	\$39	\$41	\$41	
Full Time Equivalents (FTEs)	178	178	183	183	

Major Achievements For 2004-05

- Mineral exploration all over Western Australia was encouraged by publication of over 120 Geological Services geoscience products for Western Australia.
- A \$12 million commitment over four years (now on-going at \$3 million per annum) to double the area of the State covered by high-tech aerial geophysical surveys was commenced. The survey aims to increase Western Australia's market share of world exploration expenditure. In 2004-05, data were collected over the South Yilgarn, and released for the South Yilgarn and Murchison regions.
- A program commenced to accelerate the public release of archival information contained in 7,000 non-confidential exploration reports from exploration companies, in order to encourage greenfields exploration activity.
- Advice was provided on the prospectivity of new areas proposed to be included in the conservation estate, including comments on over 1,200 proposals for a change in the land use of Crown Land, leasehold and private land in Western Australia.
- A major six year program of geoscience field mapping was commenced in the Murchison region, including the release of a Geological Exploration Package over the region.
- A summary of the geology and mineral potential of the Earraheedy Basin was published to further promote the prospectivity of this greenfields area. This brings to an end over five years of work in the area, including the geoscience mapping of 11 map sheets.

Major Initiatives For 2005-06

- Maintain a sustainable level of resource exploration activity and assist investors to identify successful exploration opportunities through:
 - collection and release of data from high-tech aerial geophysical surveys over the Paterson, South East Yilgarn and Gascoyne regions; and
 - commencement of a major five-year program of geoscience field mapping in the Tanami region, including participation in the collection of data from a deep seismic line across the region, in collaboration with Geoscience Australia.

Service 5: Scientific Services

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

Products and services include:

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

	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	9,493	9,278	9,526	9,460	
Less Income	5,753	6,405	6,113	6,296	
Net Cost of Service	3,740	2,873	3,413	3,164	
Adjustments ^(a)	(987)	-	(275)	(293)	
Appropriation for delivery of Service	2,753	2,873	3,138	2,871	

(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 chargeable hour of providing service	\$128	\$129	\$132	\$135	
Full Time Equivalent (FTEs)	92	92	87	87	

Major Achievements For 2004-05

- Chemistry Centre (Western Australia) continued to provide high quality chemical analysis services to government. The Advisory Board for the Chemistry Centre (Western Australia) was established as part of the progress towards establishing the Chemistry Centre as a statutory authority.
- National Association of Testing Authorities accreditation now includes testing for acid sulphate soils, for the assessment of actual and potential acid sulphate soils problems and their impact on urban and industrial (mining) developments.
- During the year, a comprehensive library of liquid chromatographic mass spectra of over 100 drugs and metabolites was established. This has significantly improved the detection and identification of compounds in toxicology casework. Also established was a similar library of pesticide and herbicide compounds, which will support Western Australia's maintenance of its position as a 'clean and green' producer of fruit, vegetables and other agricultural products. The library will also support the reduction of technical trade barriers arising from potential pesticide and herbicide residues.
- The Chemistry Centre is a core member of the Cooperative Research Centre (CRC) for Contamination Assessment and Remediation of Environments, which won Commonwealth funding in the last round of CRC assessments. The Chemistry Centre's activities in this CRC will underpin much of its efforts to ensure public safety, reduce environmental impacts of industrial development and promote industry investment in new plant over the next seven years.

Major Initiatives For 2005-06

- Progressing the development of the Chemistry Centre to ensure the provision of high-quality, independent chemical information, advice and analytical services to government agencies, industry and research groups through:
 - the submission of draft legislation to the Parliamentary process to establish the Chemistry Centre (Western Australia) as a statutory authority, with defined objectives, powers and functions;
 - the commencement of change management processes in preparation for the change to a statutory authority and maintaining continuous improvement and development in the Chemistry Centre's technical endeavours; and
 - progress in construction of the new building on the Bentley Waterford Campus, funded by Curtin University.

Service 6: Industry Development Services

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

	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	24,196	24,591	36,727	31,721	Decrease in 2005-06 is mainly due to carry forwards in relation to industry financial assistance obligations and the one-off \$3.8 million provision to facilitate Education Exports in 2004-05.
Less Income	1,922	178	699	722	
Net Cost of Service	22,274	24,413	36,028	30,999	
Adjustments ^(a)	2,277	(1,341)	(900)	(890)	
Appropriation for delivery of Service	24,551	23,072	35,128	30,109	

(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 industry and trade projects facilitated.....	\$1,095,888	\$1,475,428	\$2,056,712	\$1,776,376	One-off initiatives in 2004-05.
Average cost of Aboriginal Economic Development projects facilitated.....	\$567,387	\$562,142	\$839,474	\$725,051	One-off initiatives in 2004-05.
Full Time Equivalents (FTEs)	148	141	169	169	

Major Achievements For 2004-05

- Diversification of the State's export base and export markets was supported by facilitating Western Australian industry participation in a broad range of internationally focussed trade events. Specific sectors supported were information and communications technology, biotechnology, oil, gas and mining services, food and beverages, building and construction, and international education and training.
- Industry consultation was undertaken in relation to bilateral and multilateral trade agreements, including those for China, Malaysia, United Arab Emirates, the Association of Southeast Asian Nations and Singapore to ensure Western Australia's interests were identified.
- Specific market development initiatives included the reopening of the Western Australian Trade Office in Seoul, 'WA Week in LA' in California, agreement to expand the Western Australia-Zhejiang Sister State-Province Relationship, and continued arrangements for Western Australian participation in 2005 World Exposition in Aichi, Japan.
- As part of the Government's commitment to Western Australia as an innovative economy, the Western Australian Innovation Centre was launched, to provide a location for universities and private sector organisations to work together, and assist the commercialisation into viable enterprises and products. The Department of Industry and Resources is again coordinating the Western Australian participation in the Australian Innovation Festival.
- Implementation of the Buy Local and Building Local Industry Participation policies continued including support for the activities of the Industry Capability Network (ICN) and unions, in maximising local industry involvement in major government and private sector contracts.
- A Skilled Migration Unit was established to support the State's participation in the Skilled Independent Regional Scheme. The Unit also has a role in promoting Western Australia to potential migrants and in working with the Department of Education and Training on forecasting future skills and training requirements.
- The whole-of-government 'State Communications Policy: Western Australia – A Connected Community' was developed in consultation with other government agencies and local government.
- A draft whole-of-government Aboriginal Economic Development Strategic Framework was developed in consultation with other government agencies and Aboriginal leaders. It will provide the mechanism for the Department to steer improvements in the coordination of State and Commonwealth Government services directed to Aboriginal economic development.

Major Initiatives For 2005-06

- Assist companies to identify, develop and access new national and international markets through:
 - continued industry consultation and advocacy role in Australia's pursuit of bilateral trade agreements including those with China, Malaysia and the United Arab Emirates;
 - promotion of the State's trade and investment opportunities by the Western Australian overseas office network, with the establishment of an office in the United States that will capitalise on opportunities arising from the Australia United States Free Trade Agreement; and
 - development and promotion of a Western Australian brand in export markets to support commercial activity to raise awareness of Western Australia's goods and services, potential as an investment location and capacity as a commercial trading partner.

- Encourage the development of new and existing industry sectors through:
 - development and management of strategies for specific industry sectors and encouragement of business to develop and use their innovation capability;
 - facilitation of the implementation of coordinated Knowledge Economy activities with key agencies;
 - establishment and implementation of a new commercialisation scheme to train researchers and businesses on how to realise the commercial development of innovative ideas;
 - continued support to facilitate our rapidly expanding technology sector including expansion of the technology incubator programme at Technology Park;
 - hosting AusBiotech 2005, the premier Australian technology event;
 - support for Western Australian companies' participation in global supply chains linked to local content activities and promotion of local business involvement in major private and public sector projects; and
 - assistance in tackling skills shortages in the Western Australian economy through participation in Emigration Expos in key target markets and continued development of The Western Australian Skills in Demand Lists and collection and analysis of potential forecasting information.

- Provide leadership for Aboriginal economic development in Western Australia through:
 - coordination of the implementation of the Aboriginal Economic Development Strategic Framework across government, industry and the community with the provision of specific services undertaken by the relevant agency; and
 - development of the Ngaanyatjarra Lands Telecommunications Project which will provide a number of remote Indigenous communities in this area with access to modern telecommunications networks.

CAPITAL WORKS PROGRAM

The Department's planned capital works program for 2005-06 is \$15.8 million, comprising \$11.7 million for works in progress and \$4.1 million for new works.

