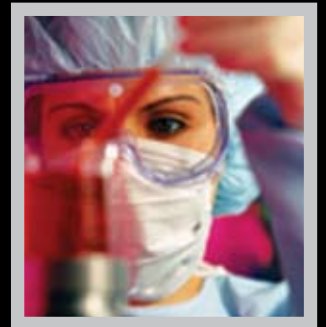
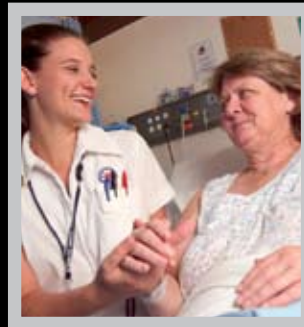




2006-07 BUDGET

BUDGET OVERVIEW



Building on the Boom

Budget Overview

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2006–07 Budget Paper set includes:

Budget Paper No. 1 – Budget Speech

Budget Paper No. 2 – Budget Statements (Volumes 1–3)

Budget Paper No. 3 – Economic and Fiscal Outlook

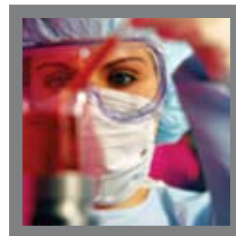
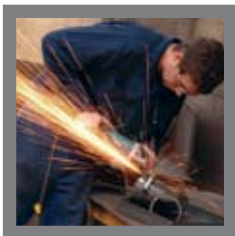
Budget Overview

Reader's Guide to the 2006–07 Budget Statements

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2006-07 Budget Overview

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2006-07 Budget Highlights

BUILDING ON THE BOOM

Our State is enjoying an economic boom and the Government wants all Western Australians to reap the rewards, not just today, but also tomorrow. To make sure we keep Western Australia vibrant and successful, we must reinvest our resources into developing the important things – our schools, roads, hospitals and key services. That is why we have chosen to plough a record \$5.2 billion into our infrastructure. We are looking to the future – and it is looking bright. As part of the 2006-07 Budget we will spend:

- \$633 million on the State's electricity infrastructure to improve generation, transmission and distribution;
- \$620 million on water, wastewater and drainage infrastructure, including the completion of the Perth Seawater Desalination Plant;
- \$475 million to expand and maintain our vast State and local road networks;
- \$391 million on the continued construction of the New MetroRail project;
- \$313 million building and looking after Government schools and TAFE college infrastructure;
- \$278 million on health-related infrastructure – a massive 92 per cent increase on last year's spend; and
- \$234 million on police, prison and court facilities.

TAX RELIEF

After widespread consultation with the community, the Government has reflected their views in the Budget through our State Tax Review. We will build on the \$2.5 billion tax relief program of the last two years with a further \$765 million worth of relief over the forward estimates. In all, three State taxes will be abolished and there will be further land tax relief.

- Mortgage duty will be halved from 1 July 2006 and abolished from 1 July 2008, benefiting all taxpayers who borrow against their property.

- Hire companies and their customers will benefit from the abolition from 1 January 2007 of the hire of goods duty.
- Businesses will benefit from the abolition of conveyance duty on non-real business property from 1 July 2010.
- From 1 July this year the land tax exemption threshold will be increased. As a result about 18,000 (or 14 per cent) of people who would otherwise have received a bill will now be exempt. Those who do pay will pay less because of the higher threshold.
- To help those building new homes the current land tax exemption period of 12 months will be increased to two years from 1 July this year, helping ensure that land tax is not being incurred because of current delays in building a home.

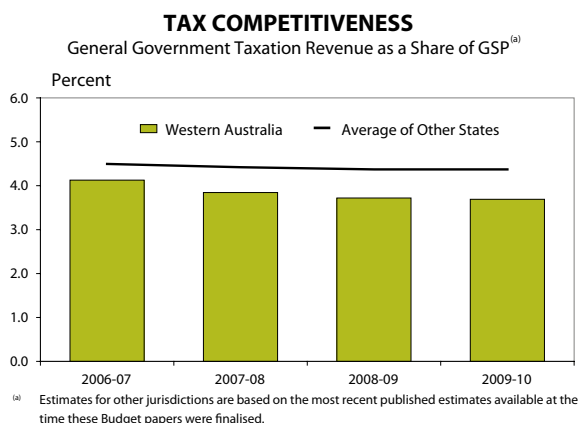
Other new measures will also make the tax system fairer. From 1 July 2006:

- Family members who provide a home for their disabled children will no longer pay land tax on that property and will be able to claim concessions for rates and government charges (subject to certain conditions);
- The liable party on gifts of property will change from the donor to the donee, resulting in such gifts no longer being liable for stamp duty where the donee is an exempt body;
- The aggregation provisions of the *Land Tax Assessment Act* will be tightened to help ensure land tax bills cannot be minimised by transferring a minor interest in a taxable property into a different ownership;
- First home buyers who enter into a shared equity arrangement with the Department of Housing and Works will receive the first home buyer stamp duty exemption on future equity purchases in their home; and
- Undocumented (as well as documented) transfers of property from a bankrupt to creditors under the *Bankruptcy Act* will be exempted from conveyance duty.

SUMMARY OF KEY TAX MEASURES

	2006-07 Budget Estimate \$m	2007-08 Forward Estimate \$m	2008-09 Forward Estimate \$m	2009-10 Forward Estimate \$m	2010-11 Projection \$m
Mortgage Duty – Staged Abolition	-73.0	-82.8	-161.9	-175.1	-189.4
Hire of Goods Duty – Abolition	-15.2	-38.0	-41.0	-44.0	-47.2
Conveyance Duty on Non-Real Business Property – Abolition	–	–	–	–	-119.3
Land Tax and MRIT – Adjustments to Land Tax Scale	-37.2	-39.8	-42.6	-45.6	-48.8
Land Tax – Aggregation of Land Holdings – Minor Interests	10.0	10.0	10.0	10.0	10.0
Land Tax – Two year Exemption for Building New Residences	-2.0	-2.1	-2.3	-2.5	-2.7
Total Value of Tax Relief	-117.4	-152.7	-237.8	-257.2	-397.4

Other minor measures will improve the equity and operation of the State tax system. The Government will also consider the final report of the State Tax Review in future budgets.



HOUSEHOLD FEES AND CHARGES

The State Government is committed to ensuring Western Australian families are looked after and this budget is no exception with the increase in the 'basket' of government tariffs, fees and charges well below inflation.

In some areas, charges will be reduced significantly:

- Compulsory Third Party insurance premiums will be cut by 10 per cent (or about \$25 per vehicle);
- The family rebate on motor vehicle registration will rise 3.6 per cent (to nearly \$55); and
- Families will have savings from a full year of 50 cent bus fares for school students.

For the sixth consecutive year, there will be no increase in electricity prices. In the wake of the Economic Regulation Authority's final report on urban water pricing, the Government has introduced a new system of charges for this precious resource. Pricing in the metropolitan area will now help develop future water sources, including the Perth Seawater Desalination Plant currently under construction. The new price system is a more accurate reflection of the cost of delivering water to the city and helps customers realise just how precious water is, especially in Western Australia's dry climate. Under the new price structure, total water charges for the average household will increase by \$18.90 in 2006-07, or about 36 cents per week.

2006-07 Budget Highlights (contd)

In all, annual spending by the so-called representative household on the basket of State government goods and services will increase by just \$31.46 over the year. That's just 60 cents per week and represents a less than one per cent increase on last year. It is also well below the forecast inflation rate for 2006-07 of 3 per cent.

This follows the freeze in key household charges by the Government in 2004-05 and the decision to remove, reduce or freeze a number of key household charges in 2005-06. Since 2000-01, those fees and charges for the representative household have been slashed by \$390 per annum (**10.6 per cent**) in real terms.

