

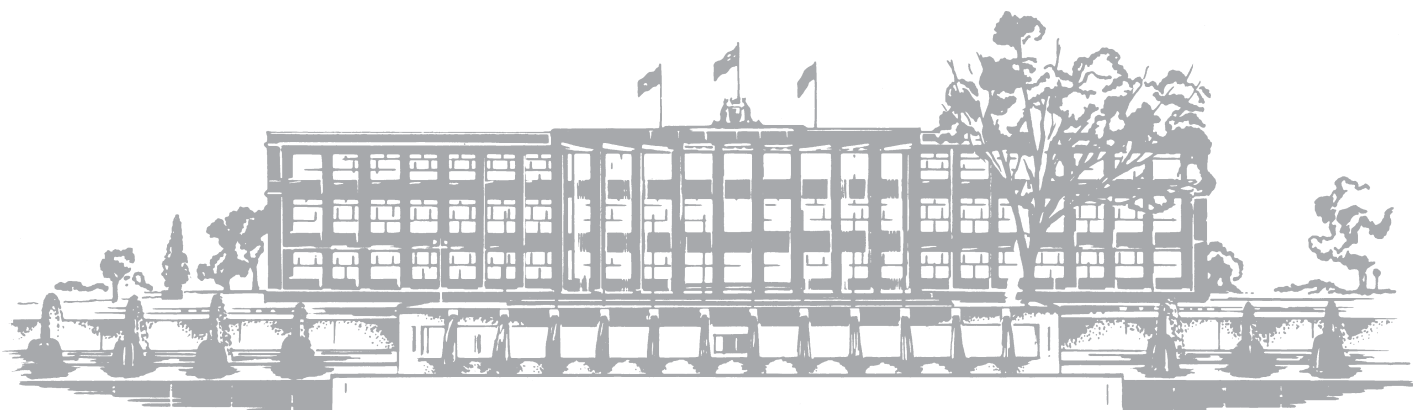


2006-07 BUDGET

BUDGET STATEMENTS

Budget Paper No.2
Volume 1

**PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 11 MAY 2006**



2006–07 Budget Statements

(Budget Paper No. 2 Volume 1)

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BUDGET 2006-07

BUDGET STATEMENTS

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CHAPTER 1

CONSOLIDATED FUND EXPENDITURE ESTIMATES

CONSOLIDATED FUND EXPENDITURE ESTIMATES ^(a)

Vol	Division	Item	Details
PART 1 – PARLIAMENT			
V1			Parliament
	1		– Legislative Council
		1	– Net amount appropriated to deliver services.....
			– Salaries and Allowances Act 1975.....
	1		– Legislative Assembly
		2	– Net amount appropriated to deliver services.....
			– Salaries and Allowances Act 1975.....
	1		– Parliamentary Services
		3	– Net amount appropriated to deliver services.....
	123		– Capital Contribution
			Total
V1	2		Parliamentary Commissioner for Administrative Investigations
		4	– Net amount appropriated to deliver services
			– Capital Contribution.....
			– Parliamentary Commissioner Act 1971.....
			Total
TOTAL – PART 1.....			
PART 2 – PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS			
V1	3		Premier and Cabinet
		5	– Net amount appropriated to deliver services
			– Administered Grants, Subsidies and Other Transfer Payments.....
	124		– Capital Contribution.....
			– Administered Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V1	4		Industry and Resources
		6	– Net amount appropriated to deliver services
		7	– Administered Grants, Subsidies and Other Transfer Payments
	125		– Capital Contribution
	126		– Administered Capital Contribution
			– Petroleum (Submerged Lands) Act 1982
			– Salaries and Allowances Act 1975
			Total
V1	5		Office of Shared Services
		8	– Net amount appropriated to deliver services
	127		– Capital Contribution
			Total
V1	6		Governor's Establishment
		9	– Net amount appropriated to deliver services
			– Governor's Establishment Act 1992
			– Salaries and Allowances Act 1975
			Total

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
2,216	2,219	2,658	3,062	3,033	3,272	3,077
6,495	6,709	7,103	7,199	7,409	7,626	7,629
3,525	3,331	3,331	3,610	3,886	3,951	3,951
11,542	11,498	11,498	11,843	12,198	12,564	12,564
12,917	13,158	13,032	13,358	13,597	13,785	13,785
750	-	-	3,040	500	500	500
37,445	36,915	37,622	42,112	40,623	41,698	41,506
2,745	2,491	2,491	2,534	2,722	2,705	2,749
136	-	-	-	-	-	-
305	378	378	389	401	413	413
3,186	2,869	2,869	2,923	3,123	3,118	3,162
40,631	39,784	40,491	45,035	43,746	44,816	44,668
108,374	104,469	95,763	114,456	109,452	111,287	113,412
2,343	14,551	-	-	-	-	-
-	2,600	500	2,855	-	-	-
21,883	44,689	-	-	-	-	-
540	546	546	553	560	567	584
133,140	166,855	96,809	117,864	110,012	111,854	113,996
104,420	144,856	136,026	175,879	154,369	137,161	139,252
24,319	47,704	46,300	49,120	55,144	25,477	26,594
1,264	6,770	7,770	5,584	5,320	750	750
88,067	2,100	1,100	1,000	-	-	-
17,778	11,253	21,002	21,498	17,000	13,001	11,001
528	544	544	560	577	594	612
236,376	213,227	212,742	253,641	232,410	176,983	178,209
-	-	14,192	40,316	20,454	16,684	16,511
-	-	38,798	12,461	4,300	-	-
-	-	52,990	52,777	24,754	16,684	16,511
1,376	1,104	1,104	1,136	1,156	1,172	1,188
1,163	1,198	1,198	1,240	1,276	1,313	1,352
174	172	186	192	197	203	210
2,713	2,474	2,488	2,568	2,629	2,688	2,750

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 2 – PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS (continued)			
V1	7		Office of the Public Sector Standards Commissioner
		10	– Net amount appropriated to deliver services
			– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V1	8		Salaries and Allowances Tribunal
		11	– Net amount appropriated to deliver services
			Total
TOTAL – PART 2.....			
PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT			
V1	9		Treasury and Finance
		12	– Net amount appropriated to deliver services
		13	– Electricity Retail Corporation (Synergy).....
		14	– Forest Products Commission.....
		15	– Regional Power Corporation (Horizon Power)
		16	– Water Corporation of Western Australia.....
		17	– Western Australian Land Authority
		18	– Aerial Shark Surveillance Program
		19	– Armadale Redevelopment Authority
		20	– Broome Port Authority
		21	– City of Subiaco.....
		22	– Consumer Utilities Program (WACOSS)
		23	– First Home Owners' Assistance.....
		24	– GST Administration Costs
		25	– HIH Insurance – Assistance to Local Government
		26	– HIH Insurance Rescue Package.....
		27	– Life Support Equipment Electricity Subsidy Scheme
		28	– Office of Health Review
		29	– On-Road Diesel Subsidies.....
		30	– Pensioners Concessions - Emergency Services Levy
		31	– Pensioners Concessions - Local Government and Water Rates
		32	– Provision for Unfunded Liabilities in the Government Insurance Fund.....
		33	– Refund of Past Years Revenue Collections - Public Corporations
		34	– Refund of Past Years Revenue Collections - All Other.....
		35	– Rottnest Island Authority
		36	– Stamp Duty Rebate Scheme
		37	– State Property - Emergency Services Levy
		38	– Thermoregulatory Dysfunction Energy Subsidy Scheme.....
		39	– Water Corporation of Western Australia - State Water Strategy Rebate Scheme
		40	– Water Corporation of Western Australia - Part Reimbursement of Land Sales.....
		41	– Western Australian Building Management Authority - Interest
		42	– Wine Equalisation Tax Rebate

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
3,110	3,551	3,551	3,841	3,906	3,952	4,021
50	34	34	-	-	-	-
264	288	288	297	306	315	315
3,424	3,873	3,873	4,138	4,212	4,267	4,336
310	317	497	340	502	520	546
310	317	497	340	502	520	546
375,963	386,746	369,399	431,328	374,519	312,996	316,348

52,942	64,515	71,112	79,071	74,466	76,282	78,088
-	-	9,167	38,007	39,413	40,891	42,472
1,100	1,070	1,070	2,370	2,370	2,370	2,370
-	-	3,474	16,184	21,910	24,007	25,674
288,253	340,416	340,790	367,647	381,815	403,502	417,172
22,444	22,922	33,272	21,540	25,217	22,262	20,867
131	-	162	170	177	185	194
1,180	1,470	1,470	2,750	1,200	1,200	1,250
-	575	1,150	1,335	420	405	405
-	-	-	6,100	-	-	-
-	-	-	170	170	170	-
124,691	123,100	138,000	129,100	131,200	133,300	135,400
58,480	59,300	61,000	63,000	64,400	65,500	66,600
-	-	3,700	300	-	-	-
19	600	600	600	500	500	500
-	534	1,000	550	560	-	-
1,197	1,223	1,383	1,254	1,275	1,303	1,325
6,894	5,000	8,000	8,200	8,400	8,620	8,830
6,794	6,390	8,824	9,455	10,114	10,809	11,100
43,340	46,473	48,500	52,000	55,640	59,430	63,350
5,256	4,030	5,185	4,761	3,831	3,484	3,341
312	100	100	500	500	500	500
12,762	11,000	22,355	18,675	20,180	21,865	23,285
-	-	-	2,200	2,200	2,200	2,200
-	-	6,000	1,000	-	-	-
7,662	9,324	9,000	9,000	9,000	9,000	9,000
-	-	-	485	555	555	555
8,372	9,000	16,520	9,000	-	-	-
-	10	1,645	716	700	800	900
6,679	5,633	5,633	4,700	4,000	3,700	3,000
-	2,400	2,100	4,400	2,600	2,700	2,800

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
			PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT (continued)
		43	– All Other Grants, Subsidies and Transfer Payments
		128	– Capital Contribution.....
		129	– Armadale Redevelopment Authority
		130	– Broome Port Authority
		131	– Department of Health
		132	– Electricity Networks Corporation (Western Power (Networks)).....
		133	– Forest Products Commission.....
		134	– Fremantle Port Authority
		135	– Midland Redevelopment Authority
		136	– Regional Power Corporation (Horizon Power)
		137	– Rottnest Island Authority
		138	– State Housing Commission
		139	– Western Australian Building Management Authority
		140	– Western Australian Meat Industry Authority
		141	– Western Australian Land Authority
		142	– Perry Lakes Trust Account.....
			– Albany Port Authority
			– Search for HMAS Sydney (II).....
			– Gold Corporation Act 1987
			– Judges' Salaries and Pensions Act 1950
			– Loan (Financial Agreement) Act 1991 - Interest.....
			– Loan (Financial Agreement) Act 1991 - Loan Guarantee Fees
			– Parliamentary Superannuation Act 1970.....
			– Salaries Provision - Special Division and Prescribed Office Holders
			– State Superannuation Act 2000
			– Tobacco Control Act 1990
			– Unclaimed Money Act 1990
			– Unclaimed Money (Superannuation and RSA Providers) Act 2003
			– Western Australian Treasury Corporation Act 1986 - Interest
			– Western Australian Treasury Corporation Act 1986 - Loan Guarantee Fees
			– Albany Port Authority
			– Electricity Corporation
			– Electricity Generation Corporation (Verve Energy).....
			– Loan (Financial Agreement) Act 1991 Capital Repayments
			– Loans (Co-operative Companies) Act 2004
			– Salaries and Allowances Act 1975
			– Electricity Corporation
			– Electricity Networks Corporation (Western Power (Networks)).....
			– Western Australian Treasury Corporation Act 1986 - Capital Repayments
			Total
V1	10		Office of Native Title
		44	– Net amount appropriated to deliver services
			Total

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
4,197	3,812	3,475	3,134	3,067	3,310	3,101
400	-	5,891	1,255	301	-	-
3,000	3,000	3,000	10,600	2,000	2,000	2,000
-	1,250	1,500	1,450	-	-	-
82,677	133,933	54,578	178,509	377,287	503,865	469,550
-	-	6,000	6,000	6,000	6,000	-
1,230	1,291	1,291	2,291	2,291	2,291	2,291
5,319	1,533	1,527	214	212	209	206
-	3,440	3,440	16,448	6,216	-	-
-	-	3,000	10,950	-	-	-
10,564	7,730	15,244	6,456	2,072	22	22
19,105	15,000	15,000	15,000	15,000	15,000	15,000
7,375	7,626	7,626	7,900	8,200	8,400	8,700
-	1,596	1,596	3,200	-	-	-
5,000	-	20,000	42,100	19,000	-	-
-	-	-	25,216	38,698	16,677	9,123
173	151	151	-	-	-	-
-	-	500	-	-	-	-
-	55	55	55	55	55	55
6,361	4,146	7,000	7,280	7,571	7,874	8,189
14,912	-	-	-	-	-	-
294	-	-	-	-	-	-
9,205	7,950	4,834	5,027	5,228	20,000	5,700
-	-	750	1,500	1,500	1,500	1,500
436,625	469,005	464,127	471,108	487,162	491,335	494,680
17,363	17,753	17,753	18,153	18,607	19,081	19,517
431	500	500	500	500	500	500
81	50	200	50	50	50	50
27,773	30,812	13,507	3,018	3,018	3,018	3,018
604	746	-	-	-	-	-
-	2,600	3,785	-	-	-	-
6,000	13,220	-	-	-	-	-
-	-	2,770	-	-	-	-
477,139	-	-	-	-	-	-
-	-	10,000	-	-	-	-
849	874	874	900	927	955	984
46,177	49,649	35,969	-	-	-	-
-	-	814	-	-	-	-
-	-	244,000	-	-	-	-
1,831,362	1,492,807	1,751,969	1,693,554	1,867,775	1,997,682	1,965,364
43,941	27,952	-	44,173	11,796	11,516	9,151
43,941	27,952	-	44,173	11,796	11,516	9,151

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT (continued)			
V1	11		Office of the Auditor General
		45	– Net amount appropriated to deliver services
			– Capital Contribution
			– Financial Administration and Audit Act 1985
			Total
V1	12		Economic Regulation Authority
		46	– Net amount appropriated to deliver services
			– Capital Contribution
			Total
V1	13		State Supply Commission
		47	– Net amount appropriated to deliver services
			– Capital Contribution
			Total
TOTAL – PART 3.....			
PART 4 – MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT			
V1	14		Agriculture and Food
		48	– Net amount appropriated to deliver services
			– Amount provided for Administered Grants, Subsidies and Other Transfer Payments
		143	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V1	15		Agriculture Protection Board of Western Australia
		49	– Net amount appropriated to deliver services
			– Agriculture and Related Resources Protection Act 1976
			Total
V1	16		Rural Business Development Corporation
		50	– Net amount appropriated to deliver services
			Total
V1	17		Mid West Development Commission
		51	– Net amount appropriated to deliver services
		144	– Capital Contribution
			Total
V1	18		Wheatbelt Development Commission
		52	– Net amount appropriated to deliver services
			Total
TOTAL – PART 4.....			

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
12,183	12,826	13,936	13,939	14,055	14,300	14,531
72	27	27	-	108	145	255
222	237	242	249	256	264	267
12,477	13,090	14,205	14,188	14,419	14,709	15,053
4,353	5,610	6,733	5,249	4,797	5,113	5,089
-	17	141	-	-	-	-
4,353	5,627	6,874	5,249	4,797	5,113	5,089
1,494	1,562	1,562	1,642	1,676	1,714	1,740
19	42	42	-	-	-	-
1,513	1,604	1,604	1,642	1,676	1,714	1,740
116,475	113,662	100,560	146,478	108,382	110,289	110,105
126,695	139,890	157,689	161,653	167,341	128,843	133,449
7,129	-	-	-	-	-	-
2,158	3,531	3,531	5,200	17,000	57,000	-
150	155	155	159	164	169	174
136,132	143,576	161,375	167,012	184,505	186,012	133,623
1,933	2,129	2,062	1,901	1,447	1,451	1,455
789	962	876	991	1,021	1,052	1,052
2,722	3,091	2,938	2,892	2,468	2,503	2,507
8,931	182	1,782	1,687	1,690	194	196
8,931	182	1,782	1,687	1,690	194	196
2,933	4,001	6,110	3,501	3,329	2,925	1,449
-	-	-	229	-	-	-
2,933	4,001	6,110	3,730	3,329	2,925	1,449
1,879	1,431	1,421	1,448	1,475	1,509	1,539
1,879	1,431	1,421	1,448	1,475	1,509	1,539
152,597	152,281	173,626	176,769	193,467	193,143	139,314

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 5 – MINISTER FOR EDUCATION AND TRAINING			
V1	19		Education and Training
		53	– Net amount appropriated to deliver services
		145	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V1	20		Country High School Hostels Authority
		54	– Net amount appropriated to deliver services
		146	– Capital Contribution.....
			Total.....
V1	21		Curriculum Council
		55	– Net amount appropriated to deliver services
		147	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V1	22		Education Services
		56	– Net amount appropriated to deliver services
		57	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Salaries and Allowances Act 1975
			Total.....
TOTAL – PART 5.....			
PART 6 – MINISTER FOR WATER RESOURCES; SPORT AND RECREATION			
V1	23		Water and Rivers Commission
		58	– Net amount appropriated to deliver services
		59	– Administered Grants, Subsidies and Other Transfer Payments.....
		148	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V1	24		Sport and Recreation
		60	– Net amount appropriated to deliver services
		61	– Contribution to Community Sporting and Recreation Facilities Fund
		149	– Capital Contribution.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975
			Total.....
V1	25		Western Australian Sports Centre Trust
		62	– Net amount appropriated to deliver services
			– Capital Contribution.....
			Total.....
TOTAL – PART 6.....			

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
2,600,708	2,729,282	2,757,479	3,017,405	3,151,014	3,237,203	3,286,510
122,131	160,738	163,238	245,210	190,020	123,410	104,310
592	545	545	561	578	595	613
2,723,431	2,890,565	2,921,262	3,263,176	3,341,612	3,361,208	3,391,433
5,435	5,963	5,203	6,656	7,473	7,681	7,299
542	5,629	2,029	6,695	770	892	3,054
5,977	11,592	7,232	13,351	8,243	8,573	10,353
10,996	14,318	15,427	19,825	23,499	19,739	16,347
79	1,579	79	1,634	142	736	79
-	-	144	202	214	225	239
11,075	15,897	15,650	21,661	23,855	20,700	16,665
8,955	13,172	12,172	16,216	18,320	18,315	18,352
255,441	216,427	215,595	233,729	255,481	280,160	307,021
140	168	168	174	180	185	185
264,536	229,767	227,935	250,119	273,981	298,660	325,558
3,005,019	3,147,821	3,172,079	3,548,307	3,647,691	3,689,141	3,744,009
54,852	68,537	62,837	82,720	72,956	71,794	71,573
3,042	2,798	2,798	2,681	2,507	1,808	1,370
2,473	8,060	2,680	6,953	5,880	6,330	3,500
181	186	186	192	198	203	209
60,548	79,581	68,501	92,546	81,541	80,135	76,652
41,118	50,634	18,334	63,085	24,576	22,490	23,062
10,250	12,250	8,750	14,000	9,000	9,151	9,151
1,777	6,733	4,933	6,140	100	47	669
9,851	9,833	10,096	10,252	10,413	10,578	10,745
149	183	183	188	194	200	200
63,145	79,633	42,296	93,665	44,283	42,466	43,827
14,688	14,226	14,226	14,818	15,264	15,375	15,466
1,115	900	900	-	85	100	100
15,803	15,126	15,126	14,818	15,349	15,475	15,566
139,496	174,340	125,923	201,029	141,173	138,076	136,045

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS			
V2	26		Attorney General
		63	– Net amount appropriated to deliver services
		150	– Capital Contribution.....
			– Children's Court of Western Australia Act 1988.....
			– Criminal Injuries Compensation Act 1985.....
			– District Court of Western Australia Act 1969.....
			– Judges' Salaries and Pensions Act 1950
			– Solicitor General Act 1969.....
			– State Administrative Tribunal Act 2004.....
			– Suitor's Fund Act 1964.....
			– Town Planning and Development Act 1928.....
			– Salaries and Allowances Act 1975
			Total
V2	27		Commissioner For Equal Opportunity
		64	– Net amount appropriated to deliver services
		151	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V2	28		Corruption and Crime Commission
		65	– Net amount appropriated to deliver services
			– Capital Contribution.....
			– Corruption and Crime Commission Act 2003.....
			Total
V2	29		Parliamentary Inspector of the Corruption and Crime Commission
		66	– Net amount appropriated to deliver services
			– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V2	30		Law Reform Commission of Western Australia
		67	– Net amount appropriated to deliver services
			– Capital Contribution.....
			Total
V2	31		Office of the Director of Public Prosecutions
		68	– Net amount appropriated to deliver services
		152	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V2	32		Office of the Information Commissioner
		69	– Net amount appropriated to deliver services
			– Capital Contribution.....
			– Freedom of Information Act 1992.....
			Total