Works in progress expenditure is expected to further progress the Ord River Irrigation - Stage 2 program, complete the development of the Marine Industry Technology Park in Henderson, finalise a Land Clearing Permit system to support the effective delivery of native vegetation clearing permitting under the *Environmental Protection Act 1986* and commence the construction phase of the Department's Kalgoorlie Complex Stage 2 premises.

Funding has been provided under the new works program to introduce additional security measures at the Kalgoorlie and Baldavis explosives reserves.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Australian Marine Complex				
Marine Industry Technology Park - additional land acquisition and environmental costs.....	3,400	1,300	1,300	2,100
Southern Precinct.....	127,300	126,600	3,944	100
Kalgoorlie Complex Stage 2 Planning and Construction.....	3,525	300	279	3,225
Maintenance of Chemistry Centre.....	1,500	600	300	300
Mineral House Air Conditioning.....	2,020	120	120	1,900
Native Vegetation Clearing Regulations				
Land Clearing Permit IT System.....	1,500	900	900	600
Ord River Irrigation - Stage 2.....	15,539	9,539	4,271	3,500
COMPLETED WORKS				
Asset Replacement Program				
Computer Hardware and Software				
2004-05 Program.....	1,105	1,105	1,105	-
Furniture and Equipment				
2004-05 Program.....	100	100	100	-
Scientific Equipment				
2004-05 Program.....	405	405	405	-
Drill Core Storage Facility - Metropolitan Area.....	5,000	5,000	421	-
East Rockingham Wool Processing - Rectification.....	6,000	6,000	420	-
Facilities Storage Archives Processing Centre.....	100	100	100	-
Integrated Customer E Commerce Infrastructure.....	3,200	3,200	3,200	-
Australian Marine Complex				
Enhancement.....	7,923	7,923	59	-
Marine Industry Technology Park.....	23,150	23,150	8,741	-
New Computer and Office Equipment				
2004-05 Program.....	163	163	163	-
New Scientific Equipment				
2004-05 Program.....	195	195	195	-
Upgrading of security measures at Kalgoorlie and Baldavis explosives reserves ...	1,045	1,045	605	-
Woolscour Project.....	14,218	14,218	89	-
NEW WORKS				
Additional security at Kalgoorlie and Baldavis explosives reserves.....	1,600	-	-	1,600
Asset Replacement Program				
Computer Hardware and Software				
2005-06 Program.....	1,156	-	-	1,156
Furniture and Equipment				
2005-06 Program.....	100	-	-	100
Scientific Equipment				
2005-06 Program.....	405	-	-	405
Mineral Titles Information System.....	460	-	-	460
New Computer and Office Equipment				
2005-06 Program.....	159	-	-	159
New Scientific Equipment				
2005-06 Program.....	195	-	-	195
	221,463	201,963	26,717	15,800

CAPITAL CONTRIBUTION

The Department's estimated \$8.4 million capital contribution for 2005-06 provides funding support for the planned capital works program and to meet ongoing debt servicing obligations.

	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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	12,359	19,835	26,717	15,800	9,357	8,593	2,577
Working capital requirement							
Loan repayments and advances	2,412	550	550	550	550	550	550
	14,771	20,385	27,267	16,350	9,907	9,143	3,127
LESS							
Drawdowns from the Holding Account	1,642	1,610	1,610	1,661	2,011	2,011	2,060
Funding Included in Service Appropriations ^(a)	913	3,513	3,513	3,659	1,212	1,712	217
Administered Funds	-	-	1,300	2,100	-	-	-
Internal Funds and Balances	8,263	13,352	18,034	560	100	100	100
Capital Contribution	3,953	1,910	2,810	8,370	6,584	5,320	750

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	57,873	55,618	57,511	60,326	62,499	63,253	64,303
Superannuation	7,150	6,482	6,537	6,577	6,627	6,628	6,628
Cost of Goods Sold	236	200	200	200	200	200	200
Grants and subsidies ^(c)	7,819	11,746	15,546	11,145	7,426	6,753	6,327
Consultancies expense	4,717	808	1,488	1,370	874	808	808
Supplies and services	29,526	34,394	42,237	40,171	37,626	38,043	37,742
Accommodation	7,519	5,780	5,780	5,855	8,520	8,619	8,619
Finance costs	626	426	450	393	345	344	340
Capital User Charge	7,537	6,363	8,933	7,921	8,424	8,666	8,672
Depreciation and amortisation	2,897	3,182	3,182	3,745	3,230	3,230	3,230
Costs of disposal of non-current assets	40	-	-	-	-	-	-
Other expenses	1,288	3,158	3,158	3,165	3,166	8,978	3,168
TOTAL COST OF SERVICES	127,228	128,157	145,022	140,868	138,937	145,522	140,037
Income							
User charges and fees	8,810	8,674	8,674	8,837	9,043	9,254	9,438
Regulatory Fees and Fines	11,253	11,107	20,237	11,728	12,020	12,327	12,639
Gain on disposal of non-current assets	-	68	68	68	68	-	-
Grants and subsidies	1,000	-	-	-	-	-	-
Interest revenue	-	-	24	48	48	47	43
Proceeds from disposal of non-current assets ..	77	-	-	-	-	-	-
Other Revenue	-	71	71	71	71	71	71
Total Income	21,140	19,920	29,074	20,752	21,250	21,699	22,191
NET COST OF SERVICES	106,088	108,237	115,948	120,116	117,687	123,823	117,846
INCOME FROM STATE GOVERNMENT							
Service Appropriations	95,071	100,576	110,596	114,544	114,544	114,804	114,637
Resources received free of charge	888	2,125	2,125	2,120	2,119	2,117	2,117
Liabilities assumed by the Treasurer	2,167	1,042	1,042	1,042	1,042	1,042	1,042
TOTAL INCOME FROM STATE GOVERNMENT	98,126	103,743	113,763	117,706	117,705	117,963	117,796
SURPLUS (DEFICIENCY) FOR THE PERIOD	(7,962)	(4,494)	(2,185)	(2,410)	18	(5,860)	(50)
Change in Equity arising from transfer of assets/liabilities	-	1,114	1,114	-	-	-	-
Extraordinary items	1	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(7,961)	(3,380)	(1,071)	(2,410)	18	(5,860)	(50)

(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 931, 982 and 991 respectively.

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

BALANCE SHEET
(Controlled)

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	13,941	5,834	7,335	3,580	3,138	1,987	1,930
Restricted cash	344	113	73	73	73	73	73
Receivables	2,199	3,705	1,749	1,799	1,799	1,774	1,781
Inventories	5,089	4,540	4,928	3,166	3,166	3,166	3,166
Amounts receivable for services	1,610	1,661	1,661	2,011	2,011	2,060	-
Prepayments	416	739	431	446	446	446	446
Non Current Assets Held for Sale	-	-	-	1,601	1,469	1,469	1,469
Other	297	309	297	297	297	297	297
Total current assets	23,896	16,901	16,474	12,973	12,399	11,272	9,162
NON-CURRENT ASSETS							
Amounts receivable for services	4,986	6,507	6,507	8,241	9,460	10,630	13,860
Land and Buildings	61,325	61,650	60,474	59,623	64,311	61,925	61,925
Plant and equipment	3,657	4,007	4,651	8,838	8,121	7,761	7,047
Intangibles	-	-	-	304	332	363	407
Loans and Advances	22,428	21,239	22,389	22,839	23,289	23,692	23,593
Other	12,550	12,333	18,137	20,636	21,411	22,179	21,879
Total non-current assets	104,946	105,736	112,158	120,481	126,924	126,550	128,711
TOTAL ASSETS	128,842	122,637	128,632	133,454	139,323	137,822	137,873
CURRENT LIABILITIES							
Payables	7,936	7,069	8,088	8,240	8,240	8,215	8,215
Provision for employee entitlements	9,105	9,326	9,096	9,086	9,086	9,086	9,086
Borrowings	1,340	267	1,340	1,340	1,340	1,340	1,340
Moneys in trust	310	125	310	310	310	310	310
Interest payable	147	145	147	147	147	147	147
Accrued Salaries	1,751	1,104	1,314	1,216	1,277	1,338	1,338
Amounts due to the Treasurer	1,200	500	900	600	400	-	-
Other	135	110	121	107	107	107	107
Total current liabilities	21,924	18,646	21,316	21,046	20,907	20,543	20,543
NON-CURRENT LIABILITIES							
Provision for employee entitlements	5,955	4,695	5,669	5,382	5,382	5,345	5,345
Borrowings	6,668	5,886	5,613	5,032	4,438	3,878	3,229
Total non-current liabilities	12,623	10,581	11,282	10,414	9,820	9,223	8,574
TOTAL LIABILITIES	34,547	29,227	32,598	31,460	30,727	29,766	29,117
EQUITY							
Contributed Equity	47,560	49,470	50,370	58,740	65,324	70,644	71,394
Accumulated surplus/(deficit)	9,110	9,882	8,039	5,629	5,647	(213)	(263)
Reserves	37,625	34,058	37,625	37,625	37,625	37,625	37,625
Total equity	94,295	93,410	96,034	101,994	108,596	108,056	108,756
TOTAL LIABILITIES AND EQUITY	128,842	122,637	128,632	133,454	139,323	137,822	137,873