SUSTAINABLE FINANCES

The Government is building on the exceptional economic conditions in Western Australia to set our State up for the future. As part of that plan we are:

- Using the 2005-06 surplus to repay all New MetroRail project debt, meaning Western Australians will be the proud owners of Australia's newest and best urban rail network – paid for in full. It also brings the total amount of debt retired by the Government over the last two years to \$2 billion, slashing the debt servicing burden on future generations of taxpayers by an estimated \$145 million per annum;
- Investing in infrastructure of long-term benefit to the Western Australian community and economy, with a record \$5.2 billion Capital Works Program this year; and
- Ensuring our commitments are prudently based on long-term forecasts for revenue rather than cyclical peaks. By investing our substantial surpluses now, we are helping take care of the future.

Outlook for Net Debt

In support of the Government's massive investment in community infrastructure worth \$18.1 billion over the four years to 2009-10, net debt is expected to rise.

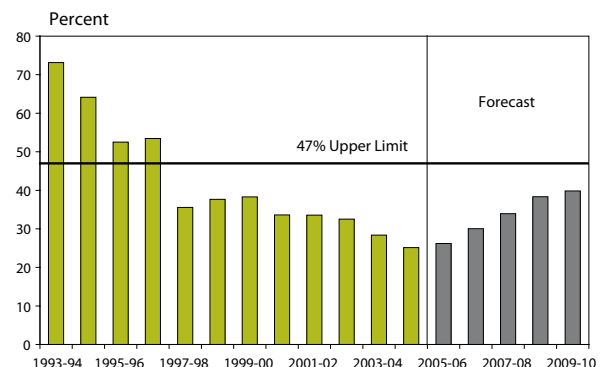
However, healthy operating surpluses provide the funds for Government to make massive investments in the State's infrastructure while keeping debt at sustainable and affordable levels. With a strong surplus of \$1,275 million forecast for 2006-07 coming back-to-back with an expected record of \$1,981 million for 2005-06, significant non-debt funding is available to support the Capital Works Program.

As a result, the net debt to revenue ratio (a key measure in the annual assessment of the State's credit rating) is forecast to remain below 40 per cent across the entire forward estimates period – well within the Government's 47 per cent upper limit.

The net debt to revenue ratio in 2004-05 was just 25.2 per cent – the lowest ever recorded. The level of total public sector net debt at 30 June 2005 was also the lowest on record at \$4.0 billion.

It should be noted that the general government sector (schools, hospitals, police stations, etc.) is net debt free. The public corporations (such as the water and electricity utilities) carry net debt to provide essential infrastructure.

NET DEBT TO REVENUE RATIO
Total Non-Financial Public Sector



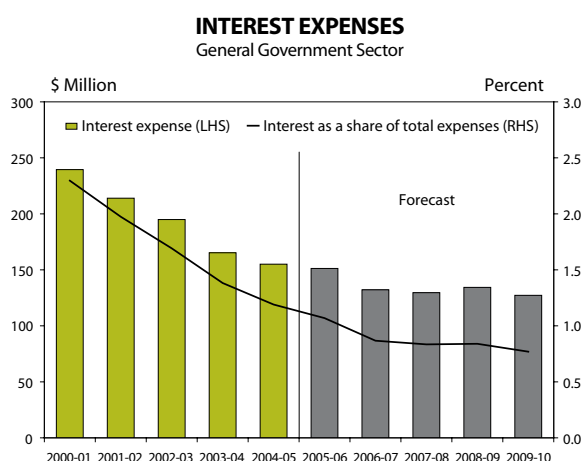
Debt Repayment

The Government has used the surpluses from 2003-04 and 2004-05 to repay more than \$1 billion in long-term debt, including \$322 million left over from the former Liberal Government's 2000-01 privatisation of Westrail Freight. This has saved Western Australians about \$70 million per year in interest payments alone.

As mentioned, the Government has committed \$1.3 billion of the record surplus expected for 2005-06 to repay all existing borrowings and to fund remaining works for the New MetroRail project, leaving the project completely debt-free.

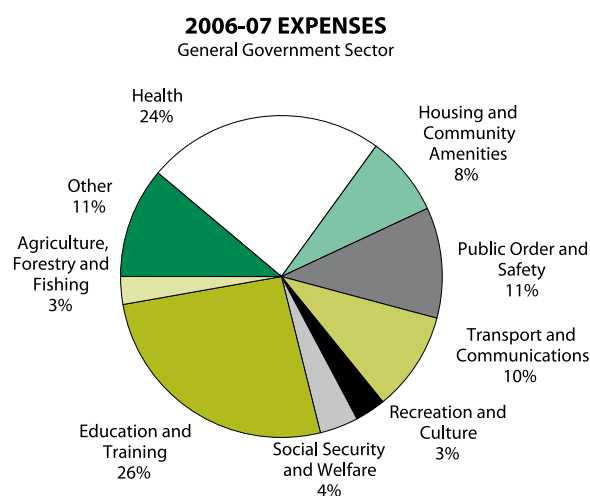
This decision will save about \$75 million per year in direct interest costs, bringing the total interest saving from the debt paid off over the last two years to about \$145 million per year – money that is being redirected to key services such as health, education and training and law and order.

In 2006-07, general government interest expenses are expected to be about \$100 million less than when the Government came to office in 2000-01.



DELIVERING KEY SERVICES

The 2006-07 Budget maintains the focus on the Government's priority service areas of health, education and training, law and order and community support.



This budget includes about \$930 million in new expenditure initiatives over the four years to 2009-10, including:

- The Council of Australian Governments' health reform initiatives including health promotion, prevention and early intervention;
- 200 extra FTE nurses as part of the promise to deliver an extra 800 nurses over the four years from 2005;
- Implementation of the Mahoney Inquiry recommendations;
- The recruitment of an extra 90 police officers and 40 civilian staff to release sworn officers to operational duties;
- Additional accommodation support places and preventive services for people with disabilities; and
- The 'At Risk Children In Out of Home Care' initiative with provision for increased placements, training and recruitment of an additional 87 caseworkers and support staff.

Further information on spending initiatives is contained in the following sections.

Improving Services

QUALITY HEALTH CARE

The Government has already made significant progress towards rebuilding Western Australia's health system. Our hospitals now treat, on average, an additional 11,000 patients each year (from 2000-01) while elective surgery waiting lists have been reduced. The 2006-07 Budget commits an extra \$904 million over four years from the 2005-06 Budget. Expenditure for the health sector will now reach \$3.9 billion in 2006-07, representing an increase of \$241 million from 2005-06. Capital works expenditure is expected to be \$278 million in 2006-07 – almost double that in 2005-06.

Health Reform

The Government will continue to improve clinical services and upgrade infrastructure across the State.

Key initiatives underway include implementing a Clinical Services Framework and Metropolitan Infrastructure Development Program to significantly restructure and upgrade service delivery across the metropolitan area. As well, substantial improvements to country services are

being implemented through the establishment of Regional Resource Centres in key regional areas.

We are also making health care more accessible with better, more efficient ways of coping with demand and improvements to the management of elective surgery. The number and range of services on offer to patients in their home or outside of hospitals will increase to ensure that demand for services is effectively managed. Steps are being taken through the Healthy@Home and Hospital in the Home programs to provide acute care and management for patients in their own homes where appropriate.

New Health Care Initiatives

Council of Australian Governments' (COAG) Health Reform Initiatives

Funding of \$38.7 million over four years has been committed to the COAG health reform initiatives announced on 10 February 2006. This includes:

- \$25 million to expand State health programs to prevent chronic disease, and motivate and support healthy lifestyle and behaviour change;



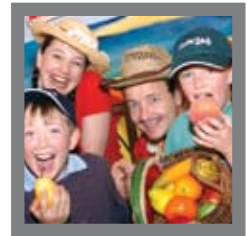
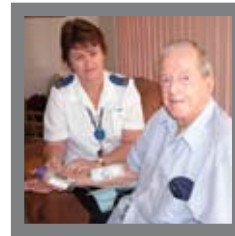
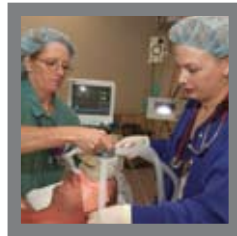
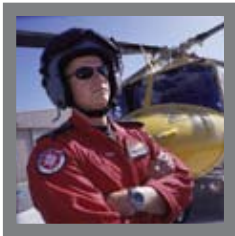
Mental Health

Emergency Department (ED) Mental Health Liaison Nurses, Jo-Anne Dwyer and Gary Warren, have the most important jobs in the health sector.