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
161,917	173,790	177,602	184,528	192,948	225,124	221,563
6,143	78,828	26,101	15,488	36,868	28,989	14,574
269	292	294	303	312	321	332
18,800	17,105	18,605	19,419	19,487	19,487	19,487
7,300	7,077	7,693	8,529	8,776	9,027	9,297
6,800	6,584	6,941	7,181	7,386	7,597	7,824
280	307	309	320	329	338	348
-	-	2,412	2,384	2,243	2,281	2,155
30	30	30	30	30	30	30
811	835	-	-	-	-	-
16,300	17,937	18,173	19,497	20,040	20,599	21,205
218,650	302,785	258,160	257,679	288,419	313,793	296,815
2,235	2,493	2,549	2,614	2,704	2,783	2,836
95	61	61	23	71	56	39
173	178	178	184	189	195	195
2,503	2,732	2,788	2,821	2,964	3,034	3,070
22,178	25,823	25,823	27,172	28,443	28,832	28,175
767	10,257	-	-	-	1,000	433
96	130	130	153	155	156	157
23,041	36,210	25,953	27,325	28,598	29,988	28,765
287	399	399	420	443	454	460
-	10	10	-	-	-	-
103	106	106	109	112	116	119
390	515	515	529	555	570	579
884	869	869	878	897	913	928
-	-	-	-	6	-	-
884	869	869	878	903	913	928
16,443	13,333	16,746	20,752	21,526	22,033	22,483
-	-	427	3,605	-	-	-
1,436	1,479	1,479	1,700	1,751	1,803	1,857
17,879	14,812	18,652	26,057	23,277	23,836	24,340
1,132	1,028	948	1,069	964	979	997
-	-	-	-	2	5	5
151	155	155	160	165	170	175
1,283	1,183	1,103	1,229	1,131	1,154	1,177

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS (continued)			
V2	33		Health
		70	– Net amount appropriated to deliver services
		71	– Contribution to Hospital Fund.....
		153	– Capital Contribution.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975
			Total.....
V2	34		Western Australian Electoral Commission
		72	– Net amount appropriated to deliver services
		154	– Capital Contribution.....
			– Electoral Act 1907.....
			– Industrial Relations Act 1979.....
			Total.....
TOTAL – PART 7.....			
PART 8 – MINISTER FOR HOUSING AND WORKS; CONSUMER PROTECTION; HERITAGE; LAND INFORMATION			
V2	35		Housing and Works
		73	– Net amount appropriated to deliver services
			– Administered Grants, Subsidies and Other Transfer Payments.....
		74	– State Housing Commission - Emergency Services Levy
		75	– State Housing Commission - General Housing Funding
		76	– State Housing Commission - Indigenous Housing.....
		77	– State Housing Commission - Subsidies for Housing.....
		155	– Capital Contribution.....
			Total.....
V2	36		Heritage Council of Western Australia
		78	– Net amount appropriated to deliver services
			– Capital Contribution.....
			Total.....
V2	37		National Trust of Australia (WA)
		79	– Net amount appropriated to deliver services
		156	– Capital Contribution.....
			Total.....
V2	38		Land Information
		80	– Net amount appropriated to deliver services
			– Capital Contribution.....
			– Transfer of Land Act 1893.....
			– Salaries and Allowances Act 1975
			Total.....
TOTAL – PART 8.....			

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
527,123	584,589	584,425	640,915	671,866	716,081	780,260
2,249,984	2,379,677	2,418,606	2,632,641	2,783,017	2,959,453	3,116,861
68,353	57,752	48,723	94,368	109,221	77,823	24,139
80,251	78,667	80,771	82,013	83,306	84,621	85,957
630	649	649	491	506	522	538
2,926,341	3,101,334	3,133,174	3,450,428	3,647,916	3,838,500	4,007,755
17,607	2,530	2,683	7,650	3,024	18,750	2,806
-	-	-	173	-	136	172
288	253	503	743	1,163	277	285
56	56	56	56	56	56	56
17,951	2,839	3,242	8,622	4,243	19,219	3,319
3,208,922	3,463,279	3,444,456	3,775,568	3,998,006	4,231,007	4,366,748
30,826	30,599	34,711	34,426	36,853	42,033	45,714
4,407	50,000	-	-	-	-	-
2,100	2,100	2,100	2,100	2,100	2,100	2,100
8,000	5,000	5,000	2,130	7,134	4,638	2,143
18,483	18,483	18,483	24,000	24,000	24,000	24,000
3,480	3,480	3,480	3,480	3,480	3,480	3,480
500	5,100	4,176	30,450	84,074	76,500	10,000
67,796	114,762	67,950	96,586	157,641	152,751	87,437
6,330	4,679	5,279	4,767	4,936	4,956	5,045
-	-	-	-	-	11	-
6,330	4,679	5,279	4,767	4,936	4,967	5,045
1,253	2,070	2,070	2,608	2,266	2,022	2,033
339	521	521	618	531	435	-
1,592	2,591	2,591	3,226	2,797	2,457	2,033
22,540	30,888	31,388	31,305	28,174	31,151	31,551
184	633	133	-	976	976	976
-	-	110	-	-	-	-
337	347	347	358	368	379	390
23,061	31,868	31,978	31,663	29,518	32,506	32,917
98,779	153,900	107,798	136,242	194,892	192,681	127,432

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 9 – MINISTER FOR PLANNING AND INFRASTRUCTURE			
V2	39		Planning and Infrastructure
		81	– Net amount appropriated to deliver services
		82	– Western Australian Coastal Shipping Commission.....
		157	– Capital Contribution.....
			– Perry Lakes Redevelopment Act 2005
			– Salaries and Allowances Act 1975
			Total
V2	40		Commissioner of Main Roads
		83	– Net amount appropriated to deliver services
		158	– Capital Contribution.....
			– Road Traffic Act 1974.....
			– Road Traffic Act 1974.....
			Total
V2	41		Public Transport Authority of Western Australia
		84	– Net amount appropriated to deliver services
		159	– Capital Contribution.....
			Total
V2	42		Western Australian Planning Commission
		85	– Net amount appropriated to deliver services
		160	– Capital Contribution.....
			– Metropolitan Region Improvement Tax Act 1959
			– State Administrative Tribunal Act 2004.....
			Total
TOTAL – PART 9.....			
PART 10 – MINISTER FOR INDIGENOUS AFFAIRS; TOURISM; CULTURE AND THE ARTS			
V2	43		Indigenous Affairs
		86	– Net amount appropriated to deliver services
			– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V2	44		Western Australian Tourism Commission
		87	– Net amount appropriated to deliver services
		161	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
149,064	161,603	174,865	182,094	163,019	154,360	160,395
4,054	4,201	4,201	4,190	4,128	4,128	4,128
15,951	11,542	9,842	16,367	11,060	4,984	1,472
-	-	1,700	-	-	-	-
221	217	263	218	218	218	218
169,290	177,563	190,871	202,869	178,425	163,690	166,213
206,192	247,313	224,987	188,902	245,972	226,231	219,406
141,591	97,354	123,872	196,824	240,701	177,417	143,105
280,015	261,648	259,477	301,096	246,572	322,747	353,972
41,265	52,168	81,373	52,679	118,437	53,936	34,760
669,063	658,483	689,709	739,501	851,682	780,331	751,243
475,370	545,177	574,924	675,051	748,326	767,814	792,964
71,515	422,040	428,747	1,347,273	42,624	47,243	46,753
546,885	967,217	1,003,671	2,022,324	790,950	815,057	839,717
3,566	4,511	4,620	4,446	4,520	4,592	4,576
7,500	5,100	7,600	2,900	5,400	5,400	5,400
47,128	54,000	54,000	58,000	61,000	66,000	70,000
350	-	-	-	-	-	-
58,544	63,611	66,220	65,346	70,920	75,992	79,976
1,443,782	1,866,874	1,950,471	3,030,040	1,891,977	1,835,070	1,837,149

18,301	19,086	22,154	25,642	23,138	23,283	23,462
137	397	260	-	12	-	170
160	160	160	160	160	160	165
18,598	19,643	22,574	25,802	23,310	23,443	23,797
42,758	47,782	51,645	49,983	48,110	41,676	44,066
-	240	590	2,073	1,222	787	272
233	240	240	247	254	262	270
42,991	48,262	52,475	52,303	49,586	42,725	44,608

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 10 – MINISTER FOR INDIGENOUS AFFAIRS; TOURISM; CULTURE AND THE ARTS (continued)			
V2	45		Culture and the Arts
		88	– Net amount appropriated to deliver services
		89	– Art Gallery of Western Australia
		90	– Library Board of Western Australia
		91	– Perth Theatre Trust.....
		92	– Western Australian Museum.....
		162	– Capital Contribution.....
		163	– Art Gallery of Western Australia
		164	– Library Board of Western Australia
		165	– Perth Theatre Trust.....
		166	– Western Australian Museum.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975
			Total.....
TOTAL – PART 10.....			
PART 11 – MINISTER FOR THE ENVIRONMENT; RACING AND GAMING			
V2	46		Conservation and Land Management
		93	– Net amount appropriated to deliver services
		167	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V2	47		Botanic Gardens and Parks Authority
		94	– Net amount appropriated to deliver services
		168	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V2	48		Environment
		95	– Net amount appropriated to deliver services
		96	– Services Provided to Environmental Protection Authority
		169	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V2	49		Swan River Trust
		97	– Net amount appropriated to deliver services
		170	– Capital Contribution.....
			Total.....
V2	50		Zoological Parks Authority
		98	– Net amount appropriated to deliver services
		171	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
81,029	91,981	85,868	91,399	113,427	114,592	116,879
3,813	3,505	3,505	3,626	-	-	-
14,048	13,101	13,101	13,520	-	-	-
1,612	1,198	1,198	1,958	-	-	-
5,531	5,083	6,056	6,645	-	-	-
3,215	3,424	969	7,382	61,644	7,409	1,802
6,386	421	421	295	-	-	-
4,389	2,757	4,032	4,515	-	-	-
487	571	1,751	85	-	-	-
3,884	219	219	70	-	-	-
9,764	9,833	10,096	10,252	10,413	10,578	10,745
558	568	568	568	568	568	568
134,716	132,661	127,784	140,315	186,052	133,147	129,994
196,305	200,566	202,833	218,420	258,948	199,315	198,399
141,370	138,329	140,380	160,196	161,441	161,362	164,768
13,660	11,700	10,500	11,110	19,272	8,167	-
226	233	233	240	247	254	254
155,256	150,262	151,113	171,546	180,960	169,783	165,022
14,354	12,027	14,609	14,487	15,291	15,681	16,088
1,042	550	593	500	1,720	2,850	1,985
-	-	149	154	158	163	168
15,396	12,577	15,351	15,141	17,169	18,694	18,241
17,309	16,306	14,841	23,643	19,859	15,433	15,334
11,663	13,656	12,582	13,010	13,166	13,320	13,500
-	358	358	850	450	400	150
-	-	116	166	172	177	183
28,972	30,320	27,897	37,669	33,647	29,330	29,167
8,358	8,904	8,870	9,873	11,101	7,495	7,441
8	8	8	1,008	1,008	8	8
8,366	8,912	8,878	10,881	12,109	7,503	7,449
8,846	8,841	8,841	10,052	11,135	11,631	12,213
700	715	17,602	730	735	735	735
174	149	149	154	158	163	168
9,720	9,705	26,592	10,936	12,028	12,529	13,116

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 11 – MINISTER FOR THE ENVIRONMENT; RACING AND GAMING (continued)			
V2	51		Racing, Gaming and Liquor
		99	– Net amount appropriated to deliver services
		100	– Administered Grants, Subsidies and Other Transfer Payments
			– Liquor Licensing Act 1988
			– Salaries and Allowances Act 1975
			Total
			TOTAL – PART 11
PART 12 – MINISTER FOR ENERGY; SCIENCE AND INNOVATION			
V3	52		Office of Energy
		101	– Net amount appropriated to deliver services
			– Administered Grants, Subsidies and Other Transfer Payments
			– Salaries and Allowances Act 1975
			Total
			TOTAL – PART 12
PART 13 – MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN			
V3	53		Consumer and Employment Protection
		102	– Net amount appropriated to deliver services
		172	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V3	54		Registrar, Western Australian Industrial Relations Commission
		103	– Net amount appropriated to deliver services
			– Salaries and Allowances Act 1975
			Total
V3	55		Goldfields-Esperance Development Commission
		104	– Net amount appropriated to deliver services
			– Capital Contribution
			Total
V3	56		Great Southern Development Commission
		105	– Net amount appropriated to deliver services
		173	– Capital Contribution
			Total
			TOTAL – PART 13

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
3,078	3,126	3,126	2,975	2,674	2,740	2,793
74,330	87,540	91,640	94,490	81,490	83,800	84,300
3,888	3,500	3,500	3,700	3,900	4,500	5,000
142	146	146	150	155	160	160
81,438	94,312	98,412	101,315	88,219	91,200	92,253
299,148	306,088	328,243	347,488	344,132	329,039	325,248
14,404	22,045	25,241	17,572	13,676	12,902	13,027
1,276	1,400	4,046	-	-	-	-
168	219	219	226	233	240	247
15,848	23,664	29,506	17,798	13,909	13,142	13,274
15,848	23,664	29,506	17,798	13,909	13,142	13,274
58,738	61,972	66,099	63,360	64,422	65,573	69,681
1,928	3,150	3,150	2,950	3,780	2,770	1,420
118	122	122	125	129	133	133
60,784	65,244	69,371	66,435	68,331	68,476	71,234
7,867	8,507	8,407	8,206	8,264	8,442	8,425
2,258	2,462	2,176	2,547	2,299	2,362	2,432
10,125	10,969	10,583	10,753	10,563	10,804	10,857
3,887	1,576	1,576	1,476	1,515	1,515	1,539
33	12	12	-	9	-	-
3,920	1,588	1,588	1,476	1,524	1,515	1,539
1,602	11,689	2,864	3,074	14,204	1,630	1,587
5,249	9,085	1,685	23	8	60	-
6,851	20,774	4,549	3,097	14,212	1,690	1,587
20,896	33,331	16,720	15,326	26,299	14,009	13,983

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 14 – MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY			
V3	57		Police Service
		106	– Net amount appropriated to deliver services
		174	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V3	58		Fire and Emergency Services Authority of Western Australia
		107	– Net amount appropriated to deliver services
		108	– Administered Grants, Subsidies and Other Transfer Payments.....
		175	– Capital Contribution.....
			Total
V3	59		Corrective Services
		109	– Net amount appropriated to deliver services
		176	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V3	60		Office of the Inspector of Custodial Services
		110	– Net amount appropriated to deliver services
			– Salaries and Allowances Act 1975
			Total
TOTAL – PART 14.....			
PART 15 – MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE			
V3	61		Local Government and Regional Development
		111	– Net amount appropriated to deliver services
		112	– Administered Grants, Subsidies and Other Transfer Payments.....
		177	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V3	62		Fisheries
		113	– Net amount appropriated to deliver services
		178	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total
V3	63		Kimberley Development Commission
		114	– Net amount appropriated to deliver services
			– Capital Contribution.....
			Total
V3	64		Pilbara Development Commission
		115	– Net amount appropriated to deliver services
		179	– Capital Contribution.....
			Total

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
625,742	680,639	683,597	732,022	767,795	808,217	822,530
43,434	38,838	43,671	49,262	71,427	38,704	11,936
2,375	2,410	2,410	2,598	2,529	2,549	2,625
671,551	721,887	729,678	783,882	841,751	849,470	837,091
38,319	33,237	33,395	34,207	34,500	32,168	32,108
1	1	1	1	1	1	1
1,382	5,060	5,426	250	10	10	-
39,702	38,298	38,822	34,458	34,511	32,179	32,109
361,930	371,152	385,685	428,866	447,121	466,275	474,759
-	-	14,532	51,016	29,865	3,200	5,000
609	628	628	647	664	682	700
362,539	371,780	400,845	480,529	477,650	470,157	480,459
1,815	1,580	1,925	1,720	1,754	1,789	1,817
176	176	176	181	187	192	198
1,991	1,756	2,101	1,901	1,941	1,981	2,015
1,075,783	1,133,721	1,171,446	1,300,770	1,355,853	1,353,787	1,351,674
36,434	53,688	53,688	41,129	40,491	38,034	18,319
300	250	250	1,316	2,114	250	250
-	124	124	94	-	-	-
148	178	178	183	189	194	200
36,882	54,240	54,240	42,722	42,794	38,478	18,769
23,714	25,738	25,738	26,071	25,707	26,071	26,422
8,950	262	262	1,829	5,121	-	-
155	160	160	165	170	175	180
32,819	26,160	26,160	28,065	30,998	26,246	26,602
1,710	2,258	2,258	1,497	1,532	1,559	1,572
-	87	87	-	-	-	-
1,710	2,345	2,345	1,497	1,532	1,559	1,572
6,474	7,329	7,729	2,383	1,656	1,660	1,673
-	-	-	85	-	-	5
6,474	7,329	7,729	2,468	1,656	1,660	1,678

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
PART 15 – MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE (continued)			
V3	65		Gascoyne Development Commission
		116	– Net amount appropriated to deliver services
			Total
TOTAL – PART 15			
PART 16 – MINISTER FOR DISABILITY SERVICES; CITIZENSHIP AND MULTICULTURAL INTERESTS; WOMEN'S INTERESTS; MINISTER ASSISTING THE MINISTER FOR FEDERAL AFFAIRS			
V3	66		Disability Services Commission
		117	– Net amount appropriated to deliver services
		180	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
TOTAL – PART 16			
PART 17 – MINISTER FOR COMMUNITY DEVELOPMENT; SENIORS AND VOLUNTEERING; YOUTH; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE			
V3	67		Community Development
		118	– Net amount appropriated to deliver services
		119	– Contribution to the Western Australian Family Foundation Trust Account
		181	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
TOTAL – PART 17			
PART 18 - MINISTER FOR SMALL BUSINESS; PEEL AND THE SOUTH WEST; MINISTER ASSISTING THE MINISTER FOR EDUCATION AND TRAINING			
V3	68		Small Business Development Corporation
		120	– Net amount appropriated to deliver services
		182	– Capital Contribution
			Total
V3	69		Peel Development Commission
		121	– Net amount appropriated to deliver services
			Total
V3	70		South West Development Commission
		122	– Net amount appropriated to deliver services
		183	– Capital Contribution
			Total
TOTAL – PART 18			

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
2,041	2,259	2,321	1,450	1,469	1,496	1,511
2,041	2,259	2,321	1,450	1,469	1,496	1,511
79,926	92,333	92,795	76,202	78,449	69,439	50,132
226,886	243,904	244,388	272,906	292,120	316,315	340,311
2,763	4,179	4,179	811	511	2,541	2,974
197	197	206	206	206	206	206
229,846	248,280	248,773	273,923	292,837	319,062	343,491
229,846	248,280	248,773	273,923	292,837	319,062	343,491
200,186	215,909	217,397	244,537	249,673	259,274	268,011
560	560	560	560	560	560	560
4,984	7,072	7,782	8,759	7,214	1,777	-
189	233	233	240	247	254	262
205,919	223,774	225,972	254,096	257,694	261,865	268,833
205,919	223,774	225,972	254,096	257,694	261,865	268,833
8,419	8,443	8,388	10,035	9,452	9,241	9,464
313	184	184	134	313	134	137
8,732	8,627	8,572	10,169	9,765	9,375	9,601
2,009	1,540	1,540	1,521	1,524	1,384	1,403
2,009	1,540	1,540	1,521	1,524	1,384	1,403
7,166	4,226	4,226	6,177	4,813	4,038	4,106
818	791	850	876	905	936	967
7,984	5,017	5,076	7,053	5,718	4,974	5,073
18,725	15,184	15,188	18,743	17,007	15,733	16,077

CONSOLIDATED FUND EXPENDITURE ESTIMATES (continued) ^(a)

Vol	Division	Item	Details
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GRAND TOTAL			
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Total Appropriation Bill No.1 – Recurrent Services			
Total Appropriation Bill No.2 – Capital Purposes			
Authorised by Other Statutes			
– Recurrent Services			
– Capital Purposes.....			
– Financing.....			
Total Authorised by Other Statutes			
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GRAND TOTAL			
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- (a) The 2004-05 actuals and the 2005-06 budget and estimated actuals have been adjusted, where necessary, to be on a comparable basis with the 2006-07 budget estimates.