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	91,574	97,394	107,414	110,799	111,314	111,574	111,407
Capital Contribution.....	3,953	1,910	2,810	8,370	6,584	5,320	750
Holding Account Drawdowns	1,642	1,610	1,610	1,661	2,011	2,011	2,060
Net cash provided by State government	97,169	100,914	111,834	120,830	119,909	118,905	114,217
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(57,719)	(56,360)	(58,253)	(60,731)	(62,438)	(63,192)	(64,303)
Superannuation	(4,483)	(5,655)	(5,710)	(5,750)	(5,835)	(5,836)	(5,586)
Grants and subsidies	(7,719)	(11,132)	(14,932)	(10,531)	(6,812)	(6,139)	(6,327)
Consultancies payments.....	(4,718)	(808)	(1,488)	(1,370)	(874)	(808)	(808)
Supplies and services	(27,334)	(32,155)	(39,998)	(37,937)	(35,484)	(35,903)	(35,865)
Accommodation	(7,489)	(5,740)	(5,740)	(5,815)	(8,480)	(8,579)	(8,579)
Finance costs	(652)	(440)	(464)	(407)	(345)	(344)	(340)
Capital User Charge.....	(7,537)	(6,363)	(8,933)	(7,921)	(8,424)	(8,666)	(8,672)
Goods and Services Tax	(5,457)	(9,663)	(9,663)	(10,323)	(10,323)	(10,323)	(10,323)
Other.....	(1,249)	(3,158)	(3,158)	(3,165)	(3,166)	(8,978)	(3,168)
Receipts							
User charges and fees.....	10,782	8,667	8,667	8,830	9,036	9,247	9,431
Regulatory fees and fines.....	11,253	11,107	20,237	11,728	12,020	12,327	12,639
Grants and subsidies	1,000	-	-	-	-	-	-
Interest received	-	-	24	48	48	47	43
Goods and Services Tax	5,451	10,157	10,157	10,317	10,317	10,317	10,323
Other receipts	-	71	71	71	71	71	71
Net cash from operating activities.....	(95,871)	(101,472)	(109,183)	(112,956)	(110,689)	(116,759)	(111,464)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(4,526)	(7,312)	(8,912)	(9,884)	(8,004)	(7,093)	(2,260)
Purchase of investments.....	(850)	-	-	-	-	-	-
Proceeds from sale of non-current assets	74	200	200	200	200	5,810	-
Net cash from investing activities.....	(5,302)	(7,112)	(8,712)	(9,684)	(7,804)	(1,283)	(2,260)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(557)	(2,155)	(2,155)	(881)	(794)	(997)	(649)
Other payments for financing activities.....	-	(1,064)	(1,864)	(1,064)	(1,064)	(1,064)	-
Proceeds from borrowings	-	-	800	-	-	-	-
Other proceeds from financing activities.....	-	1,289	1,289	-	-	47	99
Net cash from financing activities.....	(557)	(1,930)	(1,930)	(1,945)	(1,858)	(2,014)	(550)
NET INCREASE/(DECREASE) IN CASH HELD	(4,561)	(9,600)	(7,991)	(3,755)	(442)	(1,151)	(57)
Cash assets at the beginning of the reporting period	18,846	14,433	14,285	7,408	3,653	3,211	2,060
Net cash transferred to/from other agencies.....	-	1,114	1,114	-	-	-	-
Cash assets at the end of the reporting period.....	14,285	5,947	7,408	3,653	3,211	2,060	2,003

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES							
Grants and subsidies	44,669	33,732	58,553	51,830	39,105	28,158	28,611
Consultancies expense	-	-	-	200	-	-	-
Supplies and services	6,606	-	2,500	1,500	-	-	-
Finance costs	63	-	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	88,067	-
Other expenses	76,047	-	-	-	-	-	-
Receipts paid into Consolidated Fund	1,085,279	1,116,794	1,264,394	1,670,643	1,691,556	1,475,956	1,412,556
Transfer of Assets/Liabilities	37,337	1,114	1,114	-	-	-	-
TOTAL ADMINISTERED EXPENSES ^(b) ..	1,250,001	1,151,640	1,326,561	1,724,173	1,730,661	1,592,181	1,441,167
INCOME							
Regulatory Fees and Fines	37	40	40	40	40	40	40
Mining royalties	1,078,983	1,122,502	1,376,348	1,701,357	1,632,991	1,467,620	1,375,096
Grants and subsidies	12,000	4,500	19,500	500	-	-	-
Interest revenue	126	140	140	140	140	140	140
Other Revenue	10,310	-	-	-	-	-	-
Service Appropriations	36,483	28,096	44,417	52,930	39,105	28,158	28,611
TOTAL ADMINISTERED INCOME ^(c)	1,137,939	1,155,278	1,440,445	1,754,967	1,672,276	1,495,958	1,403,887

(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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	34,509	9,650	23,106	23,006	23,006	23,006	23,006
Restricted cash	5,154	-	5,154	5,154	5,154	5,154	5,154
Receivables	192,585	210,799	305,733	337,690	280,381	272,225	236,021
Total Administered Current Assets	232,248	220,449	333,993	365,850	308,541	300,385	264,181
ADMINISTERED NON-CURRENT ASSETS							
Land and Buildings	420	365	420	420	420	420	420
Plant and equipment	13	8	13	13	13	13	13
Loans and Advances	23,114	30,028	110,167	109,104	108,028	19,961	18,885
Other	19,649	123,880	32,802	34,902	34,902	34,902	34,902
Total Administered Non-Current Assets	43,196	154,281	143,402	144,439	143,363	55,296	54,220
TOTAL ADMINISTERED ASSETS	275,444	374,730	477,395	510,289	451,904	355,681	318,401
ADMINISTERED CURRENT LIABILITIES							
Payables	12,222	797	12,222	12,222	12,222	12,222	12,222
Moneys in trust	12,478	8,993	12,478	12,478	12,478	12,478	12,478
Total Administered Current Liabilities	24,700	9,790	24,700	24,700	24,700	24,700	24,700
ADMINISTERED NON-CURRENT LIABILITIES							
Total Administered Non-Current Liabilities	-	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES ..	24,700	9,790	24,700	24,700	24,700	24,700	24,700

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SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	(42,887)	(33,732)	(58,553)	(51,830)	(39,105)	(28,158)	(28,611)
Consultancies payments.....	-	-	-	(200)	-	-	-
Supplies and services	(7,315)	-	(2,500)	(1,500)	-	-	-
Finance costs	(63)	-	-	-	-	-	-
Goods and Services Tax	(1,415)	-	-	-	-	-	-
Other.....	(35,356)	-	-	-	-	-	-
Receipts paid into Consolidated Fund	(1,074,877)	(1,116,794)	(1,264,394)	(1,670,643)	(1,691,556)	(1,475,956)	(1,412,556)
Transfer of Assets/Liabilities.....	-	(1,114)	(1,114)	-	-	-	-
Financing Activities							
Other payments for financing activities.....	-	-	(88,067)	-	-	-	-
Investing Activities							
Purchase of non-current assets.....	(5)	(8,500)	(13,153)	(2,100)	-	-	-
Purchase of investments.....	(12)	-	-	-	-	-	-
TOTAL ADMINISTERED CASH OUTFLOWS	(1,161,930)	(1,160,140)	(1,427,781)	(1,726,273)	(1,730,661)	(1,504,114)	(1,441,167)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	37	40	40	40	40	40	40
Mining royalties	1,073,880	1,115,600	1,263,200	1,669,400	1,690,300	1,474,700	1,411,300
Grants and subsidies	12,000	4,500	19,500	500	-	-	-
Interest received	149	140	140	140	140	140	140
Goods and Services Tax	1,301	-	-	-	-	-	-
Other receipts	49,434	-	-	-	-	-	-
Service Appropriations	36,483	28,096	44,417	52,930	39,105	28,158	28,611
Financing Activities							
Other proceeds from financing activities.....	-	1,014	1,014	1,063	1,076	1,076	1,076
Investing Activities							
Proceeds from sale of investments	788	-	-	-	-	-	-
Capital Contribution.....	-	-	88,067	2,100	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	1,174,072	1,149,390	1,416,378	1,726,173	1,730,661	1,504,114	1,441,167
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	12,142	(10,750)	(11,403)	(100)	-	-	-