The duo are highly trained and spend their days carrying out psychiatric assessments as well as treating and supporting mental health patients in the ED. They also play an integral role in educating other ED nurses who are likely to come into contact with mental health patients.

Jo-Anne and Gary are just two of 28 full-time ED Mental Health Liaison Nurses who have recently been appointed in Perth Metropolitan Hospitals to expand mental health emergency services as part of the overall Mental Health Strategy 2004-2007.

The State Government has allocated \$4.3 million for ED Mental Health Liaison Nurses and Registrars as part of the \$47.3 million allocated to implement the Mental Health Strategy in 2006-07.



- \$7.7 million to the development of the National E-Health Records System; and
- \$6 million for Clever Networks – Telehealth to develop, support and expand Telehealth services across the State.

Mental Health Strategy

The Government has allocated additional funding of \$98.8 million over four years to further support the Mental Health Strategy announced by the State Government in September 2004. This funding will help provide State-wide mental health emergency services, increased access to adult in-patient beds, community mental health services and alternatives to acute admissions, as well as workforce safety initiatives.

Continence Management

The Government has committed \$18.1 million over four years to establish a community-based continence advisory service to be jointly managed by the Department of Health and the Disability Services Commission. As part of this service, the Disability Services Commission (\$10.7 million) will provide subsidies to seniors and adults who are currently ineligible for a continence management product subsidy under other schemes. The funding also includes the establishment of a State-wide continence support service responsible for conducting assessments, liaising with clinical specialists and providing continence advice and counselling services.

New Health Facilities

To ensure Western Australia's health system meets the growing demands of the community, the Government has allocated extra funding of more than \$1 billion to significantly upgrade infrastructure over a 13-year period. This includes an additional \$843 million for 16 metropolitan public hospitals and \$171 million for country health facilities, and brings the Government's total commitment over that time to \$3.7 billion. The planned restructure of the State's health facilities is an integral part of reforms to ensure the system can respond to the growing demands of our ageing population in a financially sustainable way.

Metropolitan General and Tertiary Hospitals

Significant progress in the building and redevelopment of metropolitan hospitals is planned in 2006-07, including:

- \$19.6 million to start work on the Fiona Stanley Hospital at a total cost of more than \$700 million;
- \$15 million as part of the redevelopment of the Sir Charles Gairdner Hospital with a total project cost of \$536 million;
- \$11.8 million to commence redevelopment of the Joondalup Health Campus with a total cost of \$126 million;
- \$12 million as part of a \$92.1 million upgrade to the Rockingham Kwinana Hospital; and
- \$9.4 million to buy land and start planning for the new Swan Health Campus with a total cost of \$192.5 million.

Country Health Facilities

Ongoing improvements and expansion to country health facilities occurring in 2006-07 include:

- \$19 million as part of a \$44 million project to upgrade health facilities in the Kimberley region;
- \$10 million to commence the development of the Broome Regional Resource Centre, with a total cost of \$42 million; and
- \$6 million to commence development of the Hedland Regional Resource Centre Stage 2, with a total project cost of \$90 million.

Improving Services (contd)

ENHANCING SKILLS AND KNOWLEDGE

Education and training is a Government priority to ensure Western Australia has a highly skilled workforce to drive and sustain our economic growth. Accordingly, spending on education and training will reach \$3.6 billion in 2006-07 – an increase of \$304 million or 9.4 per cent from 2005-06.

Capital works expenditure is expected to be \$312.7 million in 2006-07 – an increase of \$58.1 million.

Tackling Skills Shortages

In conjunction with the Commonwealth, an additional \$66.4 million has been committed to boost the number of Western Australians in training to meet the growing demand for skilled workers. More detailed information is provided under Jobs and the Economy.

Raising the School Leaving Age

\$68.9 million will be provided over the next four years to support extra staff and new programs to better engage 16 and 17 year olds in school and TAFE colleges as part of legislative changes to raise the school leaving age.

An extra \$2.1 million has been allocated in 2006 to support District Education Training Plans to provide more options for students to help attract and keep them in the education and training system. Considerable work is being done

to ensure that schools are well placed to provide better opportunities for those who will stay on through Year 11 from 2006.

Putting More Computers in Schools

Following the successful 100 Schools Project, \$6.4 million has been allocated in 2006-07 to implement the Learning with Information and Communications Technologies initiative in a further 105 schools. The scheme focuses on schools in regional areas with a total of \$20 million to be spent upgrading computer resources and extra teacher training in 56 schools in the Pilbara, Mid West, South West and Great Southern.

Improving Behaviour Standards and Student Well-being

The successful Behaviour Management and Discipline Strategy has been expanded to provide \$17.4 million in 2006-07 to help 200 primary schools and 75 secondary schools work with students with behaviour and discipline problems. The strategy includes recruiting an extra 125 teachers each year to allow class sizes to be reduced. Other initiatives include:

- \$700,000 for YouthCare coordinators to provide professional learning and support to chaplains in the field;

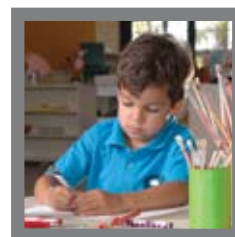
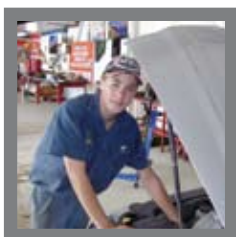


Reforming Western Australia's apprenticeship and traineeship system

The Department of Education and Training, TAFEWA colleges and publicly-funded private training providers are playing a major role in addressing the skill shortages which are accentuated by Western Australia's booming economy.

Since 2001, the number of apprentices and trainees in training in the State has increased by 60 per cent compared with a national increase of 30 per cent. The Government's target of 30,000 new apprentices and trainees in training by 2009 has already been surpassed.

Reform of the apprenticeship and traineeship system has been given impetus with the creation of the Skills Formation Taskforce, a reduction of time for completing some apprenticeships, and new two-year apprenticeships in some areas.



- \$270,000 to enable the School Volunteer Program to service an extra 300 schools and 3,000 students by 2008;
- A grant of \$100,000 for two full-time staff for Youth Focus in order to make the agency's expertise more readily available in schools; and
- Continued support to allow the state-wide expansion of Gerard Neesham's successful football academies for Aboriginal boys.

A further \$1.2 million over four years has been allocated to introduce a compulsory community service program for students in Years 10 and 11, beginning with a pilot at ten selected regional and metropolitan public schools in 2006. Western Australia is the first state to introduce community service in public secondary schools and students will gain formal recognition for their efforts through the WA Certificate of Education.

Upgrading and Building Schools and Colleges

As part of the Government's commitment to education \$312.7 million will be spent in 2006-07 on public schools and TAFE college facilities, including:

- Continued work on seven new primary schools;
- Commencement of work on five new primary schools;
- Continued construction of the replacement for Kwinana Senior High School and the new Comet Bay College at Secret Harbour;
- Continued work on four new secondary schools and a new senior college;
- The commencement of work at the new Landsdale High School, the replacement of the Fitzroy Crossing District High School and major improvements to the Perth Modern School; and
- Provision to buy the former Australian Institute for University Studies campus at Joondalup and convert the facilities to a senior college.

In 2006-07, \$74.3 million will be spent on maintenance, including \$10 million on the 'Fixing our Schools' program aimed at reducing the backlog.

IMPROVING COMMUNITY SAFETY

WA Police

The Government continues its significant investment in community safety by committing an additional \$46.3 million to the WA Police in 2006-07, bringing total expenditure to \$765.8 million. The 6.4 per cent increase will ensure that the State's police have the resources to keep our State safe for everyone.