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
10,784,844	11,840,872	11,885,650	14,079,997	13,307,312	13,391,086	13,474,163
10,195,001	10,954,640	11,041,675	12,072,077	12,487,732	12,866,411	13,248,939
799,886	1,215,070	1,143,210	2,477,386	1,438,262	1,235,837	894,738
1,048,724	1,046,412	1,039,484	1,090,183	1,054,962	1,155,347	1,182,018
41,265	52,168	81,373	52,679	118,437	53,936	34,760
477,139	0	254,000	0	0	0	0
1,567,128	1,098,580	1,374,857	1,142,862	1,173,399	1,209,283	1,216,778
12,562,015	13,268,290	13,559,742	15,692,325	15,099,393	15,311,531	15,360,455

CHAPTER 2

NET APPROPRIATION DETERMINATIONS

NET APPROPRIATION DETERMINATIONS

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
PART 1 - PARLIAMENT							
PARLIAMENT							
Legislative Council:							
GST Input Credits	83	61	61	61	61	61	61
Legislative Assembly:							
GST Input Credits	114	115	115	115	115	115	115
Sale of Publications and Other Revenue	12	18	18	10	10	10	10
Parliamentary Services:							
GST Input Credits	529	475	475	475	475	475	475
Other Receipts	1	3	3	3	3	-	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS							
GST Input Credits	100	56	56	56	56	56	56
Other Receipts	119	138	138	138	138	138	138
Commonwealth Ombudsman	26	5	5	5	5	5	5
PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS							
PREMIER AND CABINET							
State Law Publisher	3,090	2,668	2,700	2,767	2,837	2,929	2,984
Other Revenue	5,161	1,589	2,121	1,859	2,517	2,543	2,339
GST Input Credits	7,374	9,828	12,047	14,723	10,896	8,452	7,148
GST Receipts on Sales	518	463	593	605	501	508	508
INDUSTRY AND RESOURCES							
Proceeds from Petroleum Permits and Licences	15,100	6,145	6,145	5,832	5,978	6,127	6,280
Proceeds from Prospecting, Exploration and Other							
Mining Licences	4,782	4,536	5,036	5,695	6,636	7,277	7,421
Proceeds from Departmental Fees and Charges	2,042	1,401	1,401	1,245	1,251	1,253	1,255
Proceeds from the Provision of Chemical, Mineralogical, Metallurgical and Related Scientific Investigative and Advisory Services							
Interest	-	48	124	124	47	43	43
Goods and Services Tax	5,965	10,317	10,317	10,317	10,317	10,323	10,323
OFFICE OF SHARED SERVICES							
Services Rendered	-	-	-	18,705	34,471	38,290	38,864
GST Input Credits	-	-	-	1,870	3,447	3,829	3,886
Other Revenue	-	-	-	1,000	1,000	1,000	0
GOVERNOR'S ESTABLISHMENT							
Ballroom Hire	45	30	30	30	30	30	30
GST Input Credits	63	63	63	63	63	63	63
OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER							
GST Input Credits	113	133	133	117	114	118	118
Other Revenue	372	275	275	275	275	275	275
SALARIES AND ALLOWANCES TRIBUNAL							
GST Input Credits	9	9	9	10	11	12	12
Other Revenue	3	3	46	3	3	3	3

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT							
TREASURY AND FINANCE							
GST Input Credits.....	3,000	2,600	2,056	2,053	1,902	1,726	1,376
GST Receipts on Sales	440	484	485	485	485	485	485
Land Tax Liability Enquiry Fee	2,984	2,640	2,640	2,640	2,640	2,640	2,640
State Fleet Revenues.....	620	750	900	900	900	900	900
Revenues from the Executive Vehicle Scheme	62	56	56	56	56	56	56
Procurement Service Fees	12,404	7,250	3,573	3,334	3,422	3,579	3,757
Corporate Services to Office of Energy and Economic Regulation Authority.....	364	375	377	380	380	380	380
Other Receipts	78	80	50	50	50	50	-
OFFICE OF NATIVE TITLE							
Executive Vehicle Scheme	-	-	-	5	5	5	5
GST Input Credits.....	-	-	-	4,720	2,181	1,885	750
OFFICE OF THE AUDITOR GENERAL							
GST Input Credits.....	398	412	110	110	110	110	110
GST Receipts on Sales	5	-	302	302	302	302	302
Other Revenue.....	32	20	20	20	20	20	20
ECONOMIC REGULATION AUTHORITY							
Recoups from Industry	2,889	1,804	1,939	1,584	1,400	1,791	1,791
Goods and Services Tax	440	251	251	253	253	253	253
Revenue from the Government Vehicle Scheme.....	44	7	14	13	19	19	19
Other Revenue.....	69	97	90	96	611	613	616
STATE SUPPLY COMMISSION							
Common Use Arrangements fees	4,179	1,477	291	-	-	-	-
GST Input Credits.....	486	148	30	40	40	40	40
GST Receipts on Sales	416	148	30	40	40	40	40
PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT							
AGRICULTURE AND FOOD							
GST Input Tax Credits	11,073	9,369	11,073	11,073	11,073	11,073	11,073
Miscellaneous	882	2,043	1,986	2,278	2,171	2,186	2,248
Proceeds from:							
Animal Health Services.....	2,568	1,539	1,539	1,849	1,861	1,861	1,849
Consultancy Services	95	-	-	-	-	-	-
Direct Mail Services.....	24	24	24	8	8	8	9
Program Revenue.....	784	-	-	-	-	-	-
Research Support Unit Operations	3,824	3,655	4,185	4,185	4,185	4,185	4,185
Sale of Intellectual or Genetic Property	3,978	1,798	1,799	1,818	1,838	1,800	1,800
Seed Quality Services	771	792	792	867	867	889	889
Services contracted by:							
Agricultural Produce Commission.....	2,250	1,658	1,658	1,680	1,680	1,680	-
Agriculture Protection Board of Western Australia	5,325	7,144	6,782	7,201	7,261	7,323	7,323
Rural Business Development Corporation.....	7,412	3,837	8,863	3,123	1,618	2,366	2,516

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
AGRICULTURE AND FOOD (continued)							
Services to Industry and Commonwealth:							
Australian Quarantine Inspection Services	15	-	-	-	-	-	-
FarmBis	1,294	-	-	-	-	-	-
Industry Research and Development	30,502	32,216	53,952	46,072	53,227	23,983	21,379
National Action Plan for Salinity	10,549	53,923	53,943	41,753	39,276	-	-
National Landcare Program	4,004	-	-	-	-	-	-
Natural Heritage Trust	17,895	22,840	23,197	22,880	20,000	-	-
Natural Resource Management Grants	-	-	24,433	-	-	-	-
Tuberculosis Freedom Assurance Program	120	250	59	30	30	30	-
PART 5 - MINISTER FOR EDUCATION AND TRAINING							
EDUCATION AND TRAINING							
Departmental:							
Fees - Agricultural Colleges	2,918	2,927	2,927	3,053	3,129	3,207	3,287
Fees - Senior Colleges	2,424	3,350	3,350	2,802	2,872	2,944	3,018
Fees - Swimming Classes	585	490	490	501	501	501	501
Fees - Other	1,733	2,932	3,172	2,891	2,989	3,075	3,075
Farm School Revenue	812	880	880	880	880	880	880
Physical Education Camp Schools Revenue	1,755	1,589	1,670	1,691	1,733	1,776	1,820
Proceeds from Commercial Activities of Institutions	16,317	15,746	15,746	16,140	16,542	16,954	16,954
Recoveries and Refunds - Teachers Salaries and Other ...	6,884	2,902	5,002	5,002	5,002	5,002	5,002
Refunds - Workers Compensation	3,555	3,945	3,945	3,945	3,945	3,945	3,945
Revenue - Other	10,307	6,766	5,604	8,091	7,863	5,722	5,611
Revenue - Other Capital	5,610	3,700	8,104	3,000	-	-	-
Commonwealth Programs:							
Aboriginal School Education	6,486	11,419	16,068	11,733	12,056	13,576	13,576
Aboriginal Training Programs	2,147	3,304	4,511	3,304	3,304	3,304	3,304
Indian Ocean Territories	8,010	7,938	7,938	8,335	9,032	9,032	9,032
Schools Assistance	195,153	201,367	202,959	214,121	225,935	239,048	239,048
Schools Capital Program	25,977	25,727	29,761	28,676	29,000	29,000	29,000
Special Projects	4,360	6,500	20,801	25,602	25,602	25,602	6,500
Vocational Education and Training	88,516	90,404	94,726	99,117	102,074	105,074	105,074
Vocational Education and Training - Capital Program	20,198	18,475	18,475	17,795	14,350	19,975	16,925
Vocational Education and Training - Other	6,266	4,053	4,053	3,429	3,429	3,429	3,429
GST Input Credits	67,504	61,488	70,045	69,350	70,044	70,744	71,453
GST Receipts on Sales	5,375	1,836	5,428	5,483	5,538	5,593	5,649
EDUCATION SERVICES							
Registration Fees	22	82	82	456	455	459	460
Commonwealth Specific Purpose Program - Aboriginal Education and Training Council	377	325	525	325	325	327	125
Commonwealth Specific Purpose Program - Millennium Indigenous Teacher Scholarship Programme	110	200	-	-	-	-	-
Borrowings from Western Australian Treasury Corporation	30,434	26,500	26,647	26,500	26,500	26,500	26,500
Interest Repayments	4,627	4,729	4,729	5,069	5,569	6,069	6,569
Principal Repayments	13,692	15,512	15,512	16,302	17,740	18,816	20,081
Miscellaneous Revenue	273	90	290	290	290	280	290
GST Input Credits	25,774	23,376	23,140	23,376	25,480	27,040	28,372
GST Receipts	30	24	24	24	24	20	20

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
PART 6 - MINISTER FOR WATER RESOURCES; SPORT AND RECREATION							
SPORT AND RECREATION							
GST Input Credits.....	2,604	2,869	4,285	2,923	1,906	1,619	1,619
GST Receipts on Sales	523	441	441	448	458	455	455
Other.....	471	292	292	70	75	75	75
Proceeds from the Provision of Sport Development Services to Industry Bodies.....	780	707	595	444	453	417	453
Proceeds from the Provision of Sport Participation Services to the Commonwealth.....	781	837	837	806	806	806	806
Revenue Received for Provision of Accommodation and Recreation Programs	2,050	1,585	1,577	1,930	2,026	2,032	2,026
PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS							
ATTORNEY GENERAL							
Proceeds from Supreme Court Fees.....	5,600	5,680	5,680	5,958	6,077	6,199	6,323
Proceeds from District Court Fees	2,543	2,378	2,585	2,637	2,689	2,743	2,798
Proceeds from Magistrates' Court Fees	5,255	5,074	7,120	7,244	7,371	7,501	7,633
Proceeds from Fines Enforcement Registry Fees	12,225	11,123	13,415	14,200	14,452	14,709	14,971
Proceeds from Family Court Fees	1,563	1,412	1,733	1,768	1,803	1,839	1,876
Proceeds from State Administrative Tribunal Fees	152	264	264	269	275	280	286
Proceeds from Other Boards and Tribunals Fees.....	224	237	237	238	239	238	240
Proceeds from Sheriff's Office Fees	200	200	200	204	208	212	216
Proceeds from Public Trustee Estate Fees	7,428	6,541	7,151	7,961	7,961	7,961	7,961
Proceeds from Public Trustee Common Fund Management Fees	1,092	1,738	1,738	1,738	1,738	1,738	1,738
Proceeds from Registry of Births, Deaths and Marriages Fees	5,588	5,176	5,584	5,684	5,684	5,684	5,684
Proceeds from State Solicitor's Fees	2,765	2,870	3,000	3,150	3,150	3,150	3,150
Proceeds from Sale of Industry Goods	2,250	2,350	1,671	-	-	-	-
Proceeds from Prison Canteen Sales	4,238	4,270	2,790	-	-	-	-
Proceeds from Recoup of Prisoner Telephone Calls.....	1,062	1,100	842	-	-	-	-
Proceeds from Recoup of Residential Tenancy Payments...	1,235	1,200	1,200	1,236	1,273	1,311	1,351
Proceeds from Recoup of Workers Compensation Payments	2,727	2,457	1,634	150	150	150	150
Proceeds from Recoup of Criminal Injury Awards.....	1,040	1,037	1,170	1,193	1,217	1,242	1,266
Proceeds from Recoup of Legal Costs.....	622	700	700	700	700	700	700
Proceeds from Recoup of Salary Costs.....	1,353	1,250	1,295	806	806	806	806
Proceeds from Recoup of Other Costs.....	1,440	1,683	1,563	261	407	488	488
Family Court Grant Received from the Commonwealth	12,200	11,400	12,421	12,669	12,923	13,181	13,445
Indian Ocean Territories Grant Received from the Commonwealth	256	200	192	192	192	192	192
Schools Assistance Grant Received from the Commonwealth	337	225	225	-	-	-	-
Other Grants Received.....	685	587	486	-	-	-	-
GST Receipts on Sales	1,387	1,300	1,300	1,300	1,300	1,300	1,300
GST Receipts from Australian Taxation Office	24,152	21,000	21,000	21,000	21,000	21,000	21,000
Proceeds from Other Departmental Revenue.....	50	71	24	21	21	21	21

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
COMMISSIONER FOR EQUAL OPPORTUNITY							
Proceeds from the Provision of Community Education Services.....	173	120	150	150	155	155	160
Proceeds from the Provision of Services to the Indian Ocean Territories	49	35	35	35	35	35	35
GST Input Credits.....	92	62	62	62	68	68	68
GST Receipts on Sales	10	10	10	10	10	10	10
CORRUPTION AND CRIME COMMISSION							
User Charges and Fees	-	20	20	20	20	20	20
Goods and Services Tax	901	325	325	325	305	305	305
Other Receipts	2,426	-	-	-	-	-	-
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS							
Employee Contributions to the Executive Vehicle Scheme.....	-	28	28	28	28	28	28
GST Receipts on Sales	10	2	2	2	2	2	2
GST Input Credits.....	515	278	572	590	604	619	627
Miscellaneous Legal Revenue	105	186	186	186	186	186	186
Contribution from the Confiscation Proceeds Account	400	500	1,529	1,461	1,498	1,535	1,535
OFFICE OF THE INFORMATION COMMISSIONER							
GST Input Credits.....	26	12	12	12	12	12	12
Revenues from the Executive Vehicle Scheme	4	4	3	3	3	3	3
Other Revenue	3	0	1	1	1	1	1
HEALTH							
Proceeds from Services Provided by Health Statistics Branch.....	-	5	4	-	-	4	-
Proceeds from Services Provided by Environmental Health Services	987	925	985	1,021	1,003	1,035	1,018
Proceeds from Services Provided by Community Support Services	1,439	1,476	1,477	1,514	1,522	1,590	1,630
Proceeds from Services Provided by Health Promotion Services.....	709	698	698	722	746	746	746
Proceeds from Services Provided by Miscellaneous Services.....	1,411	746	2,469	2,327	2,260	2,361	2,469
Proceeds for Services Provided by the Drug and Alcohol Office (DAO)	119	150	100	120	120	-	-
GST Input Credits.....	53,196	55,399	54,926	58,406	61,626	64,845	68,065
GST Receipts on Sales	1,931	1,210	2,113	2,491	2,874	3,258	3,641
Aboriginal and Torres Strait Islanders Health - Regional Aboriginal Environmental Health Enhancement.....	300	-	-	-	-	-	-
Australian Immunisation Agreement.....	21,963	-	10,364	11,790	12,106	12,161	12,161
Building Solid Families	785	785	803	803	803	-	-
Civilian Disaster Medical Assistance Program.....	-	-	10	-	-	-	-
Clinical Preceptor Program	86	86	86	59	59	-	-
Council of Australian Governments (COAG)							
Commonwealth Funded Initiatives and Programs Relating to Western Australian Drug and Alcohol Strategy Office	1,000	4,411	4,461	4,735	4,880	-	-
COAG - Environmental Health Programs	200	-	-	-	-	-	-

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
HEALTH (continued)							
DAO - Keeping In Touch Program.....	40	-	-	-	-	-	-
DAO - Ministerial Council on Drug Strategy	50	-	126	-	-	-	-
Emergo - Train System - Pilot Strategy	10	-	-	-	-	-	-
HealthConnect	-	-	500	-	-	-	-
Home and Community Care	74,251	81,065	80,794	87,791	95,393	103,655	112,631
Home and Community Care - Veterans Home Care.....	1,245	1,283	1,277	1,309	1,342	1,376	1,411
Homeless Youth	217	221	-	-	-	-	-
Kimberley Satellite Dialysis Centre	25	-	-	-	-	-	-
Mental Health - Quality Through Outcome.....	340	760	750	-	-	-	-
Post Graduate Medical Council	154	-	55	-	-	-	-
Public Health - Breast Cancer Counselling	82	107	122	116	-	-	-
Public Health - COAG Needle and Syringe Program.....	978	1,003	1,003	1,029	-	-	-
Public Health - Data Linkage	110	-	110	-	-	-	-
Public Health - ENHealth Council.....	258	258	-	-	-	-	-
Public Health - Food Chain Newsletter	26	-	-	-	-	-	-
Public Health - Foodborne Disease Sentinel Site	56	-	38	-	-	-	-
Public Health - Health Insurance Commission (HIC) - Geriatric Evaluation and Management Rehabilitation Program.....	-	-	250	-	-	-	-
Public Health - Hep C - Education and Prevention.....	247	247	253	260	-	-	-
Public Health - HIC - Outpatient Care Services	-	-	175	-	-	-	-
Public Health - Human Quarantine Program	18	18	18	19	20	21	22
Public Health - Increase Consumption of Fruit and Vegetables.....	109	-	-	-	-	-	-
Public Health - National Indigenous Immunisation.....	668	448	448	448	443	443	443
Public Health - Pneumococcal Disease Program.....	15	15	15	15	15	15	15
Public Health - Sexual Health Programs	137	100	100	-	-	-	-
Public Health Outcome Funding Agreement	13,551	21,715	7,014	7,053	7,439	7,498	7,521
Public Health Outcome Funding Agreement - Meningococcal Vaccine Program	-	973	-	-	-	-	-
Western Australian Indigenous Family Healing Program ...	-	-	150	150	-	-	-
WESTERN AUSTRALIAN ELECTORAL COMMISSION							
Extraneous Election Recoups	20	20	20	20	20	20	20
Sale of Rolls and Maps.....	19	20	20	20	20	20	20
Local Government Postal Election Recoups.....	1,656	1,500	726	1,000	1,500	1,000	1,500
Sundries.....	-	3	80	3	3	3	3
GST Input Credits.....	97	80	80	80	80	80	80
PART 8 - MINISTER FOR HOUSING AND WORKS; CONSUMER PROTECTION; HERITAGE; LAND INFORMATION							
HOUSING AND WORKS							
Provision of Contract Services	535,302	513,054	603,440	723,675	777,448	778,880	779,873
Fremantle Prison.....	1,808	3,042	2,927	3,323	3,519	3,795	3,975
Executive Vehicle Scheme	25	22	22	23	24	25	26
Goods and Services Tax	55,896	48,000	63,000	70,000	76,000	76,000	76,000

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
NATIONAL TRUST OF AUSTRALIA (WA)							
User Charges and Fees	23	376	376	376	433	476	476
Grants and Subsidies	891	1,570	1,570	328	370	370	370
Interest Received	188	110	110	90	80	80	80
Goods and Services Tax	273	260	260	260	260	260	260
Other Receipts	614	301	301	340	330	340	340
LAND INFORMATION							
Government Vehicle Scheme	40	45	45	46	46	46	46
GST Input Credits	631	448	448	433	398	398	398
GST on Sales of Goods and Services	3,286	3,296	3,296	3,306	3,306	3,306	3,306
Land Claims Mapping Unit	389	500	485	485	485	485	485
Land Titles Management Services	57,060	50,504	55,636	55,902	57,806	59,570	61,396
Other Proceeds and Recoups	1,695	1,000	2,998	2,175	3,148	5,764	5,914
Remote Sensing Satellite Imagery Services	541	587	738	722	690	717	717
Sales of Maps and Plans	3,399	3,339	4,267	5,376	5,402	5,429	5,429
Valuation and Property Information Services	5,798	5,619	14,027	6,351	8,001	5,637	6,643
PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE							
PLANNING AND INFRASTRUCTURE							
Services Provided to Western Australia Planning							
Commission	7,700	6,395	10,408	11,972	13,142	14,398	14,980
Indian Ocean Territories	40	81	81	161	161	161	161
Boat Registration Fees	6,531	6,300	6,700	7,011	7,336	7,676	8,032
Jetty Licences	385	331	331	441	457	473	490
Marine Examinations	119	162	162	173	181	189	198
Motor Vehicles	13,718	12,233	11,269	12,107	12,668	13,255	13,870
Motor Drivers	6,034	5,752	6,681	8,651	9,051	9,471	9,910
Proof of Age Card	155	126	201	195	197	199	201
Plate Fees	8,181	8,827	10,735	10,591	11,082	11,596	12,134
Recoups for Services Provided	7,893	7,700	7,700	8,707	8,795	8,882	8,971
Temporary Permits	393	391	564	457	478	500	523
Other Revenue	554	1,038	610	547	572	599	626
Proceeds from Rental Properties	1,763	859	859	1,826	1,826	1,826	1,826
Pastoral Leases	1,410	1,464	1,464	1,464	1,464	1,464	1,464
GST Input Credits	5,773	8,953	2,317	2,317	2,317	2,317	2,317
GST Receipts on Sales	10,982	6,135	10,982	10,982	10,982	10,982	10,982
PART 10 - MINISTER FOR INDIGENOUS AFFAIRS; TOURISM; CULTURE AND THE ARTS							
INDIGENOUS AFFAIRS							
Grants and Subsidies	61	-	-	55	-	-	-
GST Input Credits	809	1,027	830	835	840	845	850
Other Receipts	1,294	410	560	300	300	300	400
CULTURE AND THE ARTS							
Rental Income from the Kings Street Arts Centre	54	50	50	50	50	50	50
GST Input Credits	6,570	5,626	6,088	5,988	5,988	5,988	5,988
GST Receipts on Sales	1,483	1,263	1,424	1,424	1,424	1,424	1,424