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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
Industry Development Financial Assistance	7,259	11,090	14,890	10,489	6,770	6,097	5,671
Chamber of Commerce - Industrial Supplies							
Office.....	277	450	450	450	450	450	450
School of Mines Scholarships	48	56	56	56	56	56	56
Resource projects.....	235	150	150	150	150	150	150
TOTAL	7,819	11,746	15,546	11,145	7,426	6,753	6,327

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
GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES							
Western Australian Minerals and Petroleum Education and Research Institute.....	-	-	735	-	-	-	-
STATUTORY AUTHORITIES							
Bunbury Port Authority - casting basin interest costs.....	63	95	165	95	95	95	95
Western Power - gas lateral line to the Murchison area - interest costs	658	832	1,005	832	832	832	832
Western Power - Onslow gas fired power station - interest costs.....	144	183	225	183	183	183	183
Western Australian Land Authority - Kemerton industrial estate	971	-	631	-	-	-	-
Western Australian Land Authority - Oakajee to Narngulu rail corridor	-	-	1,174	-	-	-	-
Western Australian Land Authority - Oakajee industrial estate buffer expansion	3,924	-	5,076	-	-	-	-
Western Australian Land Authority - Marine Industry Technology Park - additional land acquisition	830	-	1,300	-	-	-	-
Western Australian Land Authority - Burrup service corridor - subsidy.....	1,770	1,930	2,090	2,030	2,030	2,030	2,030
Water Corporation - Burrup water system - subsidy.....	-	6,500	6,500	6,700	6,800	7,000	7,200
Dampier Port Authority - Burrup Port infrastructure - subsidy	-	-	-	7,800	9,100	9,000	11,500
OTHER STATE SERVICES							
Goldfields eastern bypass road relocation.....	184	-	-	-	-	-	-
Woolscour Project.....	203	-	-	-	-	-	-
Marine Industry Technology Park.....	152	-	-	-	-	-	-
Regional Headworks Scheme.....	153	-	-	-	-	-	-
Jervoise Bay Infrastructure Enhancement	8	-	-	-	-	-	-
Jervoise Bay Infrastructure Southern Precinct ..	4,230	-	-	-	-	-	-
Write down on disposal of asset	76,048	-	-	-	-	-	-
Refunds of Previous Years' Revenues	6,698	1,960	1,960	1,960	1,960	1,960	1,960
Mining tenement refunds.....	-	4,000	4,000	8,000	6,000	-	-
Aboriginal Lands Trust - Remuneration for mining on Aboriginal lands	305	155	155	155	155	155	155
Petroleum (Submerged Lands) Act 1982	15,558	9,225	15,724	11,253	7,497	6,247	3,993
Receipts paid into Consolidated Fund.....	1,085,279	1,116,794	1,264,394	1,670,643	1,691,556	1,475,956	1,412,556
Minerals and Energy Research Institute of Western Australia (MERIWA)	-	916	644	649	653	656	663
Protecting Our Old Growth Forests Policy	10,510	3,386	3,386	-	-	-	-
Hearson Cove Road upgrade	92	2,250	2,408	-	-	-	-
BHP - hot briquetted iron plant	2,884	-	1,431	-	-	-	-
Net Assets Transferred Out	37,337	1,114	1,114	-	-	-	-
Wittenoom Clean-up.....	2,000	-	-	473	-	-	-
Ravensthorpe Nickel Project	-	2,300	2,300	11,900	3,800	-	-
Ngaanyatajarra Telecommunications	-	-	2,500	1,500	-	-	-
Burrup Fertilisers - Temporary Pipeline Facility.....	-	-	2,500	-	-	-	-
Wireless North	-	-	3,200	-	-	-	-
Boodarie Workers Assistance Package	-	-	1,000	-	-	-	-
JVL Industries Assistance.....	-	-	500	-	-	-	-
Recoup of costs for Ministerial Inquiry into Occupational Health and Safety systems - Ritter.....	-	-	444	-	-	-	-
Dampier to Bunbury Gas Pipeline Sale assistance.....	-	-	-	-	-	88,067	-
TOTAL	1,250,001	1,151,640	1,326,561	1,724,173	1,730,661	1,592,181	1,441,167

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
ROYALTIES							
Petroleum - Commonwealth	362,895	330,700	471,600	505,200	406,300	392,400	328,600
Petroleum - State	51,024	33,302	58,748	38,657	26,191	22,220	13,996
Iron ore	305,002	399,000	461,500	763,000	802,500	684,000	706,000
Alumina	51,855	57,000	56,000	58,500	60,000	63,500	72,500
Diamonds	40,988	51,000	36,000	51,000	71,000	61,000	22,500
Mineral Sands	27,052	21,000	25,500	22,500	21,500	19,000	18,000
Nickel	76,623	66,000	94,000	83,500	68,000	57,500	49,500
Gold	76,411	73,000	77,500	73,000	71,500	63,500	58,000
Other	46,835	50,500	55,500	63,000	63,000	61,500	63,000
Lease Rentals	40,298	41,000	40,000	43,000	43,000	43,000	43,000
FINES							
Regulatory Fines	37	40	40	40	40	40	40
OTHER							
Commonwealth Contribution - Jervoise Bay Infrastructure	-	-	13,000	-	-	-	-
Commonwealth Contribution - Ngaanyatjarra Lands	-	-	1,500	500	-	-	-
Contribution from Regional Investment Fund .	12,000	4,500	5,000	-	-	-	-
Appropriations	36,483	28,096	44,417	52,930	39,105	28,158	28,611
Other Revenue	10,436	140	140	140	140	140	140
TOTAL	1,137,939	1,155,278	1,440,445	1,754,967	1,672,276	1,495,958	1,403,887

TRUST ACCOUNT DETAILS**Forest Residue Utilisation Levy Trust Fund**

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

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance	61	61	61	61
Receipts:				
Appropriations	-	-	-	-
Other	-	-	-	-
	61	61	61	61
Payments	-	-	-	-
CLOSING BALANCE	61	61	61	61

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 petroleum permits and licences.....	5,790	5,812	14,642	6,145
Proceeds from prospecting, exploration and other mining licences	4,453	4,203	4,503	4,536
Proceeds from dangerous goods and explosives regulations	1,010	1,092	1,092	1,047
Proceeds from departmental fees and charges	3,552	2,008	2,008	1,988
Proceeds from the provision of chemical, mineralogical, metallurgical and related scientific investigative and advisory services.....	5,934	6,113	6,113	6,296
Interest.....	-	-	24	48
Goods and services tax	5,451	10,157	10,157	10,317
TOTAL	26,190	29,385	38,539	30,377

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

OFFICE OF ENERGY

PART 11 - MINISTER FOR STATE DEVELOPMENT; ENERGY

DIVISION 44

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
DELIVERY OF SERVICES							
Item 83 Net amount appropriated to deliver services	23,607	15,056	15,158	22,045	14,113	12,571	12,826
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	168	168	168	219	226	233	240
Total appropriations provided to deliver services	23,775	15,224	15,326	22,264	14,339	12,804	13,066
ADMINISTERED TRANSACTIONS							
Item 84 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	-	-	600	1,400	-	-	-
CAPITAL							
Capital Contribution	110	-	-	-	-	-	-
GRAND TOTAL	23,885	15,224	15,926	23,664	14,339	12,804	13,066

MISSION

The Office of Energy is a change agent that leads the development and implementation of policy to meet the State's energy needs. It is committed to driving change in a way that achieves improved economic, social and environmental outcomes for Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- The Government has made substantial progress in reforming the State's electricity industry to introduce competition to put downward pressure on electricity prices and enhance reliability of supply as well as providing the necessary framework to protect small business and residential consumers of electricity. The Government is committed to implementing reforms in the electricity industry.
- The restructure of Western Power into four separate new entities (Generation, Networks, Retail and Regional) is essential to promote new private sector investment in generation and to deliver the competition necessary to put downward pressure on electricity prices. The legislation to restructure Western Power and associated matters will soon be reintroduced into Parliament.
- An ageing electricity distribution network in the regional areas in the south of the State, together with growing demand for reliable and quality electricity, will require the development of innovative and cost effective solutions.
- A reliable and competitive energy industry requires competitive tension between alternative generation fuels. Adequate gas transmission capability, generation capacity and best practice in the coal, gas and renewable energy industry will need to underpin this competition. Western Power, with policy input and scrutiny from the Office of Energy (the Office), is currently undertaking separate competitive procurement exercises for both new base load generation and coal requirements.