Police ranks will be swelled with an extra 90 front-line officers in 2006-07, continuing the Government's commitment of 350 additional officers. More officers will also be freed from desk duties with 160 administrative and expert civilian staff to be recruited over four years – the entire package equivalent to having a further 510 police officers on the beat by 2009-10.

The Government is also cracking down on anti-social behaviour and making better use of intelligence to target hotspots. The Anti-social Behaviour Reduction Strategy launched last December was supported with two new mobile lockup facilities, 40 additional stun guns and 70 metal detectors.

Police also have a total capital works budget of \$304.9 million over the next four years, which will see the construction and completion of 22 facilities around the State and continued improvements to hi-tech systems such as the Perth Metropolitan Radio Network and the Delta Communications and Technology project.

Major elements of the building program for 2006-07 are:

- Completion of the multi-functional police facilities at Bidyadanga, Dampier Peninsular, Kalumbaru and Warakurna and commencement of Jiggalong and Warnum in line with the recommendations of the Gordon Inquiry;
- Continued construction of replacement police stations at Vincent, Stirling, Leonora, Harvey, Derby and Carnarvon, the new police station at Canning Vale and the replacement police complexes at Broome and Karratha; and
- The design and planning phase for the construction or refurbishment of a new Perth Watchhouse/Police Centre/Specialist Crime Portfolio Complex with a total cost of \$92.2 million.

Improving Services (contd)

Improving Services

The Government is providing an additional \$33 million to reduce Aboriginal over-representation and recidivism levels within the prison system. Initiatives include:

- The expansion of the Domestic Violence Court diversion and treatment programs – aimed at changing violent behaviour and reducing alcohol abuse within Aboriginal communities;
- Strengthening the management of community-based services;
- Revising the way fines are enforced;
- Trial of an Aboriginal Court – increased cultural awareness by the Courts and greater involvement by the Aboriginal community in the sentencing process promotes a sense of Aboriginal ownership of the justice process and is expected to result in higher attendance rates and fewer breaches of bail by Aboriginal defendants; and
- Development of a replacement structure for the Aboriginal Justice Council – will enable localised planning frameworks to be established with regional and local reference groups addressing justice needs identified at the community level.

Other improvements include additional appointments to the District Court and the Mandurah Magistrates' Court as well as significantly increased funding for the Director of Public Prosecutions and the Legal Aid Commission. A more efficient and effective justice system, at a cost of \$50 million over four years, will reduce delays in going to trial and the anxiety of witnesses and other affected parties. Also, the *Children and Community Services Act 2004* will improve the care and protection of children effected by the justice system.

An extra \$400,000 a year will provide critical statutory guardianship and investigation services to protect adults with decision-making disabilities. This includes people in regional Aboriginal communities.

The Mahoney Inquiry into the corrective services system has recommended initiatives to help achieve a safe and secure community. The Government has responded by creating a new Department of Corrective Services with more staff

levels, an emphasis on ongoing training, increased focus on intelligence gathering, and improved classification and management of prisoners.

An extra \$1.9 million per annum is also provided to improve the handling of victims' representations and submissions for the revised Prisoner Review Board. Community safety will determine the decisions that are made. More than \$117 million will be spent over the next four years addressing key recommendations.

The Corrective Services \$79.3 million capital works program includes improvements to the Broome, Eastern Goldfields, Bunbury and Bandyup prisons, completion of the Banksia Hill Juvenile Detention Centre, continuation of the new Geraldton and Kalgoorlie Juvenile Remand Centres and accommodation expansion at Wooroloo. Security will also be tightened in prisons.

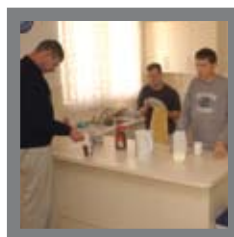
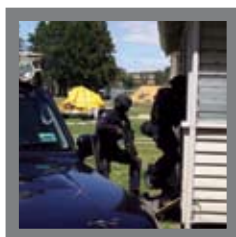
An extra \$5.3 million has been provided to expand and improve juvenile justice facilities to complement increased staffing levels recommended by the Mahoney Inquiry.

Road Safety

The Government has made major reductions to the level of death and serious injury on our roads but more can be done to help solve this terrible problem. To help reduce the carnage the Government has endorsed increases to fines and demerit point penalties for drivers who break the law by speeding, refusing to wear seat belts, drink-driving and other traffic offences. The changes are in keeping with the *State Road Safety Strategy 2003-2007*, which has been endorsed by the Road Safety Council.

The Government has also supported the Road Safety Council's calls for additional enforcement, particularly in school zones, with additional speed cameras.

It has also provisionally allocated \$44 million over the forward estimates to implement the road safety initiatives laid out in the four-year strategy.



Counter-Terrorism

Terrorism has become a real threat all over the world and Western Australia is no exception. To help keep our State safe from terrorist attack, the Government has allocated \$37.2 million over the forward estimates to improve our counter-terrorism capacity.

Investments in our security include:

- Capital funding of \$8.8 million and recurrent funding of \$11.0 million over the forward estimates to Western Australian Police for counter-terrorism work and training and;
- \$15.5 million across the forward estimates to the Department of Health and to the Department for Community Development.

SUPPORTING COMMUNITIES

Supporting People With Disabilities

The Government is determined that all Western Australians benefit from our economic boom, particularly the disabled and the vulnerable members of our community.

As part of our commitment to investing in our State and its people, the Government will spend \$334 million supporting people with disabilities in 2006-07, an increase of \$31.7 million or 10 per cent on 2005-06 estimated expenditure.

To meet its commitment to provide additional accommodation support over and above the targets set in the independent Accommodation Blueprint report (2003), the Government has allocated an additional \$6.4 million in 2006-07 specifically for accommodation support that will provide places for an additional 113 people.

An additional \$2.1 million a year commencing in 2006-07 will be provided to redevelop the supported accommodation services.

Individual and family support services are essential to meet the needs of people with disabilities and their carers. In 2006-07 more than \$7.8 million in growth funding will be provided to help meet the individual requirements of people with disabilities and to support them within their local communities.

Included in this funding is an extra \$650,000 for early childhood intervention services. This will reduce the waiting times for parents seeking specialist disability professional support for their pre-school children, allowing for more intensive levels of support during the critical early years of development.

Also included in the individual and family support funding from 2006-07 is an additional \$1 million a year for additional flexible respite services.

An additional \$500,000 in 2006-07 has been allocated to provide better alternatives for younger people that live in aged care facilities. This is the start of a new five-year agreement with the Commonwealth under which the State will contribute \$5 million over the forward estimates.

Protecting Children

The safety and well-being of our children is paramount for the State Government. For that reason an extra \$30 million will be allocated to the Department for Community Development this year which will include funding for an extra 154 permanent staff in 2006-07.

As part of our commitment to looking after the most vulnerable of all people in our society, the 2006-07 Budget initiatives will include:

- 87 caseworkers and support staff to meet increased demand in care for children services and help bring workloads into line with international benchmarks;
- An additional 20 treatment based placements for children and young people with severe emotional and behavioural disturbances, including an additional 15 professional carers and support staff;
- Better training for new and existing staff working with children;
- Two new child sexual abuse treatment services (in Bunbury and Mandurah); and
- Funding to meet cost and demand pressures in expenditure on children in care, including supervised contact with parents, professional services for children (including counselling and speech therapy), food, clothing and accommodation.