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
PART 11 - MINISTER FOR THE ENVIRONMENT; RACING AND GAMING							
CONSERVATION AND LAND MANAGEMENT							
Apiary Site Rentals.....	100	105	95	105	105	105	105
Commissions	4	5	4	5	5	5	5
Communication Site Fees	150	130	160	160	160	160	160
Forest Leases	101	100	100	100	100	100	100
GST Input Credits.....	4,479	4,000	4,000	4,000	4,000	4,000	4,000
GST Receipts on Sales	3,117	3,000	3,000	3,000	3,000	3,000	3,000
Proceeds from the Disposal of Equipment and Non-Real Property.....	656	734	734	721	654	644	878
Proceeds from Sale of Real Property	445	-	580	-	-	-	-
Wildlife Fees	278	255	280	280	280	280	280
ENVIRONMENT							
Grants from Industries	1,423	3,190	1,635	1,324	1,324	1,324	1,324
GST Input Credits.....	1,630	1,200	1,200	1,200	1,200	1,200	1,200
Other User Charges	34	659	34	272	127	127	127
Waste Management Recycling Fund	5,808	4,780	4,780	5,000	5,000	5,000	5,000
Pollution Licence Fees	7,084	7,765	7,765	8,140	8,534	8,947	9,380
Waste Control Licence / Permit Fees	1,013	800	800	1,326	1,400	1,448	1,498
Interest.....	355	254	254	187	172	158	158
RACING, GAMING AND LIQUOR							
Provision of Services to the Racing and Gaming Industries.....	2,679	3,051	3,047	3,183	3,294	3,406	3,515
Provision of Services to the Commonwealth in respect of Indian Ocean Territories	70	69	73	71	72	74	75
Liquor Fees Revenue.....	1,666	1,600	1,600	1,680	1,730	1,780	1,830
Other Revenue.....	-	6	6	7	7	7	7
GST Input Credits.....	150	180	155	155	155	155	155
GST Receipts on Sales	10	25	25	25	25	25	25
PART 12 - MINISTER FOR ENERGY; SCIENCE AND INNOVATION							
OFFICE OF ENERGY							
Australian Greenhouse Building Rating Scheme.....	5	8	8	8	8	8	8
Contribution to Government Vehicle Scheme	20	20	20	20	20	20	20
Energy in Western Australia Conference	-	70	35	35	-	35	-
First Rate Software Assessor Registration.....	29	60	60	60	60	60	60
Grants from Commonwealth (PVRP)	57	-	-	-	-	-	-
Grants from Commonwealth (RRPGP)	6,660	5,000	5,000	5,000	5,000	5,000	5,000
GST Input Credits.....	1,058	785	904	-	-	-	-
Recoup of Program Costs	582	500	500	500	-	-	-
Sales of Information Products and Services	-	5	3	5	-	-	-
Other Revenue.....	148	-	37	271	-	-	-

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
PART 13 - MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN							
CONSUMER AND EMPLOYMENT PROTECTION							
Bill of Sale.....	16	26	18	39	39	39	39
Business Names Searches.....	1,079	385	417	395	405	415	515
Corporate Fees.....	95	108	80	109	110	113	113
Licenses and Other Regulatory Fees	8,478	8,357	8,357	13,224	14,041	16,485	16,485
Register of Encumbered Vehicles (REVS).....	1,942	861	865	1,054	1,064	1,074	1,320
Trade Measurement	304	253	253	394	395	400	400
Federal investigation and Advisory Service	319	265	365	265	265	265	265
Proceeds from Services Provided to the Commonwealth in respect of Indian Ocean Territories	212	112	292	112	113	116	280
Recoups from the Rental Accommodation Fund.....	-	1,755	706	1,765	1,775	1,785	1,785
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board	6,319	6,192	6,866	6,352	6,517	7,502	7,502
GST Input Tax Credits	1,388	1,466	1,466	1,476	1,486	1,496	1,496
GST Receipts on Sales	445	202	202	207	212	217	217
Business Names Certificates.....	34	43	51	43	43	43	43
Departmental - Miscellaneous	1,583	655	742	665	675	685	696
Education Kit for Landlords	14	-	-	-	-	-	-
REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION							
Service Charges, Transcript and Award Sales and Other Revenue	157	79	130	130	130	130	130
Fee for Service Australian Industrial Registry.....	277	277	277	-	-	-	-
GST Input Credits.....	336	311	311	311	311	311	311
GST Receipts on Sales	40	3	3	3	3	3	3
PART 14 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY							
POLICE SERVICE							
Licences.....	3,915	4,538	4,538	5,665	5,466	5,603	5,880
Departmental	15,596	15,547	15,538	13,216	13,265	13,285	13,547
Commonwealth - National Campaign Against Drug Abuse..	146	146	146	146	146	146	146
Commonwealth - Police Recruit Training Program.....	432	490	490	490	490	490	490
Commonwealth - Standing Action Committee for Protection Against Violence Training Exercises.....	170	-	-	-	-	-	-
Other.....	405	8	8	8	8	8	8
GST Input Credits.....	15,929	9,523	9,523	9,523	9,523	9,523	9,523
GST Receipts on Sales	1,264	1,388	1,388	1,388	1,388	1,388	1,388
CORRECTIVE SERVICES							
Proceeds from Sale Of Industry Goods	-	-	1,067	2,444	2,541	2,616	2,693
Proceeds from Prison Canteen Sales	-	-	1,177	4,663	4,663	4,663	4,663
Proceeds from Recoup of Prisoner Telephone Calls.....	-	-	265	1,151	1,216	1,306	1,411
Proceeds from Recoup of Workers Compensation Payment	-	-	312	2,353	2,578	2,853	3,153
Proceeds from Recoup of Salary Costs.....	-	-	165	834	901	976	1,081
Proceeds from Recoup of Other Costs.....	-	-	-	474	509	546	591

NET APPROPRIATION DETERMINATIONS (continued)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CORRECTIVE SERVICES (continued)							
Schools Assistance Grant Received from the Commonwealth....	-	-	-	156	156	156	156
Other Grants Received.....	-	-	101	115	115	115	115
Proceeds from Other Departmental Revenue.....	-	-	-	25	25	25	25
OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES							
Goods and Services Tax	72	42	42	42	42	42	42
Other Receipts	32	2	2	2	2	2	2
PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY; PILBARA AND GASCOYNE							
LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT							
Executive Vehicle Scheme and Other Miscellaneous							
Revenue	250	8	8	8	8	8	8
GST Input Credits.....	2,957	150	2,762	2,700	2,700	2,700	2,700
Indian Oceans Territories Program.....	-	143	-	143	143	143	143
Westlink Satellite Communication Service -							
User Charges and Fees.....	191	244	244	245	246	246	246
Funds Provided by the Commonwealth Government	-	601	-	601	601	601	601
FISHERIES							
GST Input Credits.....	2,982	2,500	2,500	2,500	2,500	2,500	2,500
GST Receipts on Sales	598	650	650	650	650	650	650
PART 16 - MINISTER FOR DISABILITY SERVICES; CITIZENSHIP AND MULTICULTURAL INTERESTS; WOMEN'S INTERESTS; MINISTER ASSISTING THE MINISTER FOR FEDERAL AFFAIRS	-	-	-	-	-	-	-
PART 17 - MINISTER FOR COMMUNITY DEVELOPMENT; SENIORS AND VOLUNTEERING; YOUTH; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE							
COMMUNITY DEVELOPMENT							
Aboriginal Child Care Training	28	55	55	55	55	55	55
Children's Services	369	330	407	435	444	453	462
Christmas / Cocos Island	177	141	230	310	319	328	338
Departmental Services.....	4,499	2,001	3,940	4,196	3,277	3,593	3,616
GST Input Credits.....	11,364	11,028	11,028	10,887	10,887	10,887	10,887
GST Receipts on Sales	244	31	31	29	29	29	29
National Youth Week	23	20	22	22	22	22	22
Supported Accommodation Assistance Program.....	17,036	17,624	17,624	17,330	16,938	18,657	19,049
Unattached Refugee Children.....	6	6	7	7	7	7	7
PART 18 - MINISTER FOR SMALL BUSINESS; PEEL AND THE SOUTH WEST; MINISTER ASSISTING THE MINISTER FOR EDUCATION AND TRAINING	-	-	-	-	-	-	-
TOTAL	1,923,574	1,864,619	2,099,639	2,231,196	2,338,633	2,300,267	2,299,268

CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 1 – Part 6

Part 1

Parliament

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
45	Parliament			
	– Delivery of Services	36,915	37,622	39,072
	– Capital Contribution	-	-	3,040
	Total	36,915	37,622	42,112
65	Parliamentary Commissioner for Administrative Investigations			
	– Delivery of Services	2,869	2,869	2,923
	Total	2,869	2,869	2,923
	GRAND TOTAL			
	– Delivery of Services	39,784	40,491	41,995
	– Capital Contribution	-	-	3,040
	Total	39,784	40,491	45,035

PARLIAMENT

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF OUTPUTS							
Legislative Council							
Item 1 Net amount appropriated to deliver services	2,216	2,219	2,658	3,062	3,033	3,272	3,077
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....	6,495	6,709	7,103	7,199	7,409	7,626	7,629
Total appropriations provided to deliver services	8,711	8,928	9,761	10,261	10,442	10,898	10,706
Legislative Assembly							
Item 2 Net amount appropriated to deliver services	3,525	3,331	3,331	3,610	3,886	3,951	3,951
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....	11,542	11,498	11,498	11,843	12,198	12,564	12,564
Total appropriations provided to deliver services	15,067	14,829	14,829	15,453	16,084	16,515	16,515
Parliamentary Services							
Item 3 Net amount appropriated to deliver services	12,917	13,158	13,032	13,358	13,597	13,785	13,785
Total appropriations provided to deliver services	12,917	13,158	13,032	13,358	13,597	13,785	13,785
Total Delivery of Services	36,695	36,915	37,622	39,072	40,123	41,198	41,006
CAPITAL							
Parliamentary Services Department							
Item 123 Capital Contribution	750	-	-	3,040	500	500	500
Total Capital Contribution	750	-	-	3,040	500	500	500
GRAND TOTAL	37,445	36,915	37,622	42,112	40,623	41,698	41,506

LEGISLATIVE COUNCIL

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 1 Net amount appropriated to deliver services	2,216	2,219	2,658	3,062	3,033	3,272	3,077
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Total appropriations provided to deliver services	8,711	8,928	9,761	10,261	10,442	10,898	10,706

MISSION

To pursue excellence in supporting the Legislative Council.

SIGNIFICANT ISSUES AND TRENDS

- After an extensive recruitment process and at the recommendation of the Executive Council, the Governor has appointed Mia Betjeman as Clerk of the Legislative Council and Clerk of the Parliaments.
- The Legislative Council tabled its inaugural Annual Report for the year ended 2004-05 in November 2005, in which it expressed a commitment to raise its level of accountability. Significant progress has been made in formalising and refining the Legislative Council's corporate governance and for the first time key effectiveness and efficiency indicators have been incorporated as part of the budget and reporting processes.
- The Electoral Amendment and Repeal Bill 2005 received Royal Assent on 20 May 2005. The *Electoral Amendment and Repeal Act* alters the distribution of country and city seats, which will take effect at the next State election due in 2009. Membership of the Legislative Council will increase from 34 to 36 Members but maintain an even division between metropolitan and regional seats.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Legislative Council Awareness Programs	195	-	195	-
Improved funding to assist with Standing and Select Committees functions	439	439	439	439

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual ^(a) \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Support the Chamber operations of the Legislative Council	-	718	788	843			
<i>Service 2:</i>							
Support the Committees of the Legislative Council	-	1,101	1,470	1,554			
Other Services ^(b)	-	5,928	5,928	6,193	5,928	5,928	5,928
Total Cost of Services	-	7,747	8,186	8,590	8,561	8,800	8,605
<i>Less Income</i>	-	-	-	-	-	-	-
Net Cost of Services	-	7,747	8,186	8,590	8,561	8,800	8,605
Adjustments ^(c)	-	(5,528)	(5,528)	(5,528)	(5,528)	(5,528)	(5,528)
Appropriation provided to deliver Services.	2,216	2,219	2,658	3,062	3,033	3,272	3,077
<i>Salaries and Allowances Act 1975 ^(d)</i>	6,495	6,709	7,103	7,199	7,409	7,626	7,629
TOTAL CONSOLIDATED FUND APPROPRIATIONS	8,711	8,928	9,761	10,261	10,442	10,898	10,706

(a) Output information for 2004-05 not available.

(b) Provides details of the administration costs of the offices of the President, Chairman of Committees and Clerk, and costs allocated by the Parliamentary Services Department.

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

(d) Provides details of salaries and allowances not applicable to operational service delivery.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

The Legislative Council is not part of the State public service or an agency of Government.

The Legislative Council services the needs of Members of Parliament, irrespective of their political affiliation through two specific service roles that are undertaken to meet its single desired outcome. In doing so, it supports a broad, high level goal that reflects a governance role for all Western Australians. The following table illustrates the relationship between that desired outcome and Government goal.

Goal	Desired Outcome	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	The Legislative Council Members' requirements are met.	<ol style="list-style-type: none"> 1. Support the Chamber operations of the Legislative Council 2. Support the Committees of the Legislative Council

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual ^(b)	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: The Legislative Council Members' requirements are met.					
Average Member rating for procedural advice - House	n/a	85%	85%	85%	
Average Member rating for procedural advice - Committees	n/a	85%	85%	85%	
Average Member rating for administrative support.....	n/a	85%	85%	85%	
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by the House	n/a	100%	100%	100%	

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

(b) New indicator for 2005-06. No comparative data available. Estimates based on a survey conducted in 2005.

Service 1: Support the Chamber Operations of the Legislative Council ^(a)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	-	718	788	843	
Less Income.....	-	-	-	-	
Net Cost of Service	-	718	788	843	
Appropriation for delivery of Service	-	718	788	843	

(a) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, costs associated with the administration of the offices of President, Chairman of Committees and Clerk, and costs allocated by the Parliamentary Services Department.

Key Efficiency Indicators

	2004-05 Actual ^(a)	2005-06 Budget ^(b)	2005-06 Estimated ^(b)	2006-07 Target ^(b)	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per Legislative Council Member per sitting.....	n/a	\$335	\$368	\$380	Supplementary funding of \$439,000 provided in 2005-06 for ongoing costs of which \$70,000 related to the support of Chamber operations.
Full Time Equivalents (FTEs)	-	9	9	9	

(a) New indicator for 2005-06. No comparative data available. Costs have been calculated on an estimate of 63 sitting days per annum for comparative purposes. It is acknowledged that the House establishes the sitting patterns and the Legislative Council incurs a fixed cost irrespective of the number of sitting days

(b) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, costs associated with the administration of the offices of President, Chairman of Committees and Clerk, and costs allocated by the Parliamentary Services Department

Major Achievements For 2005-06

- Significant progress made in corporate governance and financial accountability including the establishment of management teams and management systems and the development of policies and standards and Key Performance Indicators.
- Significant progress made in budgetary matters through reviews by Department of Treasury and Finance officials that have lead to the level of funding being adjusted to better reflect current cost and budgetary demands.
- Comprehensive induction programs provided to 13 new Legislative Council Members who commenced their parliamentary careers on 23 May 2005, following the 2005 State election.
- Commencement of Legislative Council Chamber air-conditioning project as part of the Parliament's capital works program.
- The House adopted new Sessional Orders on 23 March 2006.
- The Legislative Council, through the office of the President, hosted 20 distinguished visitors and official delegations.

Major Initiatives For 2006-07

- The introduction of an awareness program to promote to the public of Western Australia the roles and functions of the Legislative Council and its Committees.
- Implementation of the recommendations of the review of the committee system and its operations (Cash Report), in consultation with the Chairman of Committees.
- Foster links with the Office of the Auditor General, the Ombudsman and other Parliamentary Officers.
- Evaluation of Chamber seating replacement and re-arrangement to accommodate additional membership in 2009.
- Planning for and implementation of across-Parliament filing conventions, in preparation for installation of an Electronic Document/Records Management System.

Service 2: Support the Committees of the Legislative Council ^(a)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	Reason for Significant Variation
Total Cost of Service	-	1,101	1,470	1,554	
Less Income	-	-	-	-	
Net Cost of Service	-	1,101	1,470	1,554	
Appropriation for delivery of Service	-	1,101	1,470	1,554	

(a) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, costs associated with the administration of the offices of President, Chairman of Committees and Clerk, and costs allocated by the Parliamentary Services Department.

Key Efficiency Indicators

2004-05 Actual ^(a)	2005-06 Budget ^(b)	2005-06 Estimated ^(b)	2006-07 Target ^(b)	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target	
Average cost of providing procedural and administrative support to each Committee...	n/a	\$138	\$184	\$194	Supplementary funding of \$439,000 provided in 2005-06 for ongoing operational costs of which \$369,000 related to support of Committees.
Full Time Equivalents (FTEs)	n/a	16	17	17	

(a) New indicator for 2005-06. No comparative data available. Estimates based on a survey conducted in 2005.

(b) Costs have been calculated on an estimate of eight committees per annum for comparative purposes. It is acknowledged that the House establishes the number of committees and the Legislative Council incurs a fixed cost irrespective of the number of committees.

Major Achievements For 2005-06

- Induction of 13 new committee members.
- The establishment of the Standing Committee on Estimates and Financial Operations, as a result of a review by the Chairman of Committees between October 2004 and April 2005 (Cash Report).
- Significant progress made in budgetary matters through reviews by Department of Treasury and Finance officials that have led to the level of funding being adjusted to better reflect current cost and budgetary demands.
- Reconfiguration in August 2005 of most standing committees, including variations to number of members on some committees and a realignment of terms of reference.
- A Select Committee (on the Adequacy of Foster Care Assessment Procedures by the Department for Community Development) was established in September 2005.

Major Initiatives For 2006-07

- Development of an outreach program to educate Government agency officers on the requirements and proceedings at committee hearings.
- Publication of a formal Committee Members' guide on general practice and procedure.
- Expansion or relocation of leased committee office premises and associated refurbishment to accommodate an extra committee and staff.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	7,496	7,879	8,526	8,784	9,116	9,317	9,320
Superannuation	1,046	1,056	1,146	1,172	1,210	1,236	1,236
Supplies and services	5,663	5,351	5,397	5,603	5,435	5,643	5,448
Accommodation	199	150	200	200	200	200	200
Depreciation and amortisation	3	15	15	15	15	15	15
Other expenses	14	15	15	15	15	15	15
TOTAL COST OF SERVICES	14,421	14,466	15,299	15,789	15,991	16,426	16,234
NET COST OF SERVICES	14,421	14,466	15,299	15,789	15,991	16,426	16,234
INCOME FROM STATE GOVERNMENT							
Service appropriations	8,711	8,928	9,761	10,261	10,442	10,898	10,706
Resources received free of charge	4,970	4,788	4,788	4,788	4,788	4,788	4,788
Liabilities assumed by the Treasurer	720	740	740	740	740	740	740
TOTAL INCOME FROM STATE GOVERNMENT	14,401	14,456	15,289	15,789	15,970	16,426	16,234
SURPLUS (DEFICIENCY) FOR THE PERIOD	(20)	(10)	(10)	-	(21)	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 28, 29 and 29 respectively, which includes three FTEs associated with the offices of President, Chairman of Committees and Clerk.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	109	203	104	99	79	79	79
Restricted cash	-	9	5	10	15	15	15
Receivables	9	9	9	9	9	9	9
Prepayments	13	3	3	3	3	3	3
Total current assets	131	224	121	121	106	106	106
NON-CURRENT ASSETS							
Amounts receivable for services	130	145	145	160	175	190	205
Plant and equipment	117	91	102	87	72	57	42
Other	38	36	38	38	38	38	38
Total non-current assets	285	272	285	285	285	285	285
TOTAL ASSETS	416	496	406	406	391	391	391
CURRENT LIABILITIES							
Payables	56	36	56	56	56	56	56
Provision for employee entitlements	414	352	414	414	414	414	414
Accrued salaries	-	-	-	-	6	6	6
Other	-	45	-	-	-	-	-
Total current liabilities	470	433	470	470	476	476	476
NON-CURRENT LIABILITIES							
Provision for employee entitlements	62	101	62	62	62	62	62
Total non-current liabilities	62	101	62	62	62	62	62
TOTAL LIABILITIES	532	534	532	532	538	538	538
EQUITY							
Accumulated surplus/(deficit)	(136)	(56)	(146)	(146)	(167)	(167)	(167)
Reserves	20	18	20	20	20	20	20
Total equity	(116)	(38)	(126)	(126)	(147)	(147)	(147)
TOTAL LIABILITIES AND EQUITY	416	496	406	406	391	391	391

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT (Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	8,696	8,913	9,746	10,246	10,427	10,883	10,691
Net cash provided by State government	8,696	8,913	9,746	10,246	10,427	10,883	10,691
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(7,570)	(7,888)	(8,535)	(8,790)	(9,115)	(9,315)	(9,318)
Superannuation	(331)	(317)	(407)	(433)	(472)	(499)	(499)
Supplies and services	(677)	(653)	(589)	(808)	(640)	(854)	(659)
Accommodation	(198)	(40)	(200)	(200)	(200)	(200)	(200)
Goods and services tax	(81)	(61)	(61)	(61)	(61)	(61)	(61)
Other.....	(20)	(15)	(15)	(15)	(15)	(15)	(15)
Receipts							
Goods and services tax	83	61	61	61	61	61	61
Net cash from operating activities.....	(8,794)	(8,913)	(9,746)	(10,246)	(10,442)	(10,883)	(10,691)
NET INCREASE/(DECREASE) IN CASH HELD	(98)	-	-	-	(15)	-	-
Cash assets at the beginning of the reporting period	207	212	109	109	109	94	94
Cash assets at the end of the reporting period.....	109	212	109	109	94	94	94

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	83	61	61	61
TOTAL.....	83	61	61	61

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

LEGISLATIVE ASSEMBLY

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 2 Net amount appropriated to deliver services	3,525	3,331	3,331	3,610	3,886	3,951	3,951
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	11,542	11,498	11,498	11,843	12,198	12,564	12,564
Total appropriations provided to deliver services	15,067	14,829	14,829	15,453	16,084	16,515	16,515

MISSION

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

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
Service 1:							
Administrative and Procedural Support to the Legislative Assembly, its Members and Committees.	12,692	12,460	12,446	12,714			
Total Cost of Services	12,692	12,460	12,446	12,714	12,995	13,055	13,055
<i>Less Income.....</i>	12	10	10	10	10	-	-
Net Cost of Services	12,680	12,450	12,436	12,704	12,985	13,055	13,055
 Adjustments ^(a)	(9,155)	(9,119)	(9,105)	(9,094)	(9,099)	(9,104)	(9,104)
Appropriation provided to deliver Services.	3,525	3,331	3,331	3,610	3,886	3,951	3,951
<i>Salaries and Allowances Act 1975 ^(b)</i>	11,542	11,498	11,498	11,843	12,198	12,564	12,564
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	15,067	14,829	14,829	15,453	16,084	16,515	16,515

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

(b) Provides details of salaries and allowances not applicable to operational service delivery.