- To support full retail contestability (FRC) in the Western Australian gas market, a range of regulatory structures have been established, such as the Retail Energy Market Company (REMCo) retail market scheme and customer protection measures (including the Gas Industry Ombudsman, the Gas Marketing Code of Conduct, and regulations for standard form and non-standard contracts). New gas retail entrants will allow consumers the choice of supplier.
- There is increasing community demand for the provision of environmentally sustainable energy. Government continues to support and develop initiatives to support sustainable energy.
- Managing greenhouse emissions is a challenge. State and Territory working groups are examining emissions trading and the scope for increasing renewable energy targets beyond that required for the current Australian Government Mandatory Renewable Energy Target program.
- The State's Solar Water Heater Subsidy scheme is encouraging the installation of solar water heaters in new homes. Growth in sales is outstripping that in the rest of Australia. Sales of gas-boosted solar water heaters are around five times the national average.
- At the national level, the Ministerial Council on Energy (MCE) is moving towards national uniform regulation of the electricity and natural gas markets. As a consequence, new national governance and regulatory arrangements for the electricity and gas market are to be established. In Western Australia energy will continue to be regulated by the Economic Regulation Authority (ERA), with gas access arrangements being within the scope of the Australian Energy Market Commission.

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
Decisions taken since State Election				
Gas-Boosted Solar Hot Water Systems	400	400	400	400
Solar Schools Program	250	250	250	250
South West Interconnected System	100	50	50	50
Sun Farm Project	2,500	-	-	-
Urban Renewable Energy Demonstration Project.....	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
SERVICES							
<i>Service 1:</i>							
Development and implementation of energy policy	12,489	9,963	16,911	17,949			
<i>Service 2:</i>							
Development and implementation of sustainable energy policy and programs	14,049	6,702	14,660	10,600			
Total Cost of Services	26,538	16,665	31,571	28,549	21,005	18,508	18,821
<i>Less Income</i>	<i>7,422</i>	<i>3,000</i>	<i>8,894</i>	<i>5,663</i>	<i>5,614</i>	<i>5,625</i>	<i>5,695</i>
Net Cost of Services	19,116	13,665	22,677	22,886	15,391	12,883	13,126
Adjustments ^(a)	4,659	1,559	(7,351)	(622)	(1,052)	(79)	(60)
Appropriation provided to deliver Services.	23,775	15,224	15,326	22,264	14,339	12,804	13,066
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	-	-	600	1,400	-	-	-
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	110	-	-	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	23,885	15,224	15,926	23,664	14,339	12,804	13,066

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

(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(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.	A policy environment to achieve a competitive, efficient and secure energy sector.	1. Development and Implementation of Energy Policy
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 increase in the adoption of renewable energy and energy efficiency.	2. Development and Implementation of Sustainable Energy Policy and Programs

Outcomes and Key Effectiveness Indicators ^(a)

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: A policy environment to achieve a competitive, efficient and secure energy sector.					
Progress with reform of the Western Australian electricity industry, indicated by the timely achievement of the following milestones:					
- Establishment of Electricity Ombudsman.....		Jun 2005	Jun 2005		
- Establishment of Western Australian Customer Service Code.....		Sep 2004	Sep 2004		
- Increased competition through reduction in the electricity contestability threshold to 50 megawatt hours per annum		Jan 2005	Jan 2005		
- Approval of wholesale electricity market rules		Mar 2005	Oct 2004		
- Subject to Parliamentary endorsement, implement a disaggregation of Western Power Corporation into four successor entities.....				Apr 2006	
- Preparation completed for Commencement of the Wholesale Electricity Market.....				Jun 2006	
Improved regional and remote services, indicated by achievement of the following milestones:					
- Regional Electricity Supply Policy (Now addressed through establishment of a Tariff Equalisation Fund)		Dec 2004			
- Approval of Western Power Corporation's network extension and expansion policies (To now be addressed through Western Power Corporation's Capital Contribution Policy contained in its Access Arrangement).....		Mar 2005			
- Establishment of an Electricity Quality and Reliability Code.....				Oct 2005	
- Aboriginal and Remote Communities Power Supply Project – negotiation of a Memorandum of Understanding for the implementation and service delivery of Phase 1				Jun 2006	
Contestability of the retail gas market, indicated by achievement of the following milestones:					
- A Customer Education Campaign.....		Sep 2004	Sep 2004		
Amendments to <i>Gas Pipelines Access (Western Australia) Act</i> to:					
- Implement changes arising from the Productivity Commission's Review of the Gas Code; and.....				Jun 2006	
- Introduce the Australian Energy Markets Commission into the Western Australia regulatory governance structure.....				Jun 2006	
Progress with the State Underground Power Program (target 50% of Perth metropolitan homes with underground power by 2010), indicated by the percentage of Perth metropolitan homes with underground power..	43%	45%	44%	45%	

	2003-04 Actual	2004-05 Budget	2004-05 Estimated	2005-06 Target	Reason for Significant Variation between 2004-05 Estimated and 2005-06 Target
Outcome: An increase in the adoption of renewable energy and energy efficiency.					
Use of renewable energy through incentive programs, indicated by the displacement of fossil fuel. kilowatt/hour of fossil fuel energy displaced by:					
- Solar Hot Water Subsidy Scheme	4,346,000	13,500,000	9,210,000	5,700,000	Change in rebate program eligibility criteria to cover only gas boosted solar hot water systems.
- Renewable Remote Power Generation Program (RRPGP) Large Projects	9,500,000	2,500,000	1,400,000	1,500,000	
- RRPGP – Remote Area Power Supply Program	292,479	300,000	375,000	300,000	Program scheduled to end June 2005.
- RRPGP – Renewable Energy Water Pumping Program; and	200,850	200,000	124,000	150,000	
- Photovoltaic Rebate Program (PVRP)	30,660	30,000	18,000		
Adoption of energy efficiency by business, indicated by the number of buildings rated under the Australian Greenhouse Building Rating Program	6	9	10	15	
Adoption of energy efficiency by government agencies, indicated by the following:					
- Percentage reduction in energy usage by State government agencies (target of 12% reduction against baseline by 2006-07);	4.6%	8%	8%	10%	
- Percentage of individual agencies meeting target reduction	45%	60%	55%	70%	
Adoption of energy efficiency by the community, indicated by the percentage of new houses approved under the House Energy Rating Scheme	-	12%	12%	15%	

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

Service 1: Development and Implementation of Energy Policy

The Government seeks to achieve a competitive, efficient and secure energy sector through the development and implementation of energy policy.

	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	12,489	9,963	16,911	17,949	Increased appropriation is provided in 2005-06 for Electricity Reform and Phase 2 of the Aboriginal and Remote Communities Power Supply Project.
Less Income	857	-	525	790	
Net Cost of Service	11,632	9,963	16,386	17,159	
Adjustments ^(a)	5,451	850	(5,443)	96	
Appropriation for delivery of Service	17,083	10,813	10,943	17,255	

(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 item of Ministerial support...	n/a	\$924	\$1,537	\$1,325	
Average cost per strategic policy developed....	n/a	\$42,608	\$101,535	\$155,494	Fewer strategic policies will be developed in 2005-06.
Average cost of meeting major policy implementation milestones	n/a	\$514,495	\$777,764	\$504,670	More major milestones will be met, particularly in the reform process of the electricity industry.
Full Time Equivalents (FTEs)	43	44	43	43	

(a) Significant change to the Office's Outcome structure and efficiency measures for the 2004-05 Budget make comparison of actuals from the 2003-04 financial year invalid.

Major Achievements For 2004-05

- The Government's electricity reform program is aimed at enhancing reliability of electricity supply throughout the State and placing downward pressure on electricity prices through competition. Significant progress has been made in the implementation of this reform. Initiatives achieved during 2004-05 include:
 - development and implementation of legislation to provide for a new competitive framework for the electricity sector;
 - introduction of a new Western Australian Network Access Code to provide for independent regulation of network prices by the ERA;
 - enabling an additional 10,000 customers to 'shop around' for their electricity supply by way of a reduction in the contestability threshold from 300 megawatt hours to 50 megawatt hours per annum from 1 July 2005;
 - introduction of a range of enhanced customer protection measures, including a Code of Conduct for the supply of electricity to small use customers. Additionally, an Electricity Ombudsmen scheme is due to be introduced in mid 2005;
 - implementation of a 'Top Up and Spill' arrangement to provide enhanced electricity balancing as a transition to the establishment of a Wholesale Electricity Market in mid 2006;
 - establishment of an Independent Market Operator (IMO) to, among other things, undertake long term demand and supply forecasts and to ensure sufficient reserve generation capacity is available to meet peak demand; and
 - the development of a detailed design for a Wholesale Electricity Market for the South West Interconnect System (SWIS) and comprehensive Market Rules to support implementation of a competitive market by mid 2006.
- The Office actively engaged with the MCE in 2004-05 on a range of issues including:
 - establishment of the Australian Energy Regulator and Australian Energy Markets Commission;
 - development of funding models to meet the costs of these agencies;
 - investigation of gas market development models to increase competition in Australian gas markets; and
 - development of a policy for consistent principles for access to energy infrastructure across jurisdictions and energy types.
- The Office participated in an inter-jurisdictional working group which examined a range of issues associated with developing an emissions trading scheme which could be implemented in the absence of a Commonwealth scheme. In March 2005 all States endorsed a range of principles as a basis for investigating further development of an emissions trading model.
- The Office provided policy input on a range of Western Power issues, including the power procurement process for base load generation and the coal procurement process.
- The Office actively participated in development of a Financial Assistance Agreement which was offered by the State Government to enable the Dampier to Bunbury Natural Gas Pipeline to be sold out of receivership. This agreement committed the new owner to expand the capacity of the pipeline on standard terms and conditions and agreed timetable.
- Negotiations with the Commonwealth Government for the implementation of Phase One of the Aboriginal and Remote Communities Power Supply Project (ARCPSP) are substantially complete and implementation is imminent.