A Budget for All Western

GASCOYNE

- \$7.1 million to provide wind-diesel electricity generation at Coral Bay
- \$3.4 million for the continuation of the Carnarvon to Mullewa Road, from North West Coastal Highway to Gascoyne Junction
- \$2.2 million for flood mitigation works to the North West Coastal Highway
- \$1.9 million for the Carnarvon Integrated Health Service
- \$1.3 million to establish an electricity distribution network in Coral Bay and connection to a new wind-diesel power supply
- \$1.2 million to further progress work on the Carnarvon Police Station

PERTH METRO

East Metropolitan

- \$54.6 million on new and upgrades to existing schools
- \$29.9 million for Midland Redevelopment Authority Works
- \$23.4 million on health infrastructure including the new Swan Health Campus
- \$15.1 million for the Champion Lakes land development and access works
- \$11.5 million to redevelop the facilities at Bandyup Prison
- \$7.1 million for the Police Operations Support Facility Stage 2 Traffic Support

North Metropolitan

- \$84.9 million for new and upgrades to existing schools and TAFE college
- \$34.6 million on health infrastructure including the Joondalup Health Campus
- \$27 million to construct the Mitchell Freeway from Hodges Drive to Burns Beach Road
- \$16.6 million for upgrades and improvements to the Fremantle Port Authority
- \$16.3 million for new and replacement Police facilities including Stirling, Vincent, Wanneroo and Perth Watch House

South Metropolitan

- \$58.8 million for continued construction of the Perth Seawater Desalination Project
- \$52.2 million for new and upgrades to existing schools and TAFE college
- \$36.8 million for health infrastructure including Stage 1 of the Southern Tertiary Hospital and redevelopment of the Rockingham Kwinana District Hospital
- \$10.2 million for infrastructure improvements for the Rottnest Island Authority
- \$5 million on new headquarter and biosecurity facilities for the Department of Agriculture and Food
- \$4.7 million on improvements and upgrades to animal exhibits at Perth Zoo
- \$3.2 million for construction of Canning Vale Police Station

WHEATBELT

- \$15.7 million to realign and reconstruct the Great Northern Highway from Muchea to Wubin
- \$12.2 million to reconstruct the Great Eastern Highway from Kellerberrin to Merredin
- \$10 million expenditure on the construction of new buildings at Muchea for the Western Australian Meat Industry Authority
- \$1.9 million for the redevelopment of the Moora Health Multi-Purpose Centre
- \$920,000 to co-locate the Fire and Emergency Services Volunteers in Dalwallinu

PEEL

- \$70 million for the construction of the New Perth to Bunbury Highway
- \$6.5 million for the Caddadup Waste Water Treatment Plant upgrade
- \$6.2 million for the Halls Head Waste Water Treatment Plant upgrade
- \$2.9 million to construct the Gordon Road Bridge on the New Perth to Bunbury Highway
- \$1.9 million for improvements to the Pinjarra Senior High School
- \$1.6 million for the facilities at the Murray District Health Centre
- \$750,000 to begin work on the South Halls Head Primary School

KIMBERLEY

- \$36 million on significant upgrades to health infrastructure at the Broome Health Regional Resource Centre
- \$11.2 million to construct the Dunham development
- \$8.5 million for the Fitzroy Crossing District Police Station
- \$7.2 million for the Kimberley District Police Station
- \$6.9 million for the Derby Police Station
- \$6 million for the Country High School Hoskins and Broome Residential College
- \$5.2 million for the Broome Bypass
- \$2.7 million for the Aboriginal and Remote Communities

SOUTH WEST

- \$62.2 million for infrastructure on the Murrumbidgee River including the Murrumbidgee D generating unit
- \$30.3 million for new schools and related infrastructure
- \$11.7 million for the Bridgetown Inner Bypass
- \$10.4 million for the Bunbury Regional Prison
- \$10.2 million on health infrastructure including the South West Health Campus
- \$5.8 million for capital works by the Bunbury City Council
- \$3.2 million for replacement Police facilities

Western Australians

Health facilities, including \$10 million for the redevelopment
 deviation on the Great Northern Highway
 High School replacement
 Police Complex
 Hostels Authority for the construction of the
 Communities Power Supply Project

PILBARA

- \$62 million for the Karratha-Tom Price Link Road
- \$9.2 million for improvements and upgrades to the Hedland Health Regional Resource Centre
- \$7.6 million for improvements to the Dampier Port Authority
- \$6.7 million for alterations to the South Hedland Police Station
- \$6.3 million for the Pilbara District Police Complex
- \$6 million to improve the Dampier road
- \$6 million for the Karratha Senior High School redevelopment
- \$4.4 million for improvements to Hedland Senior High School
- \$4 million for new works and improvements to the Port Hedland Port Authority
- \$3.1 million for undergrounding power supply in Port Hedland to increase reliability due to cyclonic activity

MID WEST

- \$24.5 million on Berth 5 for the Geraldton Port Authority
- \$6.8 million for improvements to the Kalbarri District High School
- \$5 million for the Geraldton Secondary College redevelopment and John Willcock College
- \$2.9 million to construct the Goldfields Highway – Wiluna to Meekatharra
- \$2.4 million for the redevelopment of the Morawa and Perenjori Health Multi-Purpose Centre
- \$2.4 million for the Geraldton Foreshore Redevelopment and CBD Revitalisation project
- \$1 million for the Geraldton Juvenile Remand Centre

GOLDFIELDS-ESPERANCE

- \$19.7 million for the reconstruction of the Eyre Highway at Caiguna East
- \$4 million for various improvements to the South Coast Highway
- \$3.6 million for replacement facilities at the Leonora Police Station
- \$3.2 million for improvements to the Esperance Port Authority
- \$3 million for a new primary school in Hopetoun
- \$1.8 million to commence the upgrade of the Kalgoorlie Court
- \$1.5 million for the Kalgoorlie Health Regional Resource Centre

GREAT SOUTHERN

- \$8 million for the Albany Waterfront Development
- \$5.7 million for the Country High School Hostels Authority for the Albany Residential College
- \$5.1 million for Muirs Road
- \$4 million for the replacement of the Mt Barker Primary School
- \$4 million for the Denmark Health Multi-Purpose Centre
- \$2.1 million for the Albany Ring Road
- \$1.5 million for the Albany Entertainment and Convention Centre
- \$1.5 million for the Albany Health Regional Resource Centre

a Power Station, including upgrades to the
 capital works in the region
 Pass
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 ending the Busselton Health Service and
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Improving Services (contd)

Accommodation Support

Extra funding of about \$2.4 million in 2006-07 is allocated for the Supported Accommodation Assistance Program (SAAP) initiatives, aimed at helping homeless people and victims of domestic violence. The initiatives include:

- A new domestic violence refuge service in the northern metropolitan area;
- Addressing cost and demand pressures of the SAAP sector, to ensure its viability and maintain current service levels; and
- Implementing the SAAP V Agreement, including indexation as per the Non-Government Human Services Sector Indexation Policy.

State Housing Commission

The Government recognises that while the Western Australian housing market has enjoyed phenomenal growth in recent times, there are some families struggling to find affordable housing. To assist, the State Housing Commission will deliver a significant public housing program in 2006-07 with a total investment of \$183.2 million in construction.

A total of \$136.9 million will also be spent on land acquisitions as well as development and redevelopment that will produce more than 3,000 lots. Of these, 2,061 will spring from contributions of \$47 million to joint venture projects with the private sector.

The New Living Program will continue with refurbishment works on seven metropolitan and nine regional projects including the 'New North' and 'Eastern Horizons' metropolitan locations, Albany, Bunbury, Geraldton and South Hedland. The program, which also includes upgrading parks and community facilities, has been highly successful in reducing crime rates and increasing property values.

The Government has recently committed \$12.2 million to address housing priorities in Halls Creek.

Keystart

The Government continues to provide significant support to Western Australians seeking to own their own homes through low-deposit, low-cost, affordable home ownership schemes. The provision of loans to homebuyers on low to moderate incomes, the disabled, Aboriginal and Torres Strait Islanders and public housing households, is primarily made through the Keystart scheme. Keystart is expected to provide more than 5,000 loans in 2006-07 with funding of \$664.9 million.

Keystart will also commence a new \$50 million shared equity scheme in 2006-07. This will enable 200 to 250 households on lower incomes to buy or build.