Service 1: Administrative and Procedural Support to the Legislative Assembly, its Members and Committees

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	24,234	23,958	23,944	24,557	
Less Income	12	10	10	10	
Net Cost of Service	24,222	23,948	23,934	24,547	
Adjustments ^(a)	(9,155)	(9,119)	(9,105)	(9,094)	
Appropriation for delivery of Service	15,067	14,829	14,829	15,453	

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

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	12,130	12,705	12,705	13,234	13,777	14,116	14,116
Superannuation	1,924	1,578	1,578	1,620	1,686	1,730	1,730
Supplies and services	9,797	9,660	9,646	9,688	9,715	9,703	9,758
Accommodation	333	-	-	-	-	-	-
Depreciation and amortisation	36	-	-	-	-	-	-
Other expenses	14	15	15	15	15	70	15
TOTAL COST OF SERVICES	24,234	23,958	23,944	24,557	25,193	25,619	25,619
Income							
Other revenue	12	10	10	10	10	-	-
Total Income	12	10	10	10	10	-	-
NET COST OF SERVICES	24,222	23,948	23,934	24,547	25,183	25,619	25,619
INCOME FROM STATE GOVERNMENT							
Service appropriations	15,067	14,829	14,829	15,453	16,084	16,515	16,515
Resources received free of charge	8,332	7,988	7,988	7,988	7,988	7,988	7,988
Liabilities assumed by the Treasurer	1,343	1,110	1,110	1,110	1,110	1,110	1,110
TOTAL INCOME FROM STATE GOVERNMENT	24,742	23,927	23,927	24,551	25,182	25,613	25,613
SURPLUS (DEFICIENCY) FOR THE PERIOD	520	(21)	(7)	4	(1)	(6)	(6)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 28, 28 and 28 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	762	209	758	754	726	688	654
Restricted cash	-	4	4	8	12	16	16
Receivables	31	23	29	29	29	29	29
Inventories	-	27	-	10	30	50	70
Prepayments	-	29	-	4	12	20	28
Total current assets	793	292	791	805	809	803	797
NON-CURRENT ASSETS							
Amounts receivable for services	220	220	220	220	220	220	220
Plant and equipment	99	59	99	99	99	99	99
Other	145	132	145	145	145	145	145
Total non-current assets	464	411	464	464	464	464	464
TOTAL ASSETS	1,257	703	1,255	1,269	1,273	1,267	1,261
CURRENT LIABILITIES							
Payables	92	111	92	102	102	102	102
Provision for employee entitlements	338	307	339	335	336	332	332
Accrued salaries	-	4	4	8	12	16	16
Total current liabilities	430	422	435	445	450	450	450
NON-CURRENT LIABILITIES							
Provision for employee entitlements	149	96	149	149	149	149	149
Total non-current liabilities	149	96	149	149	149	149	149
TOTAL LIABILITIES	579	518	584	594	599	599	599
EQUITY							
Accumulated surplus / (deficit)	637	157	630	634	633	627	621
Reserves	41	28	41	41	41	41	41
Total equity	678	185	671	675	674	668	662
TOTAL LIABILITIES AND EQUITY	1,257	703	1,255	1,269	1,273	1,267	1,261

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT (Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	15,017	14,829	14,829	15,453	16,084	16,515	16,515
Net cash provided by State government	15,017	14,829	14,829	15,453	16,084	16,515	16,515
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(12,086)	(12,700)	(12,700)	(13,234)	(13,772)	(14,104)	(14,104)
Superannuation	(583)	(468)	(468)	(510)	(576)	(620)	(620)
Supplies and services	(1,452)	(1,666)	(1,666)	(1,704)	(1,755)	(1,755)	(1,810)
Accommodation	(307)	-	-	-	-	-	-
Goods and Services Tax	(124)	(113)	(113)	(115)	(115)	(115)	(115)
Other.....	(28)	(15)	(15)	(15)	(15)	(70)	(15)
Receipts							
Goods and Services Tax	114	115	115	115	115	115	115
Other receipts	12	18	18	10	10	-	-
Net cash from operating activities	(14,454)	(14,829)	(14,829)	(15,453)	(16,108)	(16,549)	(16,549)
NET INCREASE / (DECREASE) IN CASH HELD	563	-	-	-	(24)	(34)	(34)
Cash assets at the beginning of the reporting period	199	213	762	762	762	738	704
Cash assets at the end of the reporting period.....	762	213	762	762	738	704	670

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	114	115	115	115
Sale of Publications and Other Revenue	12	18	18	10
TOTAL.....	126	133	133	125

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

PARLIAMENTARY SERVICES

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 3 Net amount appropriated to deliver services	12,917	13,158	13,032	13,358	13,597	13,785	13,785
Total appropriations provided to deliver services	12,917	13,158	13,032	13,358	13,597	13,785	13,785
CAPITAL							
Item 123 Capital Contribution	750	-	-	3,040	500	500	500
GRAND TOTAL	13,667	13,158	13,032	16,398	14,097	14,285	14,285

MISSION

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

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
Service 1:							
Parliamentary Administrative and Support Services	13,305	13,251	13,125	13,500			
Total Cost of Services	13,305	13,251	13,125	13,500	13,679	13,874	13,874
<i>Less Income</i>	3	35	35	35	35	-	-
Net Cost of Services	13,302	13,216	13,090	13,465	13,644	13,874	13,874
 Adjustments ^(a)	(385)	(58)	(58)	(107)	(47)	(89)	(89)
Appropriation provided to deliver Services	12,917	13,158	13,032	13,358	13,597	13,785	13,785
 Appropriation for Capital Contribution to meet equity needs ^(b)	750	-	-	3,040	500	500	500
TOTAL CONSOLIDATED FUND APPROPRIATIONS	13,667	13,158	13,032	16,398	14,097	14,285	14,285

(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.

Service 1: Parliamentary Administrative and Support Services

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	13,305	13,251	13,125	13,500	
Less Income	3	35	35	35	
Net Cost of Service	13,302	13,216	13,090	13,465	
Adjustments ^(a)	(385)	(58)	(58)	(107)	
Appropriation for delivery of Service	12,917	13,158	13,032	13,358	

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

Major Achievements For 2005-06

- Continued upgrades of Parliament House services and facilities for members, staff and visitors.
- Undertook several significant building related projects including installation of infrastructure for the air-conditioning of the Legislative Council and Legislative Assembly Chambers' air-conditioning.
- Improved sound and vision broadcasting of Parliamentary proceedings with completion of Stage 1 of broadcasting system upgrade.
- Logistical support provided for May 2006 sitting of the Legislative Assembly in Geraldton.
- Improved online media services, including sound and vision bytes and newspaper clipping services.

Major Initiatives For 2006-07

- Ongoing services and facilities improvements including decrease in maintenance backlog.
- Manage Legislative Assembly Chamber air-conditioning and seating replacement projects.
- Further hardware and software system upgrades to improve communication and information resources available to members.
- Completion of broadcasting system upgrade project.

CAPITAL WORKS PROGRAM

The Parliamentary Services Department capital works program for 2006-07 is \$3.1 million. These funds will be used primarily for the continuation of:

- air-conditioning of Legislative Council and Legislative Assembly chambers;
- Legislative Assembly chamber ergonomic refurbishment and electoral reform seating adjustments; and
- capital upgrades, maintenance and replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Buildings, Refurbishments, Upgrades				
Building Maintenance Backlog	800	673	480	-
Chambers Air-conditioning	2,360	940	940	1,420
Furniture and Equipment				
Furniture Replacement Program	284	150	-	84
Information and Communication Systems				
Asset Replacement - IT and Equipment	350	200	27	50
Information Management Plan - Implementation	941	868	-	73
COMPLETED WORKS				
Information and Communication Systems				
Digital Audio Transcription	160	160	50	-
Parliament House Security				
Parliament House Security Upgrade	1,286	1,286	160	-
NEW WORKS				
Buildings, Refurbishments, Upgrades				
2006-07 - Capital Upgrades and Maintenance	2,000	-	-	500
Legislative Assembly Seating	940	-	-	940
	9,121	4,277	1,657	3,067

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,153	1,144	1,657	3,067	777	500	500
	1,153	1,144	1,657	3,067	777	500	500
LESS							
Drawdowns from the Holding Account	920	580	580	150	150	-	-
Internal Funds and Balances	(517)	564	517	(123)	123	-	-
Other	-	-	560	-	4	-	-
Capital Contribution	750	-	-	3,040	500	500	500

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	5,525	5,296	5,180	5,323	5,366	5,480	5,480
Superannuation	543	520	510	510	521	521	521
Supplies and services	2,536	2,473	2,473	2,478	2,559	2,559	2,559
Accommodation	1,818	1,500	1,500	1,560	1,560	1,560	1,560
Capital user charge	2,271	2,302	2,302	2,307	2,312	2,311	2,311
Depreciation and amortisation	593	630	630	675	714	714	714
Other expenses	19	530	530	647	647	729	729
TOTAL COST OF SERVICES	13,305	13,251	13,125	13,500	13,679	13,874	13,874
Income							
Gain on disposal of non-current assets	2	-	-	-	-	-	-
Proceeds from disposal of non-current assets ..	-	30	30	30	30	-	-
Other revenue	1	5	5	5	5	-	-
Total Income	3	35	35	35	35	-	-
NET COST OF SERVICES	13,302	13,216	13,090	13,465	13,644	13,874	13,874
INCOME FROM STATE GOVERNMENT							
Service appropriations	12,917	13,158	13,032	13,358	13,597	13,785	13,785
Liabilities assumed by the Treasurer	38	50	50	50	50	50	50
TOTAL INCOME FROM STATE GOVERNMENT	12,955	13,208	13,082	13,408	13,647	13,835	13,835
SURPLUS (DEFICIENCY) FOR THE PERIOD	(347)	(8)	(8)	(57)	3	(39)	(39)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 99, 99 and 99 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,601	8	524	648	524	524	485
Restricted cash	-	28	28	56	56	56	56
Receivables	124	160	202	210	210	210	210
Amounts receivable for services	580	150	150	150	-	-	-
Prepayments	87	181	147	167	157	145	145
Total current assets	2,392	527	1,051	1,231	947	935	896
NON-CURRENT ASSETS							
Amounts receivable for services	214	694	694	1,219	1,933	2,647	3,361
Land and buildings	27,070	27,510	28,237	27,984	27,801	27,189	26,577
Plant and equipment	581	571	441	3,086	3,332	3,730	4,128
Other	771	1,185	771	771	771	771	771
Total non-current assets	28,636	29,960	30,143	33,060	33,837	34,337	34,837
TOTAL ASSETS	31,028	30,487	31,194	34,291	34,784	35,272	35,733
CURRENT LIABILITIES							
Payables	299	775	459	559	545	569	569
Provision for employee entitlements	886	679	886	886	886	886	886
Accrued salaries	-	14	14	28	32	35	35
Total current liabilities	1,185	1,468	1,359	1,473	1,463	1,490	1,490
NON-CURRENT LIABILITIES							
Provision for employee entitlements	315	242	315	315	315	315	315
Total non-current liabilities	315	242	315	315	315	315	315
TOTAL LIABILITIES	1,500	1,710	1,674	1,788	1,778	1,805	1,805
EQUITY							
Contributed equity	7,027	7,027	7,027	10,067	10,567	11,067	11,567
Accumulated surplus / (deficit)	4,267	4,657	4,259	4,202	4,205	4,166	4,127
Reserves	18,234	17,093	18,234	18,234	18,234	18,234	18,234
Total equity	29,528	28,777	29,520	32,503	33,006	33,467	33,928
TOTAL LIABILITIES AND EQUITY	31,028	30,487	31,194	34,291	34,784	35,272	35,733

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	12,307	12,528	12,402	12,683	12,883	13,071	13,071
Capital contribution	750	-	-	3,040	500	500	500
Holding account drawdowns	920	580	580	150	150	-	-
Net cash provided by State government	13,977	13,108	12,982	15,873	13,533	13,571	13,571
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(5,510)	(5,280)	(5,166)	(5,309)	(5,362)	(5,477)	(5,519)
Superannuation	(506)	(420)	(410)	(410)	(421)	(421)	(421)
Supplies and services	(2,593)	(1,988)	(1,986)	(1,988)	(2,145)	(2,105)	(2,102)
Accommodation	(1,727)	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Capital user charge	(2,271)	(2,302)	(2,302)	(2,307)	(2,312)	(2,311)	(2,311)
Goods and Services Tax	(530)	(475)	(475)	(475)	(475)	(475)	(475)
Other	(19)	(373)	(373)	(503)	(503)	(605)	(605)
Receipts							
Goods and Services Tax	529	475	475	475	475	475	475
Other receipts	1	3	3	3	3	-	-
Net cash from operating activities	(12,626)	(12,512)	(12,386)	(12,666)	(12,892)	(13,071)	(13,110)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(602)	(1,144)	(1,657)	(3,067)	(777)	(500)	(500)
Proceeds from sale of non-current assets	2	12	12	12	12	-	-
Net cash from investing activities	(600)	(1,132)	(1,645)	(3,055)	(765)	(500)	(500)
NET INCREASE / (DECREASE) IN CASH HELD	751	(536)	(1,049)	152	(124)	-	(39)
Cash assets at the beginning of the reporting period	850	572	1,601	552	704	580	580
Cash assets at the end of the reporting period	1,601	36	552	704	580	580	541

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	529	475	475	475
Other Receipts.....	1	3	3	3
TOTAL.....	530	478	478	478

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

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

PART 1 - PARLIAMENT

DIVISION 2

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 4 Net amount appropriated to deliver services	2,745	2,491	2,491	2,534	2,722	2,705	2,749
Amount Authorised by Other Statutes - Parliamentary Commissioner Act 1971 ^(a)	305	378	378	389	401	413	413
Total appropriations provided to deliver services	3,050	2,869	2,869	2,923	3,123	3,118	3,162
CAPITAL							
Capital Contribution	136	-	-	-	-	-	-
GRAND TOTAL	3,186	2,869	2,869	2,923	3,123	3,118	3,162

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Recent years have seen a marked increase in the complexity of the matters under investigation by the Office. This is expected to continue in 2006-07.
- It is expected that the Office will receive around 1,600 allegations relating to public sector organisations, and over 3,000 telephone calls from members of the public.
- The Office is taking a more proactive role in addressing systemic problems and promoting good administrative practices, consistent with a growing focus on integrity, transparency and accountability across the public sector.
- There is a need to improve the access of Indigenous people and young people to the Ombudsman.
- Ensuring the Office has systems and procedures in place to deal fairly and reasonably with challenging complainants has become a priority.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Additional Resources for Complex Investigations.....	235	235	235	235

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i> Investigation of complaints about administrative actions of public sector organisations	2,862	3,003	3,732	3,166			
<i>Service 2:</i> Inspection of eligible authorities to ensure compliance with statutory provisions when they intercept telecommunications	58	52	52	52			
Total Cost of Services	2,920	3,055	3,784	3,218	3,417	3,349	3,559
<i>Less Income</i>	<i>145</i>	<i>143</i>	<i>143</i>	<i>143</i>	<i>143</i>	<i>143</i>	<i>143</i>
Net Cost of Services	2,775	2,912	3,641	3,075	3,274	3,206	3,416
Adjustments ^(a)	275	(43)	(772)	(152)	(151)	(88)	(254)
Appropriation provided to deliver Services.	3,050	2,869	2,869	2,923	3,123	3,118	3,162
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	136	-	-	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	3,186	2,869	2,869	2,923	3,123	3,118	3,162

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

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

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

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.					
Of allegations where the Office made recommendations, percentage of recommendations accepted by agencies	88%	95%	95%	95%	
Number of improvements to practices and procedures of agencies as a result of the Office's action	14	15	34	30	
Outcome: Confidence that telecommunication interceptions are conducted in accordance with statutory provisions.					
The proportion of inspections completed where no serious breaches of the legislation were found	95%	100%	90%	100%	

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

Service 1: Investigation of Complaints about Administrative Actions of Public Sector OrganisationsInvestigation of complaints received under the *Parliamentary Commissioner Act 1971*.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,862	3,003	3,732	3,166	
Less Income	145	143	143	143	
Net Cost of Service	2,717	2,860	3,589	3,023	
Adjustments ^(a)	275	(43)	(772)	(152)	
Appropriation for delivery of Service	2,992	2,817	2,817	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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Percentage of allegations finalised within three months	67%	70%	64%	70%	
Percentage of allegations finalised within 12 months	93%	95%	90%	95%	
Percentage of allegations on hand less than three months old	43%	50%	30%	30%	The number of allegations on hand more than three months old has exceeded estimates due to complexity of issues.
Percentage of allegations on hand less than 12 months old	84%	85%	80%	85%	
Average cost per allegation finalised	\$1,724	\$2,002	\$2,028	\$1,721	Have finalised more allegations than expected.
Full Time Equivalents (FTEs)	24	24	24	27	

Major Achievements For 2005-06

- Hosted the Australasian and Pacific Regional Ombudsman Conference in April 2006 with the theme "Integrity, Accountability and Transparency".
- Developed a range of resources to strengthen integrity in the public sector, in conjunction with the Integrity Coordinating Group.
- Partnered with the Commonwealth and New South Wales Ombudsmen in the first phase of an AusAID project to strengthen the capacity of ombudsmen in Indonesia.
- Established a new communications unit to provide better online resources for the public and for government agencies and a more proactive community outreach program.
- Continued to improve operational effectiveness through enhanced case management and staff training and development.

Major Initiatives For 2006-07

- Review the Office's communication tools, including the website, to better support agencies and local governments in improving their complaints handling and administrative practices.
- Develop a strategy to improve the accessibility of the Office to Indigenous people, including a training program to increase staff understanding of Indigenous people.
- Develop guidelines and tools to assist the Office as well as public sector agencies deal more effectively with challenging complainants.
- Increased staff resources for 2006-07 will allow the Office to improve the quality and timeliness of its services and respond more effectively to the dynamic external environment.

Service 2: Inspection of Eligible Authorities to Ensure Compliance with Statutory Provisions when they intercept telecommunications

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	58	52	52	52	
Less Income	-	-	-	-	
Net Cost of Service	58	52	52	52	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	58	52	52	52	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average Cost per inspection	\$3,061	\$2,000	\$5200	\$5,200	Fewer inspections than targeted were conducted due to illness of principle delegated officer.
Full Time Equivalents (FTEs)	1	1	1	1	

Major Achievements For 2005-06

- Successful continuation of inspection program and reporting to Ministers.