- The Rural Power Improvement Program (RPIP) was developed and implemented as part of a multi-faceted policy solution for improving reliability in under performing areas of the SWIS. RPIP targets the improvement of the reliability by funding Western Power to address areas which would not ordinarily receive attention under its standard planning criteria.
- Major Residential Projects for round two of the State Underground Power Program were completed in December 2004. Work on round three Localised Enhancement Projects has commenced.

Major Initiatives For 2005-06

- The Office, subject to Parliamentary endorsement, will lead the implementation of disaggregation of Western Power Corporation. Four new successor entities will be established, State Retail, State Generation, Regional and Networks.
- The Office is leading the development of arrangements for a new Wholesale Electricity Market which is expected to be operational in mid 2006.
- Continued implementation of a multi-faceted policy solution for improving reliability in under performing areas of the SWIS, including establishment of guaranteed service levels and customer focused arrangements that recognise poor reliability.
- Implementation of projects under round three of the State Underground Power Program will continue. Round four of Major Residential Projects under the State Underground Power Program will commence with the release of program guidelines to local government authorities in mid to late 2005. Round four will be more focussed on improving reliability and performance of electricity supply.
- Planning for Phase Two of ARCPSP will commence in order to provide a regularised power supply to all of the remaining major Aboriginal communities with populations of over 200 people (approximately 13 communities).
- Continued active participation in Western Power's procurement process for new base load generation and coal requirements.
- Ongoing participation in the Inter-jurisdictional Working Group investigating State and Territory based emissions trading models.
- Changes to the *Gas Pipelines Access (Western Australia) Act 1998* to implement the national institutional arrangements agreed by all Australian jurisdictions and the MCE's response to the Productivity Commission's review of the National Gas Pipeline Regime.

Service 2: Development and Implementation of Sustainable Energy Policy and Programs

The Government's sustainable energy policy seeks to achieve an increase in the adoption of renewable energy and energy efficiency through the development and implementation of sustainable energy policy and programs.

	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	14,049	6,702	14,660	10,600	
Less Income	6,565	3,000	8,369	4,873	
Net Cost of Service	7,484	3,702	6,291	5,727	
Adjustments ^(a)	(792)	709	(1,908)	(718)	
Appropriation for delivery of Service	6,692	4,411	4,383	5,009	

(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 item of Ministerial support...	n/a	\$385	\$664	\$561	
Average cost per strategic policy developed....	n/a	\$58,950	\$99,547	\$86,602	
Average cost of meeting major policy and program implementation milestones.....	n/a	\$89,217	\$103,875	\$116,580	
Average value of incentive grants paid	n/a	\$2,752	\$3,803	\$3,796	
Average cost per information and advice service	n/a	\$301,424	\$238,914	\$218,911	
Full Time Equivalents (FTEs)	22	21	24	23	

(a) Significant change to the Office's Outcome structure and efficiency measures for the 2004-05 budget make comparison of actuals from the 2003-04 financial year invalid.

Major Achievements For 2004-05

- A significant level of support was provided to government agencies, most of which made good progress in reducing energy use over the year. Updated data from agencies shows that they collectively reduced energy consumption by 4.6% against a 6% target.
- Working with the housing industry has increased use of the First Rate software ratings tool, with many new assessors trained and ratings audited. Work also commenced on trialling and introducing a new generation software ratings tool, AccuRate. The tools enable energy efficiency assessment of housing designs to enable increased energy efficiency in residential houses.
- Administered funding for numerous regional sustainable energy projects through the Sustainable Energy Development Office (SEDO) Grants Committee and Renewable Remote Power Generation Program (RRPGP). These range from small community education or research projects to large renewable energy installations, such as \$3 million for Hopetown, Rottneest Island and Bremmer Bay wind energy projects, \$3 million for remote area renewable energy systems in households and businesses and \$450,000 for renewable energy water pumping systems.
- Negotiations for a new RRPGP agreement with the Commonwealth Government was completed during 2004-05 and work towards new programs for fringe-of-grid renewable energy installations and energy efficiency in off-grid areas has commenced.
- A National Framework for Energy Efficiency has been agreed between all Australian Governments and work has commenced on nine program areas, including residential and commercial buildings, commercial and industrial capacity building, appliances and equipment, training and consumer capacity building.
- A number of community information programs have been provided this year, including energy efficient appliance promotions, electrical appliance retailer training and community seminars in metropolitan and regional locations.
- A pilot energy efficiency project comprising information, provision of compact fluorescent lamps, small business audits and efficient appliance rebates was implemented in Exmouth and Meekatharra.

Major Initiatives For 2005-06

- Establish a new solar schools program involving the installation of solar power systems to further enhance the Government Energy Smart program and provide an additional educational tool for student learning about energy efficiency and the use of renewable energy.
- Implement a new gas-boosted solar water heater subsidy scheme to increase the use of environmentally friendly water heaters in new and existing homes.
- Commence implementation of an energy efficiency program in off-grid areas to reduce consumers' energy bills and the cost and environmental impact of energy supply in remote areas.

- Establish a fringe-of-grid renewable energy support program for small and medium sized projects to increase the sustainability and quality of energy supply at grid fringes.
- Develop proposals for implementing a 6% renewable energy target for the SWIS to increase the amount of renewable energy generated on the network and assist in developing the sustainable energy industry.
- Commence development of a biomass strategy for Western Australia that has the potential to also benefit the Government's land care goals and a renewable energy strategy to build on progress made to date in removing barriers for renewable energy generators.
- Establish an urban demonstration project to showcase the use of renewable energy and determine any scope for reducing peak demand.
- Develop a strategy for implementing a program of mandatory disclosure of house energy efficiency at point of sale or lease of residential properties, as per the national agreement under the National Framework for Energy Efficiency.
- Work with national and local stakeholders to develop energy efficiency standards for commercial buildings for inclusion in the Building Code of Australia.

CAPITAL WORKS PROGRAM

The Office's capital works program consists of the replacement of computing equipment, office equipment and furniture. In accordance with the Office's capital investment plan and depreciation policy, computing equipment is budgeted for replacement after three years, other office equipment after five years, and furniture as required.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
COMPLETED WORKS				
Computer Hardware and Software Replacement 2004-05 Program	292	292	292	-
NEW WORKS				
Computer Hardware and Software Replacement 2005-06 Program	251	-	-	251
	543	292	292	251

CAPITAL CONTRIBUTION

The Office's capital works program consists of asset replacement. The cost of the program is met through a combination of service appropriations and drawdowns from the Holding Account.

	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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	253	292	292	251	269	255	268
LESS	253	292	292	251	269	255	268
Drawdowns from the Holding Account	117	189	189	193	166	197	165
Funding Included in Service Appropriations ^(a)	-	103	103	58	103	58	103
Internal Funds and Balances	26	-	-	-	-	-	-
Capital Contribution	110	-	-	-	-	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2003-04 Actual ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	4,804	4,193	4,802	4,693	4,094	3,438	3,537
Superannuation	470	540	471	451	405	352	352
Grants and subsidies ^(c)	12,843	8,598	16,269	11,698	11,065	11,007	11,007
Supplies and services	6,783	2,539	9,062	10,790	4,714	3,024	3,275
Accommodation	630	450	500	500	465	445	445
Capital User Charge	256	113	131	91	42	7	8
Depreciation and amortisation	203	210	314	303	197	211	173
Other expenses	549	22	22	23	23	24	24
TOTAL COST OF SERVICES	26,538	16,665	31,571	28,549	21,005	18,508	18,821
Income							
Regulatory Fees and Fines	83	-	56	68	89	100	100
Grants and subsidies	5,840	3,000	8,313	5,000	5,000	5,000	5,000
Other Revenue	1,499	-	525	595	525	525	595
Total Income	7,422	3,000	8,894	5,663	5,614	5,625	5,695
NET COST OF SERVICES	19,116	13,665	22,677	22,886	15,391	12,883	13,126
INCOME FROM STATE GOVERNMENT							
Service Appropriations	23,775	15,224	15,326	22,264	14,339	12,804	13,066
Resources received free of charge	99	98	100	100	60	60	60
Liabilities assumed by the Treasurer	43	-	45	45	45	45	45
TOTAL INCOME FROM STATE GOVERNMENT	23,917	15,322	15,471	22,409	14,444	12,909	13,171
SURPLUS (DEFICIENCY) FOR THE PERIOD	4,801	1,657	(7,206)	(477)	(947)	26	45
Extraordinary items	58	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	4,859	1,657	(7,206)	(477)	(947)	26	45

(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 65, 67 and 66 respectively.