New hostel a home for children at risk

A new \$1.3 million hostel has been purpose built at Bunbury for short to medium-term accommodation for young people at risk.

Canowindra Hostel can house up to 10 young people, giving them a home and localised care to help avoid disruption to schooling and friendships.

As well as comfortable, homely surroundings that include study areas with computers and a games room, the hostel provides a service to help them either return to their families or grow to become self-reliant.

Residents learn life skills such as cooking, cleaning and budgeting, and where appropriate, are helped into independent living with support.



Jobs and the Economy

ECONOMIC GROWTH

The Western Australian economy is forecast to grow by 5.25 per cent in 2006-07 following an expected increase of 4.75 per cent in 2005-06. The State's economy will have grown in real terms by 36 per cent between 2000-01 and 2006-07.

In 2006-07, net trade (exports less imports) is expected to be the major driver of economic growth. Exports are forecast to grow by 10 per cent in 2006-07 as additional capacity, resulting from the strong resource sector investment of recent years, begins to generate increased production and exports.

The State's growth has reduced the unemployment rate to its lowest since the late 1970's, while the proportion of people in jobs or looking for jobs has increased to record highs.

More than 156,000 additional jobs will have been created over the six-year period from 2000-01 to 2006-07, while employment growth is forecast to ease to 2 per cent in 2006-07 due to tight labour supply.

CREATING JOBS AND FUTURE OPPORTUNITIES

Science and Innovation

The Government has committed \$72 million over the next four years to help diversify our economy by implementing a new Science and Innovation strategy. These funds will help build on the State's strengths in the biotechnology sector (including medical research), and build critical mass in research and development.

The Government will provide \$4.5 million in seed funding in 2006-07 to develop the Centre for Food and Genomic Medicine to help Western Australia contribute to solving major health issues such as diabetes and cancer. The Government's funding also includes \$850,000 per annum for three years, to fund Western Australia's two Nobel Laureates who will serve as international ambassadors promoting the State's emerging biotechnology industry.

Apprenticeships

The State and Commonwealth have committed an additional \$66.4 million over five years to help meet the growing demand for skilled workers. The development of more flexible and improved pathways between schools, apprenticeships and traineeships, vocational education and training, universities and the community is essential to support the growing demand for more diverse learning opportunities for school leavers.

A number of initiatives will be undertaken with funding directed towards:

- Increasing the number of people undertaking apprenticeships and traineeships to 32,700 by 2009;
- The School Apprenticeship Link program which allows students to train in a trade area while still at school and shortens an apprenticeship;
- Increased trade skills recognition for individuals, maximising the identified skilled workforce for industry. An additional 1,000 applicants for trade skills recognition could be recognised each year over the next four years; and

Jobs and the Economy (contd)

- Increasing the number of funded Group Training Schemes (GTS) including the introduction of a new model aimed at funding State priority target groups such as skill shortages occupations, indigenous people and people with disabilities. Overall, the number of GTS is expected to almost double from 14 in 2006 to 24 in 2009.

BUILDING CAPACITY THROUGH CAPITAL WORKS

The Government is well aware that now is the time to build on our State's good fortunes by re-investing the budget surpluses into our State. The budget will pour every cent of the State's surpluses back into crucial infrastructure including a record Capital Works Program for 2006-07 of \$5.2 billion, an increase of 10 per cent over the 2005-06 Budget estimate.

Power Generation and Supply

The Government achieved major structural reforms in the electricity sector in 2005-06 including the disaggregation of Western Power Corporation into four separate entities on 31 March 2006. The new wholesale electricity market will be introduced on 1 July 2006.

The combined capital works programs of the new power entities in 2006-07 is \$632.6 million and represents a \$33.2 million (or 5 per cent) increase over 2005-06. These programs are part of a longer-term plan to improve the quality, reliability and safety of supply in both regional and metropolitan areas and will provide increased capacity to serve existing and new customers.

Western Power Networks plans to spend \$442.3 million for transmission and distribution projects, a \$62.4 million (or 16 per cent) increase on 2005-06. Of this, \$231.1 million has been provided for new capacity, asset replacement and public safety, \$173.8 million to keep pace with demand and \$27.1 million for the State Undergrounding Power Program.

Horizon Power (Regional) will spend \$31.6 million in 2006-07 including \$11 million on Network Enhancement, \$3.7 million on Aboriginal and Remote Communities Power Supply and \$16.9 million on other projects including Asset Replacement, the provision of sustainable energy infrastructure at Coral Bay and Hopetoun and the State Underground Power project.



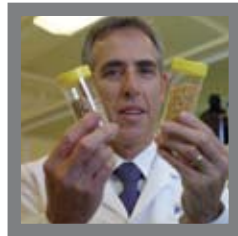
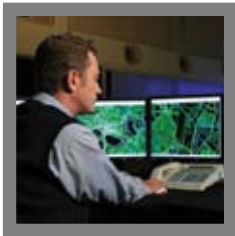
WA to deliver its first Biotechnology Industry Development Strategy

From the food we eat, to the medical treatment we seek, to industrial processes that benefit our environment, biotechnology has played a part in many significant discoveries that have changed the way in which we live.

Western Australia's biotechnology industry is one of the fastest-growing new industry sectors. Western Australia is home to 11 per cent of Australia's biotechnology companies and has demonstrated innovative discoveries and commercial successes in the key areas of biomedical, agricultural and environmental biotechnology and bio-mining.

The Western Australian Biotechnology Industry Development Strategy is a first step in ensuring that the social, economic and environmental benefits of local biotechnology research, development and commercialisation are captured for the benefit of all Western Australians.

The State Government's \$72 million investment in science and innovation will deliver new infrastructure and support mechanisms to develop WA's emerging biotechnology sector and position the State as a recognised global player.



Verve Energy (Generation) will spend \$92.1 million on upgrading and expanding the capacity of its thermal generators. Synergy (Retail) will spend \$16.6 million on its Information Technology program including enhancements of \$6.6 million to the Contestable Billing System and \$8.5 million on Product and Software development.

Water, Wastewater and Drainage

The Water Corporation will invest \$610.7 million in 2006-07 on various capital projects to meet the water and wastewater needs of the growing State and respond to the drying climate.

The program provides for the:

- Perth Seawater Desalination Plant;
- Investigation into alternative water sources for Perth and country areas;
- Construction of wastewater schemes at Alkimos and East Rockingham; and
- Continued funding for ongoing projects such as the Infill Sewerage program (including accelerated works from 2006-07), wastewater treatment schemes, water sources and water distribution infrastructure.

Within this program, \$58.8 million will be used to complete the Perth Seawater Desalination Plant and associated infrastructure, which will be the biggest single contributor of water to the Perth Integrated Water Supply Scheme. The plant will provide a climate-independent 17 per cent increase in the public water supply.

\$112 million will also be spent on metropolitan and country water distribution infrastructure, and \$57.4 million on infill and other sewerage projects.

In addition, \$109.7 million will be spent on new and existing wastewater treatment plants and the wastewater conveyance network. This includes the wastewater schemes at Alkimos and East Rockingham in response to unprecedented land development and population growth in the north-west and south-west metropolitan corridors.

The Bunbury and Busselton Water Boards will spend \$9.5 million on water-related infrastructure in 2006-07. This includes expenditure of \$2.8 million by Bunbury Water Board on water distribution and reticulation works to service new land developments and \$2.4 million by the Busselton Water Board to upgrade water treatment facilities.

Ports

The Government has committed \$87.7 million in 2006-07 on enhancing port facilities. Major projects include:

- Fremantle Port Authority – \$36.7 million includes the strengthening of the inner harbour berths to accommodate larger ships. Other projects include improvements to the waterfront at the western end of Victoria Quay, and the completion of the port's security upgrade;
- Geraldton Port Authority – \$24.5 million to complete the modification of Berth 5 into a specific iron ore berth; and
- Dampier Port Authority – \$7.6-million includes the construction of a cyclone proof storage shed, acquisition of advanced navigational aids and enhancements to the cargo wharf.