Major Initiatives For 2006-07

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

CAPITAL WORKS PROGRAM

The Office's capital works program of \$107,000 in 2006-07 will provide for the rolling replacement of existing assets.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Computer Hardware and Software				
2005-06 Program	96	96	96	-
Furniture and Equipment				
2005-06 Program	15	15	15	-
NEW WORKS				
Computer Hardware and Software				
2006-07 Program	107	-	-	107
	218	111	111	107

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	241	72	111	107	106	149	127
	241	72	111	107	106	149	127
LESS							
Drawdowns from the Holding Account	83	72	72	107	106	143	127
Internal Funds and Balances	22	-	39	-	-	6	-
Capital Contribution	136	-	-	-	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,683	2,138	2,014	2,330	2,398	2,454	2,554
Superannuation	178	190	178	183	188	194	200
Supplies and services	439	245	1,074	221	316	276	405
Accommodation	357	240	240	250	290	304	304
Capital user charge	75	45	45	45	45	45	45
Depreciation and amortisation	183	134	170	151	145	41	7
Other expenses	5	63	63	38	35	35	44
TOTAL COST OF SERVICES	2,920	3,055	3,784	3,218	3,417	3,349	3,559
Income							
Grants and subsidies	26	5	5	5	5	5	5
Other revenue	119	138	138	138	138	138	138
Total Income	145	143	143	143	143	143	143
NET COST OF SERVICES	2,775	2,912	3,641	3,075	3,274	3,206	3,416
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,050	2,869	2,869	2,923	3,123	3,118	3,162
Resources received free of charge	93	100	100	100	99	99	99
Liabilities assumed by the Treasurer	5	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	3,148	2,969	2,969	3,023	3,222	3,217	3,261
SURPLUS (DEFICIENCY) FOR THE PERIOD	373	57	(672)	(52)	(52)	11	(155)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 25, 25 and 28 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	723	493	12	4	1	1	1
Receivables	26	32	26	26	26	26	26
Amounts receivable for services	72	107	107	106	143	143	143
Prepayments	57	-	57	57	57	57	57
Total current assets	878	632	202	193	227	227	227
NON-CURRENT ASSETS							
Amounts receivable for services	321	479	515	695	832	868	870
Plant and equipment	521	758	303	223	150	272	263
Intangibles	-	49	88	88	88	88	88
Restricted cash	-	10	6	11	16	16	16
Other	-	-	35	36	35	35	35
Total non-current assets	842	1,296	947	1,053	1,121	1,279	1,272
TOTAL ASSETS	1,720	1,928	1,149	1,246	1,348	1,506	1,499
CURRENT LIABILITIES							
Payables	33	106	31	29	27	31	31
Provision for employee entitlements	319	539	366	432	501	568	638
Accrued salaries	-	9	1	7	13	13	13
Other	-	43	36	42	48	49	49
Total current liabilities	352	697	434	510	589	661	731
NON-CURRENT LIABILITIES							
Provision for employee entitlements	192	286	211	284	359	434	512
Total non-current liabilities	192	286	211	284	359	434	512
TOTAL LIABILITIES	544	983	645	794	948	1,095	1,243
EQUITY							
Contributed equity	732	732	732	732	732	732	732
Accumulated surplus/(deficit)	439	208	(233)	(285)	(337)	(326)	(481)
Reserves	5	5	5	5	5	5	5
Total equity	1,176	945	504	452	400	411	256
TOTAL LIABILITIES AND EQUITY	1,720	1,928	1,149	1,246	1,348	1,506	1,499

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT (Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	2,713	2,604	2,568	2,637	2,843	2,939	3,017
Capital contribution	136	-	-	-	-	-	-
Holding account drawdowns	83	72	72	107	106	143	127
Net cash provided by State government	2,932	2,676	2,640	2,744	2,949	3,082	3,144
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(1,708)	(1,989)	(1,911)	(2,179)	(2,242)	(2,311)	(2,406)
Superannuation	(175)	(190)	(178)	(183)	(188)	(194)	(200)
Supplies and services	(373)	(162)	(989)	(101)	(184)	(193)	(169)
Accommodation	(375)	(240)	(240)	(250)	(290)	(304)	(304)
Capital user charge	(75)	(45)	(45)	(45)	(45)	(45)	(45)
Goods and services tax	(103)	(56)	(56)	(56)	(56)	(56)	(56)
Other	(14)	(14)	(14)	(25)	(35)	(35)	(36)
Receipts							
Grants and subsidies	26	5	5	5	5	5	5
Goods and services tax	100	56	56	56	56	56	56
Other receipts	119	138	138	138	138	138	138
Net cash from operating activities	(2,578)	(2,497)	(3,234)	(2,640)	(2,841)	(2,939)	(3,017)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(182)	(72)	(111)	(107)	(106)	(143)	(127)
Net cash from investing activities	(182)	(72)	(111)	(107)	(106)	(143)	(127)
NET INCREASE/(DECREASE) IN CASH HELD	172	107	(705)	(3)	2	-	-
Cash assets at the beginning of the reporting period	551	396	723	18	15	17	17
Cash assets at the end of the reporting period	723	503	18	15	17	17	17

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST Input Credits	100	56	56	56
Other Receipts	119	138	138	138
Commonwealth Ombudsman	26	5	5	5
TOTAL	245	199	199	199

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

Part 2

Premier; Minister for Public Sector Management; State Development; Federal Affairs

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
77	Premier and Cabinet			
	– Delivery of Services	105,015	96,309	115,009
	– Administered Grants, Subsidies and Other Transfer Payments	14,551	-	-
	– Capital Contribution	2,600	500	2,855
	– Administered Capital Contribution.....	44,689	-	-
	Total	166,855	96,809	117,864
109	Industry and Resources			
	– Delivery of Services	145,400	136,570	176,439
	– Administered Grants, Subsidies and Other Transfer Payments	58,957	67,302	70,618
	– Capital Contribution	6,770	7,770	5,584
	– Administered Capital Contribution.....	2,100	1,100	1,000
	Total	213,227	212,742	253,641
139	Office of Shared Services			
	– Delivery of Services	-	14,192	40,316
	– Capital Contribution	-	38,798	12,461
	Total	-	52,990	52,777
149	Governor's Establishment			
	– Delivery of Services	2,474	2,488	2,568
	Total	2,474	2,488	2,568
157	Office of the Public Sector Standards Commissioner			
	– Delivery of Services	3,839	3,839	4,138
	– Capital Contribution	34	34	-
	Total	3,873	3,873	4,138
168	Salaries and Allowances Tribunal			
	– Delivery of Services	317	497	340
	– Total.....	317	497	340

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
	GRAND TOTAL			
	– Delivery of Services	257,045	253,895	338,810
	– Administered Grants, Subsidies and Other Transfer Payments	73,508	67,302	70,618
	– Capital Contribution	9,404	47,102	20,900
	– Administered Capital Contribution.....	46,789	1,100	1,000
	Total	386,746	369,399	431,328

PREMIER AND CABINET

PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS

DIVISION 3

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 5 Net amount appropriated to deliver services	108,374	104,469	95,763	114,456	109,452	111,287	113,412
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	540	546	546	553	560	567	584
Total appropriations provided to deliver services	108,914	105,015	96,309	115,009	110,012	111,854	113,996
ADMINISTERED TRANSACTIONS							
Amount provided for Administered Grants, Subsidies and Other Transfer Payments...	2,343	14,551	-	-	-	-	-
CAPITAL							
Item 124 Capital Contribution	-	2,600	500	2,855	-	-	-
Administered Capital Contribution	21,883	44,689	-	-	-	-	-
GRAND TOTAL	133,140	166,855	96,809	117,864	110,012	111,854	113,996

(a) Figures have been adjusted due to the transfer of a number of functions to other agencies from 1 July 2006, and may not be directly comparable to previously published information.

(b) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The importance of effective security and emergency management arrangements continues to be reinforced by global events. The Department coordinates the provision of advice on these issues to the Premier.
- Workforce management and skills development will be major issues in the next few years as some of the sector's most experienced people retire and the labour market simultaneously tightens.
- Recent proposals by the Commonwealth to implement regulatory reform in a number of key areas will complement the State regulatory reform process that needs to be given additional emphasis to ensure that Western Australia capitalises on the current resources projects boom.

- Relations between the Commonwealth and the States and Territories continue to provide an important context to many aspects of State Government activity. The Department plays a key role in providing advice and support to the Premier on strategic federal affairs issues.
- Emerging telecommunications infrastructure and technology will transform online service delivery and future working practices for the Western Australian Public Sector in the next five to 10 years. Government services and people's work practices will increasingly utilise wireless, mobile and Internet technologies. The Department is developing and implementing initiatives that will take a whole-of-government approach in the delivery of these services and the identification of skills and competency gaps.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Canberra Office – WA Government.....	500	500	500	-
Electorate Offices – additional resources.....	3,268	3,467	3,571	3,571
Electorate Offices – increased FTE for Legislative Council members.....	1,387	1,387	1,387	1,387
Ministerial Air Charter – additional leasing costs.....	400	800	800	800
Ministerial Offices – additional resources.....	1,924	2,144	2,364	2,584
Office of Development Approvals Coordination.....	522	522	272	22
Office of Multicultural Interests – African Community project.....	443	-	-	-
Office of Road Safety – Road Safety Initiatives.....	250	450	107	-
Policy Management – additional resources.....	1,199	1,846	1,846	1,846
Public Sector Management – Leadership Development initiatives.....	700	1,260	920	1,526
Public Sector Improvement initiatives.....	2,055	2,237	1,984	2,131
Security Planning and Coordination.....	250	250	250	250

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Support for the Premier as Head of Government.....	12,310	12,558	11,395	11,467			
<i>Service 2:</i>							
Management of matters of State	67,975	66,767	70,247	71,318			
<i>Service 3:</i>							
Management of policy	7,132	6,339	6,353	8,821			
<i>Service 4:</i>							
Support for the Premier as Minister for Public Sector management.....	8,171	7,116	8,546	11,090			
<i>Service 5:</i>							
Parliamentary, statutory and legislative publishing service	2,950	2,944	2,794	3,244			
<i>Service 6:</i>							
Management of the Constitutional Centre programs.....	4,010	1,302	1,322	1,353			
<i>Service 7:</i>							
Promotion and support of citizenship and multiculturalism in Western Australia.....	3,538	3,452	4,364	4,679			
<i>Service 8:</i>							
Support for the implementation of the State's road safety initiatives	16,034	20,281	20,104	26,975			
<i>Service 9:</i>							
E-government policy and coordination	5,769	3,986	3,872	4,867			
Total Cost of Services	127,889	124,745	128,997	143,814	142,114	145,043	145,873
<i>Less Income.....</i>	<i>23,630</i>	<i>19,116</i>	<i>20,982</i>	<i>26,821</i>	<i>29,270</i>	<i>28,889</i>	<i>28,790</i>
Net Cost of Services	104,259	105,629	108,015	116,993	112,844	116,154	117,083
 Adjustments ^(b)	 4,655	 (614)	 (11,706)	 (1,984)	 (2,832)	 (4,300)	 (3,087)
Appropriation provided to deliver Services.	108,914	105,015	96,309	115,009	110,012	111,854	113,996
 ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	2,343	14,551	-	-	-	-	-
 CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	-	2,600	500	2,855	-	-	-
Administered Capital Contribution.....	21,883	44,689	-	-	-	-	-
 TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	133,140	166,855	96,809	117,864	110,012	111,854	113,996

(a) Figures have been adjusted due to the transfer of a number of functions to other agencies from 1 July 2006, and may not be directly comparable to previously published information.

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

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

RESOURCE AGREEMENT

The following outcome, service and financial information is the subject of a Resource Agreement signed by the Premier, Minister for Disability Services, Citizenship and Multicultural Interests, Women's Interests; Minister for Police and Emergency Services, Justice, Community Safety; the Director General and the Treasurer.

Responsible Minister	Service
Premier; Minister for Public Sector Management; State Development; Federal Affairs.	1. Support for the Premier as Head of Government 2. Management of matters of State 3. Management of policy 4. Support for the Premier as Minister for Public Sector Management 5. Parliamentary, statutory and legislative publishing service 9. e-Government policy and coordination
Minister for Disability Services; Citizenship and Multicultural Interests; Women's Interests.	6. Management of the Constitutional Centre programs 7. Promotion and support of citizenship and multiculturalism in Western Australia
Minister for Police and Emergency Services; Justice, Community Safety.	8. Support for the implementation of the State's road safety initiatives

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goals	Desired Outcomes	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	The Premier's requirements and those of Cabinet are met.	1. Support for the Premier as Head of Government 2. Management of matters of State 3. Management of policy
	The Premier's obligations as Minister for Public Sector Management are met.	4. Support for the Premier as Minister for Public Sector Management
	A secure, confidential and time critical printing and publishing service for Parliament and Government.	5. Parliamentary, statutory and legislative publishing service
	Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian Federal system of government.	6. Management of the Constitutional Centre programs
	The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.	9. e-government policy and coordination
To enhance the quality of life and wellbeing of all people throughout Western Australia.	A Western Australian public sector which recognises that Western Australian citizens play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.	7. Promotion and support of citizenship and multiculturalism in Western Australia
	Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.	8. Support for the implementation of the State's road safety initiatives

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: The Premier's requirements and those of Cabinet are met.					
The extent to which the needs of the Premier and Cabinet are met by services provided by the Department of the Premier and Cabinet	3.5	3.0	3.2	3.2	See note (b).
Outcome: The Premier's obligations as Minister for Public Sector Management are met.					
The extent to which the needs of the Premier are met by services provided by the Department of the Premier and Cabinet	3.0	3.0	3.0	3.0	See note (c).
Outcome: A secure, confidential and time critical printing and publishing service for Parliament and Government.					
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by each house of Parliament	100%	100%	100%	100%	
Proportion of documents produced and released in accordance with security and confidentiality requirements	100%	100%	100%	100%	
Outcome: Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian Federal system of government.					
Percentage growth in Constitutional Centre customer numbers compared with previous year	11.93%	7.1%	-7%	7%	See note (d).
Percentage increase in use of electronic information provided on the Constitutional Centre web page	43.09%	12.5%	64%	17%	See note (e).
Level of regional demand / support for travelling or outreach programs	-51.51%	62.5%	296%	25%	See note (d).
Outcome: The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.					
Proportion of Departments that adopt and implement policies, standards and guidelines developed by the Office of e-Government	81%	95%	78%	43%	See note (f).
Strategic Management Council e-Government Sub-Committee's satisfaction with quality of advice and support provided	3.4	3.0	3.4	3.4	See note (g).
Premier's Office satisfaction with advice and support provided	4.0	3.0	4.0	4.0	See note (b).

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: A Western Australian public sector which recognises that Western Australian citizens play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.					
Extent to which coordination provided by the Office of Citizens and Civics enhances Western Australian citizens' ability to influence government policies that shape their society	91.8%	85%	90%	90%	See note (h).
Extent to which the principles of multiculturalism are accepted and practiced in Western Australia	63.8%	65%	65%	65%	See note (i).
Extent to which policies and practices of public sector agencies reflect the principles of multiculturalism	85.8%	77%	75%	75%	See note (i).
Outcome: Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.					
Deaths from road crashes per 100,000 estimated residential population	8.9	8.8	8.2	8.1	See note (j).
Police reported hospital admissions due to road crashes per 100,000 population	145	142	142	140	See note (k).
Hospital admissions due to road crashes per 100,000 population	182	182	182	180	See note (l).

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations' obtained from standard survey instrument issued to the Premier's Office and to all Ministerial offices.
- (c) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations' obtained from standard survey instrument issued to the Premier's Office.
- (d) The number of visitors to outreach programs undertaken in the regions grew exponentially in 2005-06, while the number of visitors to the Constitutional Centre declined marginally from that projected in the 2005-06 budget. Results for 2006-07 are expected to return to more normal levels for both indicators.
- (e) The Department changed its website hosting arrangements in 2005-06. Whilst the basis for data reported for this indicator is consistent with previous periods, the number of visitors downloading data appears to have increased significantly. Teachers have reported increased use of the website by their students, and it is therefore considered likely that prior period data was substantially under-reported.
- (f) This indicator refers to the 23 departments of government. 18 departments have advised of adoption/implementation of more than 50 per cent of five policies and guidelines released during 2005-06. It is estimated that eight policies and guidelines will be released during 2006-07 and that 10 departments will adopt/implement more than 50 per cent of the policies and guidelines released.
- (g) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations' obtained from standard survey instrument issued to the members of the Strategic Management Committee e-Government Sub-Committee.
- (h) This indicator reports ratings derived from survey instruments completed by participants on completion of major consultation/facilitation projects.
- (i) Data for this indicator is provided by an externally administered phone survey of nominated representatives of all multicultural and public sector organisations with whom the Office interacts.
- (j) The 2005-06 figure has been determined by dividing the Western Australian population of 2,010,000 (source: ABS data) by the 164 fatalities that occurred on Western Australian roads during calendar year 2005.
- (k) Main Roads WA and the Injury Research Centre of the University of Western Australia supply data for this indicator. 2005-06 and 2006-07 data is estimated on past results.
- (l) The Department of Health and the Injury Research Centre of the University of Western Australia supply data for this indicator. 2005-06 and 2006-07 data is estimated on past results.

Service 1: Support for the Premier as Head of Government

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	12,310	12,558	11,395	11,467	
Less Income	160	5	26	20	
Net Cost of Service	12,150	12,553	11,369	11,447	
Adjustments ^(a)	(526)	(278)	(1,390)	143	
Appropriation for delivery of Service	11,624	12,275	9,979	11,590	

(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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost of services provided to support the Premier	\$3,687,556	\$3,984,729	\$3,620,937	\$3,641,787	
Average cost of representing WA interests overseas (per region)	\$1,694,783	\$1,574,881	\$1,377,289	\$1,547,819	See note (b).
Average cost of media and communication services provided to each Minister (including the Premier)	\$234,203	\$226,399	\$214,226	\$187,177	See note (c).
End-of-contract payments excluded	\$25,782	-	\$341,971	-	
Full Time Equivalents (FTEs)	77	79	69	65	

(a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.

(b) The movement in average cost for overseas representation per overseas region between 2005-06 and 2006-07 is principally due to a significant reduction in leave accruals for 2005-06 on retirement of the previous Agent General (the retirement payment was not charged to the European Office). During 2005-06, the strong Australian dollar marginally decreased the cost of these services.

(c) The decrease in average cost of media and communication services in 2006-07 compared with 2005-06 is due to the transfer of the Community Liaison function previously undertaken by the Government Media Office to Service 3, Management of Policy. It is not possible to recast 2004-05 actual and 2005-06 budget data to provide fully comparable information.

Major Achievements For 2005-06

- The European Office successfully promoted skilled and business migration to Western Australia at 16 events in the United Kingdom and Europe, including Emigrate in London and Working Down Under in Ireland. The Office also assisted Perth based agencies such as WA Police Service with their specific migration programmes.
- The European Office promoted education services in Western Australia at over 16 education exhibitions and conferences throughout the United Kingdom and Europe.
- The European office assisted in the co-ordination of the 2006 ANZAC Student Tour during which 14 students visited battlefields in Belgium, France and Turkey.

- The European Office continued to support the Western Australian Rock Lobster industry by working with the UK Government to have European Union end user processing regulations amended to take advantage of the Autonomous Tariff Quota benefits previously obtained.
- The European Office assisted with co-ordination of Western Australians attending the 2006 ANUGA Food Fair in Cologne with attendance from 5 local companies, the Pastoral and Grazier's Association, the WA Farmers' Federation, the WA Meat and Livestock Association, and South Korea and Thailand supermarket partners.
- The European Office widely promoted the Western Australian resources sector throughout Europe and the UK by providing advice on trade and investment opportunities, holding numerous company meetings, co-ordinating visits by Ministers and senior officials, attending conferences and exhibitions. Papers and expositions were presented at 5 major oil and gas events.
- The European Office was very active in promoting the Western Australian Wine Industry in the UK and targeted locations in Europe. The unusual circumstance of both the West Coast Eagles and the Fremantle Dockers playing the AFL's annual exhibition game in London also afforded an opportunity to host prospective business partners to look at Western Australian opportunities.
- The Middle East Trade Office in Dubai provided support and coordination to five trade missions from Western Australia.
- The Middle East Trade Office coordinated the Middle East component of a Ministerial Mission led by the Minister for Agriculture, Food and Forestry, the Hon Kim Chance, MLA.
- The Middle East Trade Office supported the negotiation process that led to Perth Mint being awarded the contract to supply winners' medallions for the Asian Games in 2006.
- The Middle East Trade Office monitored the potential for WA companies to be involved in the reconstruction of Iraq.
- The Middle East Trade Office developed a strong relationship with the Abu Dhabi government administration, and the Abu Dhabi Environmental Agency is sending a senior delegation to Perth during April to sign a Memorandum of Understanding.
- The North Asia Agency, through its business matching services, successfully assisted a number of Western Australian companies to identify trading partners in the agribusiness, biotechnology and ITC sectors in Japan.
- The North Asia Office coordinated inbound trade missions for Japanese agribusiness, medical and biotechnology companies.
- The North Asia Office coordinated a visit to Japan by the Premier and an associated trade mission, focusing on the Aichi Expo 2005. The visit included industry seminars in Tokyo and Kansai and successful business matching activities.
- The North Asia Office successfully lobbied the Japanese government to reduce the import tariff on lupins to zero percent providing benefits for Western Australian exporters.
- The 'Grateful State Remembers' program was implemented in 2005-06 to commemorate the 60th anniversary of the end of World War II, including the ANZAC Medallion, 'Tell Us Your Story' program and commemorative events in country towns.
- \$250,000 was allocated to the ANZAC Day Working Group's Small Grants Scheme to refurbish war memorials and honour rolls, purchase of public address systems and lecterns for ANZAC Day and Remembrance Day services and upgrading of facilities at Returned and Services League or Memorial Halls or other venues used for ANZAC and Remembrance Day Services.
- The Department coordinated a formal community consultation process with Northbridge traders, residents and landowners to secure involvement in the Northbridge History Project, and established the research library.