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

**BALANCE SHEET
(Controlled)**

	2003-04 Actual ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	8,722	950	2,503	1,766	896	1,094	1,307
Restricted cash	3,305	1,694	2,661	2,514	2,469	2,481	2,494
Investments	170	5,900	2,572	3,572	4,579	2,579	579
Receivables	357	115	537	734	743	582	420
Amounts receivable for services.....	189	193	193	166	236	165	-
Prepayments	1	4	2	2	2	2	2
Other.....	-	4,250	-	-	-	-	-
Total current assets	12,744	13,106	8,468	8,754	8,925	6,903	4,802
NON-CURRENT ASSETS							
Amounts receivable for services.....	467	584	652	782	738	773	991
Plant and equipment.....	205	468	135	127	112	(2)	(28)
Loans and Advances	1,472	-	2,000	2,000	2,000	2,000	2,000
Other.....	242	2,750	187	85	69	169	187
Total non-current assets.....	2,386	3,802	2,974	2,994	2,919	2,940	3,150
TOTAL ASSETS.....	15,130	16,908	11,442	11,748	11,844	9,843	7,952
CURRENT LIABILITIES							
Payables	46	266	616	610	610	610	610
Provision for employee entitlements	724	554	816	819	812	771	790
Accrued Salaries	198	-	17	35	50	62	75
Amounts due to the Treasurer.....	1,846	6,416	4,856	5,579	6,579	4,579	2,579
Other.....	767	-	767	767	767	767	767
Total current liabilities.....	3,581	7,236	7,072	7,810	8,818	6,789	4,821
NON-CURRENT LIABILITIES							
Provision for employee entitlements	394	333	421	466	501	503	535
Total non-current liabilities	394	333	421	466	501	503	535
TOTAL LIABILITIES.....	3,975	7,569	7,493	8,276	9,319	7,292	5,356
EQUITY							
Contributed Equity.....	1,097	847	1,097	1,097	1,097	1,097	1,097
Accumulated surplus/(deficit)	10,058	8,492	2,852	2,375	1,428	1,454	1,499
Total equity.....	11,155	9,339	3,949	3,472	2,525	2,551	2,596
TOTAL LIABILITIES AND EQUITY	15,130	16,908	11,442	11,748	11,844	9,843	7,952

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service Appropriations	23,448	14,914	14,948	21,968	14,147	12,604	12,848
Capital Contribution.....	110	-	-	-	-	-	-
Holding Account Drawdowns	117	189	189	193	166	236	165
Net cash provided by State government	23,675	15,103	15,137	22,161	14,313	12,840	13,013
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(4,341)	(4,243)	(4,869)	(4,627)	(4,051)	(3,465)	(3,473)
Superannuation	(418)	(540)	(426)	(406)	(360)	(307)	(307)
Grants and subsidies	(12,679)	(8,598)	(16,269)	(11,698)	(11,065)	(11,007)	(11,007)
Supplies and services	(6,433)	(5,915)	(8,338)	(10,648)	(4,606)	(2,916)	(3,167)
Accommodation.....	(632)	(450)	(500)	(500)	(465)	(445)	(445)
Capital User Charge.....	(256)	(113)	(131)	(91)	(42)	(7)	(8)
Goods and Services Tax	(1,062)	(510)	(983)	(1,030)	(610)	(440)	(446)
Other.....	(742)	(22)	(22)	(23)	(23)	(24)	(24)
Receipts							
Regulatory fees and fines.....	83	-	56	68	89	100	100
Grants and subsidies	5,840	3,000	8,313	5,000	5,000	5,000	5,000
Goods and Services Tax	822	510	753	785	553	553	560
Other receipts	1,713	-	525	595	525	525	595
Net cash from operating activities.....	(18,105)	(16,881)	(21,891)	(22,575)	(15,055)	(12,433)	(12,622)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(110)	(189)	(189)	(193)	(166)	(197)	(165)
Net cash from investing activities.....	(110)	(189)	(189)	(193)	(166)	(197)	(165)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	-	(800)	-	(2,277)	(2,000)	(2,000)	(2,000)
Other payments for financing activities.....	(1,691)	(5,900)	(3,100)	(3,000)	(3,007)	-	-
Proceeds from borrowings	1,330	5,900	3,010	3,000	3,000	-	-
Other proceeds from financing activities.....	107	800	170	2,000	2,000	2,000	2,000
Net cash from financing activities.....	(254)	-	80	(277)	(7)	-	-
NET INCREASE/(DECREASE) IN CASH HELD	5,206	(1,967)	(6,863)	(884)	(915)	210	226
Cash assets at the beginning of the reporting period	6,375	4,611	12,027	5,164	4,280	3,365	3,575
Net cash transferred to/from other agencies	446	-	-	-	-	-	-
Cash assets at the end of the reporting period.....	12,027	2,644	5,164	4,280	3,365	3,575	3,801

(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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
EXPENSES							
Grants and subsidies	-	-	600	1,400	-	-	-
Supplies and services	39	-	-	-	-	-	-
Transfer of Assets/Liabilities	-	159	271	-	-	-	-
TOTAL ADMINISTERED EXPENSES ^(b) ..	39	159	871	1,400	-	-	-
INCOME							
Interest revenue	18	6	22	-	-	-	-
Service Appropriations	-	-	600	1,400	-	-	-
TOTAL ADMINISTERED INCOME ^(c)	18	6	622	1,400	-	-	-

- (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 ^(a) \$'000	2004-05 Budget ^(a) \$'000	2004-05 Estimated Actual ^(a) \$'000	2005-06 Budget Estimate ^(a) \$'000	2006-07 Forward Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	381	-	-	-	-	-	-
Total Administered Current Assets	381	-	-	-	-	-	-
ADMINISTERED NON-CURRENT ASSETS							
Total Administered Non-Current Assets	-	-	-	-	-	-	-
TOTAL ADMINISTERED ASSETS	381	-	-	-	-	-	-
ADMINISTERED CURRENT LIABILITIES							
Other	132	-	-	-	-	-	-
Total Administered Current Liabilities	132	-	-	-	-	-	-
ADMINISTERED NON-CURRENT LIABILITIES							
Total Administered Non-Current Liabilities	-	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES ..	132	-	-	-	-	-	-

- (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 ^(a)	2004-05 Budget ^(a)	2004-05 Estimated Actual ^(a)	2005-06 Budget Estimate ^(a)	2006-07 Forward Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	-	-	(600)	(1,400)	-	-	-
Supplies and services	(1)	-	-	-	-	-	-
Cash Flow Transfers	-	-	(492)	-	-	-	-
Transfer of Assets/Liabilities	-	(253)	89	-	-	-	-
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(1)	(253)	(1,003)	(1,400)	-	-	-
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Interest received	18	6	22	-	-	-	-
Service Appropriations	-	-	600	1,400	-	-	-
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH INFLOWS	18	6	622	1,400	-	-	-
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS	17	(247)	(381)	-	-	-	-

(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	2004-05 Budget	2004-05 Estimated Actual	2005-06 Budget Estimate	2006-07 Forward Estimate	2007-08 Forward Estimate	2008-09 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
State's contribution to the Underground Power Project	4,820	4,820	4,820	4,820	4,820	4,820	4,820
Commonwealth Specific Purpose Renewable Energy Funds - Renewable Remote Power Generation Program (RRPGP).....	5,839	2,900	8,500	4,950	4,950	4,950	4,950
Commonwealth Specific Purpose Renewable Energy Funds - Photovoltaic Rebate Program	76	-	87	-	-	-	-
Remote Area Power Systems Rebate Scheme (includes State's contribution to the Remote Regional Power Generation Program or RRPGP).....	512	-	-	-	-	-	-
Energy Smart Government Facilitation Grants	371	100	426	400	400	400	400
SEDO Grants Committee Trust Account							
Grants	116	180	593	598	495	437	437
SEDO Grants Committee - Special Funding Round	61	-	363	30	-	-	-
Solar Hot Water Heater Incentive Scheme.....	530	488	1,210	500	-	-	-
Gas-Boosted Solar Water Heater subsidy	-	-	-	400	400	400	400
Contributions to Energy Markets Working Group (MCE)	112	110	-	-	-	-	-
Contributions to Energy Efficiency Working Group.....	-	-	94	-	-	-	-
Other grants, subsidies and transfer payments .	406	-	176	-	-	-	-
TOTAL	12,843	8,598	16,269	11,698	11,065	11,007	11,007