Jobs and the Economy (contd)

Roads

The Government is committing \$475 million in 2006-07 to improving and expanding the State and local road networks.

Major projects planned for 2006-07 include:

- \$70 million on the New Perth to Bunbury Highway;
- \$62 million in respect of the Karratha-Tom Price Link Road – Stage 2;
- \$27 million on the Mitchell Freeway extension (Hodges Drive to Burns Beach Road); and
- \$19.7 million on the Eyre Highway, Caiguna East to Balladonia.

The Government has confirmed its commitment to reducing accidents on Western Australian roads by providing \$27.9 million in 2006-07 to the Safer Roads Program and \$20 million to the State Black Spot Program.

TOURISM

The budget reflects Government's continued commitment to growing the State's tourism industry. A further \$27.7 million over four years has been provided for initiatives including:

- Building on the success of the 'The Real Thing' marketing campaign in key markets – in 2005-06 a once-off injection of \$6.9 million was used to boost the State's tourism profile, the largest ever injection of marketing funds. To build on the success of this campaign \$10.2 million over two years has been provided. A particular focus of marketing activity will be to secure greater visitor numbers from key Asian markets including China and Japan. The development and expansion of direct air services from these markets is a central component of this strategy;
- Strengthening Western Australia's online presence – \$10.2 million has been provided to implement the Tourism eMarketplace program. The program will assist the tourism industry by providing common internet infrastructure and an integrated network of websites for the dissemination of marketing and product information; and
- An Aboriginal Tourism Strategy – Tourism's contribution to regional job opportunities will be enhanced through the implementation of the Aboriginal Tourism Strategy, to establish a sustainable Indigenous tourism industry. The strategy will focus on capacity building for tourism operators, identifying markets for Indigenous tourism product and increasing the profile of that product in those markets. The Strategy will be implemented over four years at a cost of \$880,000.

Lifestyle and Environment

PROTECTING THE ENVIRONMENT

National Water Initiative (NWI)

Western Australia became a signatory to the NWI on 6 April 2006. This will significantly influence the State's water reforms. Key issues to be addressed in implementation include:

- Water access entitlements and planning framework;
- Water markets and trading;
- Best practice water pricing;
- Integrated management of water for environmental and other public benefit outcomes;
- Water resource accounting;
- Urban water reform;
- Knowledge and capacity building; and
- Community partnerships and adjustment.

Total funding of \$43.8 million over four years has been provided by the Government to start implementing the State's water reforms through the:

- Irrigation Reform program designed to increase productivity and efficiency of water use. A new entitlements regime will be introduced and water markets and trading will be reformed;
- Drinking Water Source Protection program to ensure the State continues to have safe drinking water;
- Improved Water Resource Management program to identify water resources for industry and water supply. This will also increase emphasis on licensing and regulation of water use, to ensure that users are using their allocations efficiently and not overdrawing them as well as improving information to the community and industry;
- Perth Region Sustainability program to assess the impact of taking water from groundwater resources at the Gnangara and Jandakot Mounds;
- Drainage and Associated Functions program to provide integrated drainage plans to meet both urban and rural development, and environmental outcomes. It will assist in reducing constraints on 40,000 lots under the

Metropolitan Development Program which are held-up by water and environmental issues; and

- Floodplain Management program which aims to reduce the long-term impact of flooding. It involves developing a Floodplain Management Manual, progressing the State's floodplain mapping program, providing advice to approving authorities to ensure acceptable floodplain development, improving the State's flood forecasting and warning service and promoting community awareness of the risks of major flooding.

Biodiversity and Native Vegetation

Additional funding of \$18 million over four years has been provided for biodiversity conservation and protection, including management of native vegetation clearing. Of this total, \$14.2 million will be spent on a range of activities aimed at halting the decline in Western Australia's biodiversity due to habitat loss, feral animals, pests, weeds, dieback and salinity as well as continuing the Cane Toad management initiative in the Kimberley and \$3.8 million will be spent on native vegetation protection.

Salinity

Dryland salinity continues to affect agricultural land, water resources, biodiversity and infrastructure (particularly towns and roads). Work will continue with regional Natural Resource Management groups and industry to manage this critical problem.

The Government has a three-fold approach to managing salinity as part of the State Salinity Strategy:

- Containment – develop programs to slow the rate of watertable rise and eventually stop salinity encroachment;
- Adaptation – develop strategies to use the saline land and water for productive purposes; and
- Recovery – rehabilitate salt affected areas where socially or environmentally required. This applies particularly to high value assets such as rural towns.

Lifestyle and Environment (contd)

Greenhouse

Additional funding of \$8 million over four years has been provided to address Greenhouse issues, including \$2.1 million to advance greenhouse policy and undertake further emissions trading modelling. A further \$6 million has been provided for the Renewable Energy Production Subsidy initiatives.

Swan and Canning Rivers

Additional funding of \$6.8 million has been allocated to help address problems in the Swan and Canning Rivers over the coming years. Of this, \$5.9 million will target nutrient run-offs at Ellenbrook, a significant contributor to nutrient loading, and to further pursue oxygenation of the Swan River. The remainder of the funding will go towards tackling acid sulphate soils in Baigup Reserve – a regionally significant wetland situated on the Swan River beside the Garrett Road Bridge.

Sustainable Energy

The Government's electricity reform program will encourage renewable electricity generation and sustainable energy initiatives through the introduction of new market arrangements and open access to Western Power's network. The reform program has been designed to remove barriers and impediments to all renewable energy resources, including sources such as wind generators.

In addition, \$32 million has been allocated in 2006-07 to sustainable energy projects, including for the development of wind-diesel projects at Coral Bay and Hopetoun.

ENHANCING COMMUNITIES

New MetroRail Project

Expenditure on the \$1.6 billion New MetroRail project is planned to total \$391 million in 2006-07 and will include provisions for:

- Continuation of construction of the Southern Suburbs Railway infrastructure, including civil and engineering works to lay track, communication systems, signalling systems and the completion of the power supply for the new system – \$168 million;
- Completion of construction of nine stations, including Canning Bridge, Murdoch, Cockburn, Kwinana, Rockingham and Mandurah – \$62 million;
- Completion of the City Project works from the Narrows Bridge to the CBD, including the completion of tunnelling under the city and the two city stations at William Street and the Esplanade – \$112 million; and
- Completion of all other major works, and the start of testing, commissioning and driver training in 2006-07.

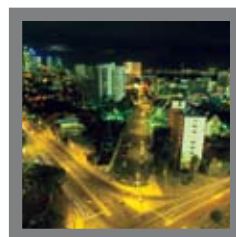


Swan River Trust

The Swan River Trust will receive an additional \$967,000 in 2006-07 to boost two critical programs aimed at protecting the health of the Swan and Canning rivers.

\$667,000 will be directed at a new project to boost oxygen levels in the Swan River and maintain a successful oxygenation program in the Canning River.

\$300,000 will be directed to the Swan River Trust's drainage nutrient intervention program, to be focused on Ellenbrook, which remains one of the biggest sources of nutrients to the Swan estuary.



Regional Bus Services

Additional funding will lock in new bus services in Port Hedland, a service to link the communities of Wickham, Roebourne, Karratha and Dampier and services in the Murray region linking Waroona, North Pinjarra and Mandurah, following the completion of successful trials.

Modern Public Transport

A number of projects will be undertaken to ensure safe, modern and accessible public transport services:

- \$31 million to add 65 new compressed natural gas buses to the Transperth bus fleet in 2006-07;
- \$6.8 million for the full implementation of the SmartRider ticketing system, a new contactless smart-card ticketing system, helping with the efficient and safe use of the metropolitan transport network; and
- \$10.2 million for upgrades and improvements to stations under the Better Stations program, including work at Maddington, Kalgoorlie, Armadale, East Perth, Joondalup Special Event and Kelmscott stations.