- As part of the Perth Cultural Centre Urban Renewal Project, the Department assisted in undertaking a feasibility study to determine the relationship with adjoining precincts and communities and the Government's Northbridge Strategy, and the preparation of a Cabinet proposal for the redevelopment of the Perth Cultural Centre.
- The Northbridge Precinct Manager was appointed and the Department established and chaired the Northbridge Board of Management.

Major Initiatives For 2006-07

- The European Office will continue to promote the State of Western Australia as a desirable destination for skilled and business migration.
- The European Office will support ongoing economic growth in Western Australia by continuing to promote the State throughout Europe and Russia as a prime destination for inward investment and trade development, at resources, industry, food and beverage, agriculture, technology, business and event tourism and education services exhibitions.
- 2006 will bring a greater focus to trade and investment with Germany through support for the 2006 In Unison event in Berlin, and promoting Australian trade and investment in association with Australia's World Cup Soccer games.
- The European Office will support an inbound Ministerial delegation of Western Australian firms attending European conferences and exhibitions.
- In conjunction with the Department of Agriculture, the Middle East Trade Office will finalise negotiations for a Memorandum of Understanding with the Ministry of Agriculture in Oman, and promote the involvement of Western Australian food processors and manufacturers in the Gulf Foods Exhibition in early 2007.
- A detailed market research study to identify new opportunities for WA companies in the construction sector targeting three major markets in the Gulf Region will be commissioned.
- In conjunction with the Department of Industry & Resources, the Middle East Trade Office will promote the involvement of WA technology companies in GITEX Middle East, and the Western Australian building industry in the Big Five Construction & Building Industry Exhibition in November 2006.
- The Middle East Trade Office and Western Australian Government departments will promote the State's capability to the Abu Dhabi Government where \$US120 billion has been allocated to the development of agricultural, educational, industrial and tourism sectors over the next 10 years.
- The North Asia Office will coordinate a visit to Japan by the Premier and associated industry promotions.
- As part of the 25th anniversary of the Western Australia/Hyogo Prefecture sister state relationship, the Kansai/Hyogo Strategy will be further implemented and promotional events coordinated including a visit to Western Australia by the Governor of Hyogo Prefecture and an outbound trade mission.
- Western Australian biotechnology, aged care, education, wine production and tourism service providers will be supported in developing commercial opportunities and building a higher profile for the State in the Japanese market.

Service 2: Management of Matters of State

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

- support for the functions of executive government;
- administration of entitlements for Members of Parliament;
- support for ministerial offices and the leaders of the opposition parties;
- coordinating delivery of government services provided to the Indian Ocean Territories on behalf of the Commonwealth Government; and
- provision of advice, briefing and support to the Premier, Ministers and other Government agencies, and coordination of a whole-of-government, all hazards approach to the prevention, response to and recovery from significant security and/or natural disaster incidents.

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	67,975	66,767	70,247	71,318	
Less Income	1,027	589	535	563	
Net Cost of Service	66,948	66,178	69,712	70,755	
Adjustments ^(a)	92	(294)	(6,910)	(683)	
Appropriation for delivery of Service	67,040	65,884	62,802	70,072	

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

Key Efficiency Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average operating cost per Ministerial Office (including the Leaders of the Opposition)	\$1,489,748	\$1,446,732	\$1,481,316	\$1,598,952	See note (b).
Average cost of administration provided for each Ministerial Office (including the Leaders of the Opposition)	\$377,251	\$321,069	\$371,066	\$344,806	
Average entitlement cost per Member of Parliament	\$205,774	\$216,299	\$258,433	\$281,036	See note (c).
Average cost of administration per Member of Parliament	\$10,311	\$9,770	\$10,946	\$10,451	
Average cost of providing an Executive Government Service.....	\$14,815	\$16,081	\$13,080	\$14,556	See note (d).
Average cost per Indian Ocean Territory Service Delivery Arrangement coordinated ..	\$7,669	\$8,983	\$7,214	\$7,540	
Average cost per security project	\$41,261	\$139,813	\$91,732	\$153,021	See note (e).
Post-election end of contract payments excluded from efficiency indicators	\$2,166,453	\$775,000	\$1,197,723	-	See note (f).
Support provided to Inquiries and Community Service Obligations.....	\$5,175,549	\$3,230,038	\$4,771,868	\$2,978,863	See note (g).
Severance excluded.....	\$56,723				
Community Service grants and donations excluded	\$6,545,232	\$4,211,000	\$1,041,000	\$631,000	See note (h).
Corporate Services provided to external agencies	\$466,715	\$570,919	\$512,649	\$523,023	
Full Time Equivalents (FTEs)	493	514	503	515	

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) A 7.2 per cent increase in appropriation has been provided in the 2006-07 budget for Ministerial Offices. In conjunction with an increase in funding for Ministerial Air Charter, the average operating cost of a Ministerial Office will increase by 8 per cent in 2006-07 when compared with 2005-06.
- (c) The increase in average entitlement cost per Member of Parliament in 2006-07 when compared with 2005-06 is due to the reclassification of Electorate Officers, and additional resources (FTEs) provided to Legislative Council Members.
- (d) A 6 per cent reduction in the number of Executive Government Services in 2006-07, and projected savings in 2005-06 that will not continue in 2006-07 results in an increase in the average cost per Executive Government Service in 2006-07 compared with 2005-06.
- (e) The average cost per security project is projected to increase substantially in 2006-07 compared with 2005-06 due to the repositioning of appropriation for the establishment of the State Crisis Centre from 2005-06 to 2006-07, and a \$250,000 increase in funding approved in the 2006-07 budget.
- (f) End of contract payments made in 2005-06 following the resignation of the former Premier, the Hon Dr G I Gallop, MLA and the subsequent reassignment of ministerial portfolios are not anticipated to occur in 2006-07.
- (g) The expenditure on Inquiries and Community Service Obligations will reduce in 2006-07 compared with 2005-06 following the transfer of the Justice Reform Implementation Committee function to the Department of Corrective Services, the Physical Activity Taskforce to the Department of Sport and Recreation and the Northbridge Strategy function to Western Australia Police.
- (h) The projected expenditure on community service grants for 2006-07 is projected to decrease substantially as a result of the transfer of the Physical Activity Taskforce function to the Department of Sport and Recreation.

Major Achievements For 2005-06

- The Department coordinated 79 visits, functions and events (a 30 per cent increase from 2004-05) including:
 - coordination of the high level visits from the People's Republic of China by His Excellency Mr Wen Jiabao, Premier of the People's Republic of China from 1–2 April 2006 and His Excellency Mr Zhang Dejiang, Member, Political Bureau of the Communist Party of China Central Committee and Secretary, Communist Party of China Guangdong Committee, from the 5–7 November 2005; and
 - coordination of arrangements for the Royal Visit by their Majesties the King and Queen of Sweden on 12 November 2005.
- The Department coordinated the farewell programme and State Reception to mark the completion of the Governor's term of office on 31 October 2005.
- The Department coordinated arrangements for the swearing in of Dr Ken Michael AM to the Office of Governor of Western Australia on 18 January 2006.
- In conjunction with the City of Perth, the Department coordinated arrangements for the Welcome Home of Western Australian participants in the 2006 Melbourne Commonwealth Games on 5 April 2006.
- The Department coordinated the reception hosted by the Premier on 18 November 2005 to honour the Western Australian recipients of the 2005 Nobel Prize in Physiology or Medicine, Professor Barry Marshall and Dr Robin Warren.
- The Department coordinated high-level crisis communication procedures and processes with the Commonwealth and other States and Territories as part of a multi-jurisdictional counter-terrorism exercise, 'Mercury 05'.
- The Department took a lead role in the development of the *Terrorism (Preventative Detention) Bill 2005* in response to the Council of Australian Governments' commitment to strengthen counter-terrorism laws.
- The Department coordinated the reallocation of ministerial office accommodation, staff and other resources following the appointment of Hon Alan Carpenter MLA as Premier in January 2006 and the subsequent major reconstitution of the Ministry.
- The Department assisted 13 Members of Parliament to relocate their electorate offices to more suitable premises. The majority of these relocations were linked to changes in electoral boundaries.
- The Department supported the Justice Reform Implementation Committee's oversight of the implementation of the justice reforms arising from the report of 'The Inquiry into the Management of Offenders in Custody and in the Community' presented to Government on 18 November 2005. The Committee, comprising representatives of all principal stakeholder Departments was established on 30 November 2005 and is chaired by Mr Greg Joyce.
- The establishment in November 2005 of the Office of Development Approvals Coordination to progress the approvals reform process and further strengthen Western Australia's attractiveness as a leading investment destination.

Major Initiatives For 2006-07

- The Department will coordinate arrangements for the visit in September–October 2006 to Western Australia by the Governor of Hyogo Prefecture, Japan, His Excellency Mr Toshizo Ido, to commemorate the 25th Anniversary of the Sister State Relationship with Hyogo Prefecture, Japan, and the possible visit by the Crown Prince and Princess of the Netherlands in October–November 2006.
- The Department will support the Australia Pacific Economic Community Taskforce with arrangements for the 2007 Ad Hoc Mining Ministerial Meeting in Western Australia from 12–16 February 2007, including hospitality functions hosted by the Premier for Ministers from countries attending the meeting.
- In June the Department, in cooperation with the Commonwealth, Police and other emergency services will host an 'Investigation and Consequence Management Exercise'. The exercise will test agency response to a major structural collapse of a city building as a result of terrorism and will feature a full-scale deployment as well as discussion style exercises.

- A dedicated State Coordination Centre will be established to bring together crisis management policy and planning using existing elements of this Department, Fire and Emergency Services Authority, Western Australia Police and Department for Community Development. The centre will coordinate interaction between the Commonwealth, States and Territories on crisis/consequence management arrangements.
- To ensure that the State complies with its obligations under the *National Guidelines for the Protection of Critical Infrastructure from Terrorism* an expanded exercise program will be established, providing for activities ranging from discussion exercises with key government agencies and industry groups to deployment exercises involving a multi-agency response, including testing the proposed State Coordination Centre.
- The Office of Development Approvals Coordination will, in conjunction with key Agencies, undertake detailed mapping of process linkages in order to identify and remove areas of duplication and overlap within existing development approval processes.

Service 3: Management of Policy

The Department provides advice to and co-ordination for the Premier and Cabinet on key policy matters to ensure an effective government-wide perspective in economic, regional, environmental, social and sustainability policy areas, and advice on whole of government positions on treaties, defence, federal reform and other matters raised through the Council of Australian Governments while managing and coordinating Western Australian Government input to federal negotiations.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	7,132	6,339	6,353	8,821	
Less Income	403	103	657	375	
Net Cost of Service	6,729	6,236	5,696	8,446	
Adjustments ^(a)	50	(609)	(2,202)	211	
Appropriation for delivery of Service	6,779	5,627	3,494	8,657	

- (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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per hour of policy advice, development and co-ordination ^(b)	\$110	\$124	\$88	\$128	See note (c).
Average cost per briefing provided to the Premier as Minister for Federal Affairs.....	\$6,782	\$4,317	\$5,781	\$6,561	See note (d).
Grants excluded	\$505,546	\$40,000	\$2,200,213	\$874,000	See note (c).
175th Anniversary celebration expenses excluded	\$267,032				
Post-election end of contract payments excluded	\$25,679				
Full Time Equivalents (FTEs)	53	51	44	58	See note (e).

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) It has not been possible to recast 2004-05 actual and 2005-06 data to provide fully comparable indicators.
- (c) The Environmental and Sustainability Policy functions and the Greenhouse Unit are to be transferred to the Department of the Environment and the Regional Policy function to the Department of Local Government and Regional Development as at 1 July 2006, and the Community Liaison Unit has been transferred to the Policy Office. In addition, the Federal Affairs function has been transferred to the Policy Office.
- (d) The Federal Affairs function is to be transferred from Service 2, Management of Matters of State to Service 3 effective 1 July 2006. Key efficiency data for 2004-05 and 2005-06 budget has been removed from Service 2 and is reported herein for comparability. The movement in average cost per briefing on Federal Affairs matters between 2005-06 and 2006-07 is due to additional funding provided in 2006-07 for the Commonwealth, States and Territories Disability Agreement negotiations.
- (e) The significant variation in FTE between 2005-06 and 2006-07 is due to timing of transfers. The policy functions identified in note (c) were transferred out during 2005-6, and the Federal Affairs function transferred in as at 1 July 2006.

Major Achievements For 2005-06

- The Department successfully completed the negotiations for the Government to enter the National Water Initiative intergovernmental agreement.
- As part of the ongoing work of the Non-Government Human Services Industry Plan, the Department developed an industry-wide framework to meet the sector development needs of non-government organisations.
- The Department continued to provide significant cross-government co-ordination of policies and programs in Indigenous Affairs.
- The Department undertook Regional Investment tours in the Gascoyne and Great Southern Regions in 2005.
- The Department provided support to the Premier for meetings of the Council of Australian Governments.
- The Department coordinated Western Australia's submissions to treaty negotiations and represented the State on the Commonwealth-State Standing Committee on Treaties to ensure Western Australia's interests were recognised in international treaties being negotiated.
- The Department is the formal point of contact between the State Government and the Australian Heritage Council and liaises with senior officers of the Commonwealth Department of the Environment and Heritage that provides executive support to the Council.

Major Initiatives For 2006-07

- The Department will establish the WA Government Office in Canberra to promote Western Australia's interests and priorities in Canberra and to enhance understanding by State agencies and key local stakeholders of Commonwealth policies and initiatives.
- The Department will drive cross-government State Early Childhood strategies linked to the new Council of Australian Government National Reform Initiative on Human Capital.
- The Department will establish cross-agency Aboriginal child health service projects in the Kimberley and Pilbara in partnership with the private sector and Commonwealth Government.
- The Department will co-ordinate the Government's response to the National Water Initiative.
- The Department will manage the implementation of decisions from the Council of Australian Governments meeting on 10 February 2006 regarding the development of the new National Reform Agenda.
- The Department will continue to manage Western Australia's input to the Council of Australian Governments' Review of Hazardous Materials and negotiations with the Commonwealth on nationally consistent controls on those identified as security sensitive substances.

Service 4: Support for the Premier as Minister for Public Sector management

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	8,171	7,116	8,546	11,090	
Less Income	864	867	923	772	
Net Cost of Service	7,307	6,249	7,623	10,318	
Adjustments ^(a)	(323)	(8)	(1,968)	755	
Appropriation for delivery of Service	6,984	6,241	5,655	11,073	

- (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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of support services provided per Senior Executive Service (SES) member	\$3,135	\$2,282	\$2,657	\$3,484	See note (b).
Average cost per recruitment and redeployment service provided	\$1,907	\$1,736	\$2,116	\$2,940	See note (b).
Average cost per hour of workforce development provided	\$83	\$108	\$75	\$106	See note (b).
Average cost per visit to on-line facilities provided	\$2.18	\$1.42	\$1.56	\$1.65	See note (b).
Average cost per hour of policy advice and policy implementation provided	\$101	\$92	\$113	\$141	See note (b).
Average cost per Public Sector Management Program participant	\$4,057	\$4,093	\$3,197	\$4,335	See note (b).
Copyright administered on behalf of Government	\$33,046	\$35,000	\$35,000	\$35,000	
Grants excluded	\$216,449	\$178,000	\$730,925	\$1,027,000	See note (c).
Full Time Equivalents (FTEs)	56	57	58	60	

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) New appropriation provided for Public Sector Improvement and Leadership Development initiatives in 2006-07, and repositioning from 2005-06 to 2006-07 has significantly increased the cost reported for each key efficiency indicator for 2006-07 as the new funding was spread across each of the activities reported.
- (c) The new appropriation in 2005-06 for Leadership Development includes significant external grant funding over four years. The movement between 2005-06 and 2006-07 is the result of repositioning \$300,000 in new funding received in 2005-06 to 2006-07.

Major Achievements For 2005-06

- The State's strategic planning framework, *Better Planning: Better Services*, was substantially revised, and a new document *Better Planning: Better Futures*, was finalised.
- The Department advised on major functional and structural reviews during the year, such as the establishment of a new Department of Water. This included the restructuring of the former Department of Justice following the Mahoney Inquiry into the Management of Offenders in Custody and in the Community.
- A review of the operations of the Strategic Management Council was undertaken, and to assist with the progress of whole of government policy issues, the Public Sector Improvement and Economic Sub-committees were established.
- The *Guidelines for Public Sector Reviews and Evaluations* were issued in late 2005 following endorsement by the Expenditure Review Committee and Cabinet.
- The Department facilitated a 12 month 'without prejudice' pilot survey of government copying of sound and television broadcasts, excluding copying undertaken by educational institutions to enable the State to negotiate the method by which the future liability of individual agencies will be determined under a remuneration agreement with the Audio-Visual Copyright Society Limited.
- The Department engaged an independent research group to conduct a second retirement intentions survey covering the majority of public sector employees.
- A new Senior Executive Leadership Capability Profile (Competency Framework) for public sector employees level seven and above was developed, and a comprehensive leadership development strategy (including an assessment service and a range of new skills programs) was developed.
- The Western Australian Government formally joined the Australia and New Zealand School of Government consortium. Ten full scholarships were awarded to the consortium's Executive Master of Public Administration Program.

- Four Strategic Human Resource Management programs covering attraction and retention, workforce planning, human resource measurement and influencing skills for Human Resource practitioners were developed, and contracts awarded for their delivery.
- Two induction sessions were held for newly appointed Chief Executive Officers and Senior Executive Service members.

Major Initiatives For 2006-07

- A program of centrally-initiated reviews, which commenced in early 2006, will continue to be facilitated by the Department of the Premier and Cabinet in consultation with the Department of Treasury and Finance
- The Senior Executive Leadership Development Strategy, and revised Senior Executive Service selection criteria will be launched and implemented.
- A whole-of-government mobility and succession management initiative will be developed and trialled.
- A new program focusing on the development of issues/risk management skills will be developed and implemented.
- A review of current recruitment practices will be undertaken with the view to recommending changes that will streamline those practices and enhance their effectiveness.
- An online screening process for the entry level (Level 1) recruitment program will be introduced.
- The university partnerships strategy will be expanded with a view to enhancing awareness of public sector work and careers among graduates and undergraduates. This will include the development of more sophisticated marketing materials and facilitating greater public sector involvement in university-to-work programs such as internships, practicum programs and work experience programs. A summary report of the findings of the comprehensive retirement intentions survey of State Government employees 45 years and older will be provided to both the Premier and Strategic Management Council by the end of 2006.

Service 5: Parliamentary, Statutory and Legislative Publishing Service

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,950	2,944	2,794	3,244	
Less Income	3,136	2,718	2,707	2,775	
Net Cost of Service	(186)	226	87	469	
Adjustments ^(a)	549	247	263	(107)	
Appropriation for delivery of Service	363	473	350	362	

(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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per printing image produced.....	\$0.08	\$0.09	\$0.08	\$0.10	See note (b).
Average cost of publications sold.....	\$6.96	\$7.09	\$8.06	\$9.57	
Average sale value	\$12.28	\$12.50	\$13.00	\$13.00	
Severance excluded.....	\$122,498	-	-	-	
Full Time Equivalents (FTEs)	24	25	24	24	

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) The number of publications sold in 2006-07 is projected to decrease by approximately 7 per cent as the number of clients downloading publications over the Internet grows, leading to an increase in the average cost per publication in 2006-07 when compared with 2005-06.

Major Achievements For 2005-06

- The legislation and ancillary products pricing survey of all Australian States and Territories conducted in 2005 provided information used to inform State Law Publisher product and service pricing policies.
- The reprints program fostered jointly with the Parliamentary Counsel's Office resulted in 108 titles of legislation being consolidated and reprinted to February 2006.
- The State Law Publisher published a total of 245 Government Gazettes, comprising of 6,920 pages of subsidiary legislation, regulatory and various other information for the 2005 calendar year.
- Support was provided to the Parliament with printing and production of Bills, chamber documents such as Notice Papers, Daily and Weekly Hansard, Votes and Proceedings and processing electronic versions of these documents for publishing on the Parliament website.