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
OTHER STATE SERVICES							
Grants and subsidies	-	-	600	1,400	-	-	-
Payments made from residual Gas Corporation funds administered	39	-	-	-	-	-	-
Transfer of assets and liabilities	-	159	271	-	-	-	-
TOTAL	39	159	871	1,400	-	-	-

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							
Interest to Gas Corporation Administered							
Bank Accounts	18	6	22	-	-	-	-
Service appropriations	-	-	600	1,400	-	-	-
TOTAL	18	6	622	1,400	-	-	-

TRUST ACCOUNT DETAILS**SEDO Grants Committee Trust Account**

The purpose of this account is to hold funds for funding the operations of the SEDO Grants Committee, including the funding of renewable energy and energy efficiency demonstration and educational projects.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance	313	244	827	665
Receipts:				
Appropriations	696	250	522	523
Other	-	-	-	-
	1,009	494	1,349	1,188
Payments	182	250	684	688
CLOSING BALANCE	827	244	665	500

Commonwealth Funded Initiatives and Programs Trust Account

The purpose of this account is to hold funds provided by the Commonwealth Government for the purpose of providing rebates under various programs undertaken in partnership with the Office of Energy and for the purpose of conducting any other programs that assist the implementation of energy efficiency initiatives throughout Western Australia.

	2003-04 Actual \$'000	2004-05 Budget \$'000	2004-05 Estimated Actual \$'000	2005-06 Budget Estimate \$'000
Opening Balance.....	1,952	1,550	2,305	1,979
Receipts:				
Appropriations	-	-	-	-
Other.....	6,289	3,000	8,313	5,000
	8,241	4,550	10,618	6,979
Payments	5,936	3,100	8,639	5,000
CLOSING BALANCE	2,305	1,450	1,979	1,979

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
Australian Greenhouse Building Rating Scheme	3	-	5	8
Contribution to Government Vehicle Scheme	19	-	20	20
Energy in Western Australia Conference	69	-	-	70
First Rate Software assessor registration.....	31	-	51	60
Grants from Commonwealth (PVRP)	75	-	69	-
Grants from Commonwealth (RRPGP).....	5,765	3,000	8,244	5,000
GST input credits	822	510	753	785
Licensing fees	43	-	-	-
Recoup of program costs	1,611	-	500	500
Recoup of services provided.....	17	-	-	-
Sales of information products and services.....	3	-	5	5
TOTAL	8,458	3,510	9,647	6,448

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

WESTERN POWER

CAPITAL WORKS PROGRAM

Continuing the trend of recent years, Western Power's capital works program is again focused on core business activity and is part of a longer term plan to improve the quality, reliability and safety of supply and to provide increased capacity to serve existing and new customers. The 2005-06 capital expenditure program totals \$599.4 million, an increase of \$135 million (or 29 per cent) over the 2004-05 program and represents a major stimulus for economic growth throughout the State.

Distribution

- Expenditure within the Distribution segment of the business focuses on maintaining and improving reliability and quality of supply through ongoing enhancement and upgrading of the system. A total of \$189.9 million has been allocated for projects within the distribution network. A large part of the program, equal to \$113.4 million, will be spent on essential work to connect new commercial and domestic customers to the electricity network. Other significant programs include \$29.4 million allocated to electricity system capacity enhancements driven by customer growth, \$12 million for the continuation of the Rural Power Improvement Program and \$9.7 million for the commencement of a new safety project to replace overhead service connections to houses in response to an investigation into the deaths of two children in Wyndham. A new program to upgrade the reliability of the major zone substations will commence in 2005-06 to reduce average transformer loadings and improve overall system reliability. An allocation of \$3 million is provided for the Distribution portion of this project.
- The State Underground Power Project (SUPP) is estimated to cost \$20.6 million in 2005-06. Western Power is carrying out this project, which involves undergrounding of the existing aerial distribution system in both country and metropolitan areas, in conjunction with the State and Local Governments.

Transmission

- Transmission expenditure totalling \$190 million is focused on meeting customer demand and expanding the capacity of the system. Customer connections, including new generators, has been allocated \$84.6 million and capacity enhancement \$73.3 million. To improve system reliability a new program to upgrade the reliability of the major zone substations will commence in 2005-06 with an allocation of \$10 million.

Generation

- A total of \$46.1 million has been allocated to expand capacity and support the achievement of efficiency, reliability and environmental targets. Expenditure at Muja Power Station totals \$32.2 million and includes the commencement of the Stage D Capacity Upgrade project that will result in an additional 54 mega watt of capacity and is planned to be available for the 2006-07 summer. Kwinana Power Station has been allocated \$7.4 million largely for enhancements of station control systems and water supply.

Sustainable Energy

- Sustainable Energy has been allocated \$32 million for the development of wind-diesel projects at Coral Bay and Hopetoun, as well as for a new wind farm at Grasmere. The Grasmere wind farm has reserve bidder status in the renewable energy procurement process and its commencement will therefore be dependent on the outcome of the competitive tendering process.

Non Interconnected Systems

- A total of \$25.4 million has been allocated for work within the isolated Regional and Pilbara systems. Major initiatives include \$6.9 million for network enhancements, \$4.6 million to be spent on Port Hedland's SUPP, \$4.4 million for the provision of Aboriginal and Remote Communities power supplies and \$3.6 million for asset replacement. Also included, is the commencement of the project to replace overhead customer service connections to homes and small businesses, which involves a cost of \$0.9 million in the Non Interconnected Systems in 2005-06.

Other Works

- An allocation of \$50.8 million provides funding for a range of other works. This includes \$25.1 million for the upgrading of Western Power's corporate and retail information technology infrastructure, a \$3 million upgrade of the head office building to further support the ongoing development of separate business units within Western Power, and \$20.3 million for fleet and logistics activities across all of Western Power. The allocation also provides for procurement of Renewable Energy Certificates.

Energy Market Reform

- An allocation of \$44.6 million provides for the development of information technology systems and energy metering arrangements required to support the Government's ongoing commitment to reform within the electricity industry.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-05 \$'000	Estimated Expenditure 2004-05 \$'000	Estimated Expenditure 2005-06 \$'000
WORKS IN PROGRESS				
Electricity Market Reform.....	69,975	10,203	10,203	44,632
Non Interconnected Systems				
Underground Power Project - Port Hedland.....	7,839	3,273	3,273	4,566
COMPLETED WORKS				
Distribution				
Customer Driven, New Capacity, Asset Replacement, Public Safety				
2004-05 Program.....	164,870	164,870	164,870	-
Undergrounding Project				
2004-05 Program.....	17,568	17,568	17,568	-
Generation				
2004-05 Program	49,463	49,463	49,463	-
Non Interconnected Systems				
Customer Driven, New Capacity, Asset Replacement, Public Safety				
2004-05 Program.....	13,505	13,505	13,505	-
Other Works				
2004-05 Program	54,895	54,895	54,895	-
Sustainable Energy				
2004-05 Program	9,205	9,205	9,205	-
Transmission				
2004-05 Program	141,402	141,402	141,402	-
NEW WORKS				
Distribution				
Customer Driven, New Capacity, Asset Replacement, Public Safety				
2005-06 Program.....	189,862	-	-	189,862
Undergrounding Project				
2005-06 Program.....	20,573	-	-	20,573
Generation				
2005-06 Program	46,123	-	-	46,123
Non Interconnected Systems				
Customer Driven, New Capacity, Asset Replacement, Public Safety				
2005-06 Program.....	20,803	-	-	20,803
Other Works				
2005-06 Program	50,828	-	-	50,828
Sustainable Energy				
2005-06 Program	32,031	-	-	32,031
Transmission				
2005-06 Program	189,958	-	-	189,958
	1,078,900	464,384	464,384	599,376

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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	315,900	418,600	464,384	599,376	507,033	514,107	518,678
	315,900	418,600	464,384	599,376	507,033	514,107	518,678
LESS							
Borrowings.....	-	90,000	121,636	308,626	155,211	162,208	243,603
Internal Funds and Balances	315,900	328,600	342,748	290,750	351,822	351,899	275,075
Capital Contribution	-	-	-	-	-	-	-