Culture and The Arts

The Government is continuing the significant capital works program to maintain and upgrade the State's cultural assets including:

- an additional \$24 million, providing a total of \$66.2 million, for a new performing arts theatre in Northbridge scheduled for completion in 2008-09;
- \$16.1 million over four years on capital maintenance and asset replacement for the Department of Culture and the Arts;
- \$750,000 in 2006-07 for the continuation of the development of state-wide cultural and arts facilities through the Community Cultural and Arts Facilities Fund; and
- \$750,000 in 2006-07 to upgrade the Art Gallery's early warning indicator and fire detection system.

A total of \$10.3 million in 2006-07 will be invested in public library resources.

Sport and Recreation

The Government continues to recognise the benefits of sport and recreation to the wellbeing of Western Australians by funding new initiatives in 2006-07, including:

- \$2.8 million over four years to develop talent identification pathways for young sportspeople, with a focus on regional areas;
- \$2 million over four years promoting the positive benefits of club membership and participation in club based sports and recreation;
- \$2 million over four years to promote and enhance outdoor recreation activities and organisations; and
- \$2 million over four years for the Premier's Physical Activity Taskforce.

In 2006-07, \$10.8 million will be allocated from the Community Sporting and Recreational Facilities Fund to 102 community projects, with about 60 per cent located in regional Western Australia.

These include:

- Shire of Esperance – \$1.75 million towards an extension to the Bay of Isles Leisure Centre;
- City of Mandurah – \$1.28 million towards the Meadow Springs Regional Open Space sporting facilities development;
- Shire of Irwin – \$1.17 million for the extension of the Dongara/Denison Recreation Centre;
- Shire of Gosnells – \$619,000 to the construction of new facilities at Tom Bateman Reserve;
- Shire of Narembeen – \$333,000 towards the upgrade of the Narembeen Aquatic Centre; and
- Yungngora Community – \$200,000 for the construction of undercover basketball courts at Nookanbah Station.

In addition, the following major facilities will commence construction:

- The replacement Athletics Facilities at AK Reserve, with \$6.7 million allocated in 2006-07; and
- The former State Indoor Centre, now State Gymnastics Centre, with the State contributing \$3.7 million to the estimated total cost of \$9.1 million.

The Government has also committed an additional \$8.1 million in 2006-07 to upgrade recreation camps at Woodman Point and Ern Halliday (Hillarys).

Improving Outcomes for Indigenous Western Australians

At both State and national levels, outcomes for Indigenous Australians lag considerably behind comparative outcomes for non-Indigenous Australians. Addressing these gaps is a key priority for the Government.

Following the abolition of the Aboriginal and Torres Strait Islander Commission, the State and Commonwealth Governments have embarked on a significant program of review and reform. These reforms are intended to improve cross-government coordination in the planning, managing and monitoring of Indigenous services and enable a more streamlined government service delivery structure. Reforms being progressed by the State Government include:

- Formulation of a whole-of-government framework for Indigenous services;
- A Functional Review of the Western Australian Department of Indigenous Affairs; and
- Negotiation of a Commonwealth-State Bilateral Agreement on Indigenous Affairs.

Specific 2006-07 Budget initiatives include:

Enhancing Economic Participation and Development

- Improving Indigenous pastoral lease management – \$2.2 million over four years;
- Enhancing Indigenous education and employment through the Wiluna Development Project – \$1.9 million over four years; and
- An Aboriginal Tourism Strategy – \$880,000 over four years.

Strengthening Community Resilience and Capacity

- Funding provision for emerging priority initiatives – \$13.4 million over four years quarantined within the Department of Indigenous Affairs' budget.

Improving Environmental Health Systems

- Housing and essential services for remote communities – \$24 million over four years; and
- Swimming pools' maintenance for remote Indigenous communities – \$4 million over four years.

Improving Community Safety

- Reducing Aboriginal imprisonment – \$18.9 million over four years;
- Local planning frameworks under the Aboriginal Justice Agreement – \$10.8 million over four years;
- Establishing an Aboriginal Court Pilot – \$1.6 million over four years; and
- Developing and recruiting Indigenous Court Liaison Officers – \$1.5 million over four years.

Strengthening Our Regions

As in previous years, the 2006-07 Budget demonstrates the Government's commitment to regional Western Australia and its belief that thriving, vibrant regions are one part of a strong State economy.

By investment in the regions, the State Government is ensuring the vitality and sustainability of these communities for the long-term through job creation and improved services.

The Government's record Capital Works Program will deliver capital infrastructure across the regions with an emphasis on providing massive investments in health, education, law and order and community services.

REGIONAL INVESTMENT FUND

This is the fifth year the Government will continue the Regional Investment Fund, by allocating a total of \$20 million.

Expenditure in 2006-07 includes the following major projects:

- Establishment of a new residential aged care facility in Broome – \$500,000;
- Upgrade and renewal of the Coolgardie main street and town site – \$294,000;
- Establishment of the Jarrahdale Heritage Park – \$500,000;
- Pemberton Main street Townscape Project – \$600,000;
- Bunbury Dolphin Tourism and Research Facilities Project – \$260,000;
- Cunderdin Museum Redevelopment – \$317,777;
- Indigenous Regional Development program – \$3 million;
- Regional Headworks program – \$2million; and
- Western Australian Regional Initiatives Scheme – \$1.25 million.

REGIONAL DEVELOPMENT COMMISSIONS

Initiatives being progressed by the Regional Development Commissions in 2006-07 include:

- \$2.6 million over two years for continued work on the Bunbury Back Beach Coastal Enhancement Project due to be completed in 2007-08;
- \$1.9 million for the provision of sewerage to the Picton Industrial Estate to allow for the further development of industrial land;
- Continued development of Lake Kepwari at Collie;
- The redevelopment of the Pemberton Pool;
- \$1.5 million towards a boatlifter at the Geraldton Marine Services Precinct;

Strengthening Our Regions (contd)

- The continuation of work on the Geraldton Foreshore Redevelopment and the Central Business District Revitalisation Project;
- The continuation of the Port Hedland Enhancement Scheme including upgrading the Visitor Centre and completing the foreshore development and town centre development;
- The completion of the Roebourne Enhancement Scheme will be completed with the Multi-Purpose Recreation Facility and Community Hall upgrade;
- The continuation of the Pilbara Priority Partnership Fund with Karijini Savannah Camp tourist facility, extensions to the Millar's Well Childcare Centre, stage 1 revitalisation of Newman town centre and underground power in Port Hedland;
- The continuance of the Goldfields-Esperance Regional Development Scheme, that will assist in attracting investment and increasing jobs in the region, total funding of \$1.7 million is being provided over the four years to 2009-10;
- \$14.9 million for the continued planning and construction of the Albany Entertainment and Convention Centre;
- \$27 million for the Albany Waterfront Development;
- \$181,000 for the Peel Region Tourist Rail Project which involves developing infrastructure for the operation of tourist rail services and the construction of the Pinjarra Railway Station;
- The continuation of development of Pinjarra Light Industrial Land to meet demand in the Peel region;
- Assistance to the Shire of Waroona to progress its town centre redevelopment;
- The redevelopment of the Moora Multi-Purpose Centre;
- Upgrades to sections of the Great Eastern Highway and Great Northern Highway; and
- Further construction of new buildings for the Western Australian Meat Industry Authority at Muchea.



State Government's commitment to building healthy regional communities

The Halls Creek Aquatic and Recreation Centre which encompasses the unique and special needs of Halls Creek's social, cultural and geographical environment will be opened during 2006.

With the opening of the swimming pools (solar heated to allow for flexibility of use over the year) it is anticipated that significant health benefits will flow to the community, particularly the Indigenous population with regular swimming providing benefits for ear disease, respiratory conditions and skin infections.

The centre combines an outdoor wet facility that has both a lap pool for fitness, laps and learn to swim programs; and a leisure pool designed to promote fun activities for non-swimmers; and a dry facility with two undercover courts which will cover team and individual sports such as basketball, netball, indoor cricket, aerobics, yoga, dance, weight training, snooker/pool and darts.