Major Initiatives For 2006-07

- The State Law Publisher will participate in the Parliamentary Counsel's Office 'Business Improvement Project' that will review the Internet presentation of Western Australian legislation. The project will provide additional features and functionality to the current legislation database and will be operative later in the 2006 calendar year.

Service 6: Management of the Constitutional Centre programs

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	4,010	1,302	1,322	1,353	
Less Income	139	46	61	46	
Net Cost of Service	3,871	1,256	1,261	1,307	
Adjustments ^(a)	(378)	(3)	(37)	(13)	
Appropriation for delivery of Service	3,493	1,253	1,224	1,294	

- (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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost per customer of the Constitutional Centre	\$13.50	\$13.32	\$13.41	\$13.11	
Grants excluded	\$382,666	\$370,000	\$383,667	\$370,000	
175th Anniversary Celebration expenditure excluded	\$2,612,042	-	-	-	
Full Time Equivalents (FTEs)	8	7	7	8	

(a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.

Major Achievements For 2005-06

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

Major Initiatives For 2006-07

- The Department will develop a self-administering civics program and materials suitable for Remote Aboriginal Schools.
- In conjunction with Curtin University, Flinders University of South Australia and the Department of Treasury and Finance, the Department is one of the Collaborating Organisations applying for an ARC Linkage Grant on 'Public Policy and Fiscal Federalism: evaluating the use of 'tied grants' in Australia'.
- A major conference on Federalism will be held to mark the tenth anniversary of the Constitutional Centre.

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

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

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

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

- promoting the ideals of multiculturalism to public sector agencies and the community; and
- developing and influencing policies that reflect the principles of multiculturalism.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	3,538	3,452	4,364	4,679	
Less Income	58	2	31	20	
Net Cost of Service	3,480	3,450	4,333	4,659	
Adjustments ^(a)	(197)	17	(343)	169	
Appropriation for delivery of Service	3,283	3,467	3,990	4,828	

(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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per client assisted to support public sector agency implementation of State Citizenship Strategy policies, strategies and principles	\$28,085	\$23,527	\$26,553	\$20,496	See note (b).
Average cost per initiative undertaken to achieve substantive equality for culturally and linguistically diverse communities	\$42,627	\$47,867	\$63,363	\$65,323	See note (c).
Average cost per initiative undertaken to support public sector agency implementation of policies and practices reflecting the principles of multiculturalism	\$19,685	\$22,422	\$36,481	\$33,435	See note (c).
Average cost per unit of major policy and/or research	\$54,506	\$53,770	\$43,757	\$46,876	See note (c).
Grants excluded	\$597,624	\$522,000	\$522,000	\$730,000	See note (d).
Full Time Equivalents (FTEs)	26	27	27	28	

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) The number of clients assisted by the Office of Citizens and Civics is projected to increase by 11 per cent in 2006-07 compared with 2005-06, contributing to decrease in the average cost per client in 2006-07. The remaining movement is attributable to 'one-off' establishment expenses incurred in 2005-06.
- (c) The additional appropriation of \$443,000 for an African Community Project in 2006-07 results in an increase in the key efficiency indicators average cost per initiative undertaken to achieve substantive equality for culturally and linguistically diverse communities, average cost per initiative undertaken to support public sector agency implementation of policies and practices reflecting the principles of multiculturalism and average cost per unit of major policy and/or research when compared with 2005-06. This increase is partially offset by an increase in the number of public sector agency initiatives and major policy and/or research units projected for 2006-07.
- (d) The increase in projected 2006-07 recurrent grants expenditure compared with 2005-06 is due to the new appropriation of \$443,000 in 2006-07 for a project targeted to African Communities, part of which will be utilised for grants.

Major Achievements For 2005-06

- The Department worked collaboratively with the Department of Indigenous Affairs and the Institute for Public Administration Australia (WA) to develop a series of Indigenous governance workshops to provide guidance to public sector officers on how to effectively plan and implement successful engagement with Indigenous communities across Western Australia.
- The Department worked collaboratively with the Department of Environment to oversee an audit of the effectiveness and appropriateness of boards and committees within the Department of Environment to enable the development of guidelines to strengthen community representation and accountability.
- The Department, in collaboration with the Office of e-Government added to the *Consulting Citizens* Guide series with the release of 'e-Engagement: Guidelines for Community Engagement Using Information and Communications Technology (ICT).'
- An interactive forum was developed by the Department in association with the Institute of Public Administration Australia (WA) and the Office of e-Government to showcase technologies available to assist in engaging with the community and to promote the e-Engagement Guidelines.
- In partnership with Main Roads WA, the Department assisted in the development of agency governance structures to support community engagement activities.
- A new Guide to Consulting Citizens was compiled to amalgamate the first two guides and to incorporate latest national and international trends and knowledge in community engagement.
- The Department negotiated an in principle agreement to work with the Queensland Government's Department of Communities to establish an interstate round table on community engagement to facilitate exchange of information across jurisdictions.
- A teacher's resource kit was developed to raise awareness about multiculturalism in the context of equal opportunity, anti-discrimination and human rights.
- The Department conducted a review of the State's Language Services Policy and provided recommendations to the Minister for consideration.
- The 'Countering Racism in Education: Anti-Racism Planning and Evaluation Tool' was developed for Western Australian Primary and Secondary Schools.
- A multi-agency working party, established by the Department to identify issues and services required by humanitarian entrants to Australia, prepared a draft report proposing strategies to cater for their needs.
- The Department provided media training and follow up support for community organisations to enable them to address misrepresentation of multicultural and related issues in mainstream media.
- In conjunction with community organisations, the Department developed, printed and disseminated six 'Culture and Religion Information Sheets'.
- In conjunction with the Australian Bureau of Statistics, a further 12 Community Profiles were developed.
- The Department contributed to the development of the Council of Australian Governments action plan to build on principles agreed between the Prime Minister and Muslim leaders to protect and build social cohesion and harmony in Australia, and address extremism, community intolerance and the promotion of violence.
- A draft framework for reporting on the implementation of the Charter of Multiculturalism was developed.

Major Initiatives For 2006-07

- The Department will develop guidelines to strengthen the efficiency and effectiveness of community representation on government boards and committees.
- In partnership with Main Roads Western Australia, the Department will develop a validation standard and procedure for use on consultative processes on major projects.
- The Department will continue to work across the Planning and Infrastructure portfolio and in close partnership with the Department of Planning and Infrastructure to improve interagency collaboration and build consistency in community engagement practices
- In partnership with the South West Development Commission, the Department will initiate a project to increase the connection between people and government in the South West ensuring that policy development and service delivery are well informed and aligned with community needs and expectations.
- In partnership with the Department of Immigration and Multicultural Affairs, the Department will provide funding to the University of Western Australia's Centre for Muslim States and Societies to identify factors that attract young people to extremist causes.
- In partnership with the Department of Immigration and Multicultural Affairs, the Department will organise a national symposium to explore key issues relating to living in a multi-cultural and multi-faith society.
- The teachers' resource kit will be piloted in two schools.
- In partnership with the Department of Education and Training and the Health Department, an innovative approach to delivering services to humanitarian entrants will be piloted.
- A community engagement strategy designed to reduce the alienation of young people of culturally and linguistically diverse backgrounds will be piloted.
- Employment initiatives intended to break down the structural barriers confronting people from culturally and linguistically diverse backgrounds will be developed and implemented.
- The Department will provide funding to the non-government sector to extend mental health services to new and emerging communities.

Service 8: Support for the Implementation of the State's Road Safety Initiatives

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	16,034	20,281	20,104	26,975	
Less Income	15,507	14,784	16,032	22,242	
Net Cost of Service	527	5,497	4,072	4,733	
Adjustments ^(a)	5,346	332	1,613	(2,823)	
Appropriation for delivery of Service	5,873	5,829	5,685	1,910	

- (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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of awareness-raising Campaigns	\$1,382,913	\$725,969	\$872,808	\$664,014	See note (b).
Average cost of road safety initiatives	\$281,802	\$455,519	\$498,606	\$661,250	See note (c).
Average cost per FTE for support services to the Road Safety Council	\$202,373	\$66,512	\$175,917	\$152,044	See note (d).
Grants excluded	\$7,077,031	\$10,900,000	\$8,500,028	\$15,928,000	See note (e).
Full Time Equivalents (FTEs)	19	20	21	21	

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) The projected number of awareness raising campaigns conducted in 2006-07 is scheduled to grow by 42%, leading to the substantial decrease in the average cost per campaign when compared with 2005-06. This reduction is partially offset by additional resources allocated to support additional campaigns.
- (c) The number of road safety initiatives for 2006-07 is projected to reduce by 40%, leading to a substantial increase in the average cost per initiative when compared with 2005-06. This is partially offset by a marginal reduction in funding for road safety initiatives.
- (d) The reduction in the average cost per FTE for 2006-07 compared with 2005-06 is the result of minor funding reallocations.
- (e) The level of external grants expenditure projected for 2006-07 compared with 2005-06 is the outcome of the Expenditure Review Committee's approval of a significant increase in the quantum of external grant payments.

Major Achievements For 2005-06

- The Department implemented major State-wide road safety community education programs focusing on drink driving, use of restraints, fatigue and speeding. These campaigns continued to develop an increasingly regional focus.
- The Department commenced the development of the Drink Driving Program legislative package.
- A child car restraint-fitting program was introduced throughout Western Australia to advise on fitting and use of child car restraints.
- A review, identifying measures to reduce the over-representation of young drivers in crashes, was completed by the Road Safety Council and recommendations made to Government.
- Recommendations from the Road Safety Council review of *Road Traffic Act 1974* penalties were presented to Government.
- The Government vehicle fleet buying policy has been reviewed and recommendations made to promote the purchase of vehicles with high safety ratings and safety features.

Major Initiatives For 2006-07

- The Department will continue major State-wide road safety community education programs focusing on drink driving, speed, use of restraints and fatigue. Two additional community education programs will promote safer vehicles and the benefit of supervised driving for novice drivers.
- The Department will progress the implementation of random roadside drug testing in Western Australia.
- Implementation of initiatives to further improve novice driver safety will commence.
- Initiatives will be introduced to combat repeat drink driving in Western Australia.
- Legislative changes to the *Road Traffic Act 1974* will be introduced to change speeding, restraints and other penalties.
- A Road Safety Council review to identify the best practice in speed enforcement will be undertaken and recommendations will be made to Government.

Service 9: E-government Policy and Coordination

The Office will:

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	5,769	3,986	3,872	4,867	
Less Income	2,336	2	10	8	
Net Cost of Service	3,433	3,984	3,862	4,859	
Adjustments ^(a)	42	(18)	(732)	364	
Appropriation for delivery of Service	3,475	3,966	3,130	5,223	

(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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per Department that adopts and implements policies, standards and guidelines	\$85,564	\$90,034	\$44,860	\$221,452	See note (b).
Average cost per significant e-government initiative in which the Office is involved	\$143,866	\$156,104	\$204,264	\$156,050	See note (c).
Grants excluded	\$2,300,000	-	-	-	
Full Time Equivalents (FTEs)	26	26	27	28	

- (a) 2004-05 Actual and 2005-06 Budget key efficiency indicators have been recast to take account of transfers of the Native Title, Science and Innovation, Crime Prevention and Water Strategy services to other Departments during 2005-06, or as at 1 July 2006. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the transferred services, to the Department's remaining service efficiency indicators.
- (b) The significant increase in the average cost per Department in 2006-07 compared with 2005-06 is the result of a projected 40 per cent decrease in the number of Departments adopting and implementing policies, standards and guidelines during 2006-07, due to the scheduled release of several major policies and guidelines towards the end of the 2006-07 financial year that will not allow time for Departmental adoption and implementation by 30 June 2007; and, doubling the resources allocated to this indicator to deliver the 60 per cent increase in the number of projected policies, standards and guidelines to be developed during 2006-07.
- (c) The reduction in the average cost per significant e-government initiative in 2006-07 compared with 2005-06 is the result of a 27 per cent reduction in resources committed to these projects to enable the development and delivery in 2006-07 of the high priority policies, standards and guidelines referred to in note (a).

Major Achievements For 2005-06

- The Department worked with agencies in implementing the *e-Government Strategy for the Western Australian Public Sector*, including the addition of an e-Government component in Directors General and Chief Executive Officer's 2005-06 Performance Agreements.
- The Department identified and led cross-government and whole of government e-government initiatives, including commencing work on the development of an Enterprise Architecture Programme for the Western Australia public sector to support strategic investment planning in ICT and releasing the draft Identity and Access Management Framework and Action Plan for the sector.
- The Department, together with the Department of Treasury and Finance developed and launched *Connected Government: the Telecommunications Strategy for the Western Australian Public Sector 2005-2015*.
- Standards, policies and guidelines that support the implementation of e-government in the Western Australian public sector, including the revised *Guidelines for Aligning e-Government Projects to the e-Government Strategy* and the *Revised Guidelines for State Government Websites* were developed.
- The Department conducted a review of Western Australian Government websites, and the results will be used in the development of the Electronic Service Delivery Strategy.
- The Department provided support to the Office of Shared Services in the development and implementation of policies and frameworks to support public sector reforms.
- Significant agency budget bids were reviewed to ensure better alignment with the goals and principles of the e-Government Strategy.

Major Initiatives For 2006-07

- The whole-of-government Enterprise Architecture Program for the Western Australian public sector, including the shared service centres, will be developed to ensure that information and communication technology initiatives support the business of government.
- *Citizen-Centric Government: The Electronic Service Delivery Strategy for the Western Australian Public Sector* will be developed to provide a roadmap for transforming the delivery of Government services by electronic means.
- The Department will commence implementation of *Connected Government: the Telecommunications Strategy for the Western Australian Public Sector 2005-2015* in 2006-07.
- The Western Australian Public Sector Telecommunications Audit 2007, a follow-up to the 2005 audit will be completed.
- An Emergency Services Communications strategy will be developed to identify the mid to long term direction for Western Australian emergency and incident management telecommunications services.

CAPITAL WORKS PROGRAM

The Department's Capital Works Program includes:

- fit-out costs for additional ministerial offices;
- fit-out costs for Parliamentary electorate offices; and
- asset replacement including computer and other office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Asset Replacement/Upgrade				
Ministerial Offices	2,600	400	400	2,200
Parliamentary Electorate Office Fitout	755	100	100	655
E-Government Asset Purchases.....	77	63	14	14
Miscellaneous	1,797	642	372	731
COMPLETED WORKS				
Asset Replacement/Upgrade				
Computer Hardware and Software				
2005-06 Program	600	600	600	-
Parliamentary Electorate Office Fitouts – Electoral Redistribution	1,600	1,600	1,600	-
Computer Hardware and Software				
2004-05 Program	600	600	266	-
Electorate Offices Equipment Upgrade				
2004-05 Program	1,286	1,286	1,000	-
Partitioning and Accommodation Replacement/Upgrade				
2004-05 Program	250	250	151	-
NEW WORKS				
Asset Replacement/Upgrade				
Electorate Offices Equipment Upgrade				
2005-06 Program	220	-	-	220
2006-07 Program	220	-	-	220
Computer Hardware and Software				
2006-07 Program	600	-	-	600
Partitioning and Accommodation Replacement/Upgrade				
2005-06 Program	250	-	-	250
2006-07 Program	250	-	-	250
	11,105	5,541	4,530	5,140

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	17,245	51,262	4,530	5,140	4,150	1,689	1,225
	17,245	51,262	4,530	5,140	4,150	1,689	1,225
LESS							
Asset Sales	31	-	52	-	-	-	-
Drawdowns from the Holding Account	2,100	1,834	1,834	834	4,150	1,689	1,225
Internal Funds and Balances	(6,769)	2,139	2,117	1,451	-	-	-
Capital Contribution	21,883	47,289	500	2,855	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(c)	53,494	54,067	54,786	58,701	59,177	60,534	61,468
Superannuation	5,025	3,953	4,970	4,869	4,947	4,949	4,950
Grants and subsidies ^(d)	19,420	16,221	12,070	19,560	20,999	20,260	20,866
Supplies and services	34,699	36,084	40,962	44,153	40,056	42,043	42,011
Accommodation	10,802	10,835	11,710	11,576	11,576	11,576	11,576
Capital user charge	1,766	1,072	1,851	1,495	1,507	1,499	1,502
Depreciation and amortisation	2,529	2,400	2,545	3,357	3,747	4,077	3,395
Costs of disposal of non-current assets	58	-	-	-	-	-	-
Other expenses	96	113	103	103	105	105	105
TOTAL COST OF SERVICES	127,889	124,745	128,997	143,814	142,114	145,043	145,873
Income							
User charges and fees	3129	2,717	2,700	2,767	2,837	2,929	2,984
Regulatory fees and fines	11,588	11,000	11,774	19,128	21,400	21,000	21,000
Grants and subsidies	2,795	437	320	300	301	301	301
Interest revenue	218	200	200	200	200	200	200
Proceeds from disposal of non-current assets ..	83	-	-	-	-	-	-
Other revenue	5,817	4,762	5,988	4,426	4,532	4,459	4,305
Total Income	23,630	19,116	20,982	26,821	29,270	28,889	28,790
NET COST OF SERVICES	104,259	105,629	108,015	116,993	112,844	116,154	117,083
INCOME FROM STATE GOVERNMENT							
Service appropriations	108,914	105,015	96,309	115,009	110,012	111,854	113,996
Resources received free of charge	682	501	553	562	582	582	582
Liabilities assumed by the Treasurer	789	574	829	828	903	903	903
TOTAL INCOME FROM STATE GOVERNMENT	110,385	106,090	97,691	116,399	111,497	113,339	115,481
SURPLUS (DEFICIENCY) FOR THE PERIOD	6,126	461	(10,324)	(594)	(1,347)	(2,815)	(1,602)
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	6,126	461	(10,324)	(594)	(1,347)	(2,815)	(1,602)

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) Figures have been adjusted due to the transfer of a number of functions to other agencies from 1 July 2006, and may not be directly comparable to previously published information.
- (c) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 782, 774 and 807 respectively.
- (d) Refer Details of Controlled Grants and Subsidies table for further information.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	15,447	2,087	2,783	3,258	3,297	3,640	3,896
Restricted cash	4,933	324	9,482	6,630	5,342	2,530	738
Receivables	6,210	2,590	2,865	3,027	2,709	2,500	2,407
Inventories	134	205	134	205	205	205	205
Amounts receivable for services	1,834	834	834	4,150	1,689	1,225	-
Prepayments	2,261	2,727	2,432	2,347	2,389	2,368	2,379
Total current assets	30,819	8,767	18,530	19,617	15,631	12,468	9,625
NON-CURRENT ASSETS							
Amounts receivable for services	12,069	15,351	15,455	16,281	19,743	24,140	29,120
Plant and equipment	3,261	5,169	4,625	4,817	6,634	5,163	4,175
Intangibles	191	32	127	84	56	38	25
Restricted cash	0	204	250	500	750	1,000	1,250
Other	1,584	4,789	3,346	4,977	3,592	2,693	1,523
Total non-current assets	17,105	25,545	23,803	26,659	30,775	33,034	36,093
TOTAL ASSETS	47,924	34,312	42,333	46,276	46,406	45,502	45,718
CURRENT LIABILITIES							
Payables	3,314	2,224	2,816	3,148	2,961	3,051	3,006
Provision for employee entitlements	9,316	9,843	11,028	12,006	13,069	14,277	15,520
Accrued salaries	-	181	199	198	428	658	888
Other	8	17	8	8	8	8	8
Total current liabilities	12,638	12,265	14,051	15,360	16,466	17,994	19,422
NON-CURRENT LIABILITIES							
Provision for employee entitlements	4,546	5,133	4,107	4,483	4,853	5,237	5,627
Total non-current liabilities	4,546	5,133	4,107	4,483	4,853	5,237	5,627
TOTAL LIABILITIES	17,184	17,398	18,158	19,843	21,319	23,231	25,049
EQUITY							
Contributed equity	14,168	(14,907)	17,927	20,779	20,779	20,779	20,779
Accumulated surplus / (deficit)	15,704	30,953	5,380	4,786	3,440	624	(978)
Reserves	868	868	868	868	868	868	868
Total equity	30,740	16,914	24,175	26,433	25,087	22,271	20,669
TOTAL LIABILITIES AND EQUITY	47,924	34,312	42,333	46,276	46,406	45,502	45,718

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) Figures have been adjusted due to the transfer of a number of functions to other agencies from 1 July 2006, and may not be directly comparable to previously published information.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	106,332	100,898	92,089	110,032	104,861	106,232	109,016
Capital contribution	-	2,600	500	2,855	-	-	-
Holding account drawdowns	2,100	1,834	1,834	834	4,150	1,689	1,225
Net cash provided by State government	108,432	105,332	94,423	113,721	109,011	107,921	110,241
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(53,427)	(52,215)	(53,519)	(57,356)	(57,520)	(58,720)	(59,612)
Superannuation	(4,688)	(3,379)	(4,141)	(4,041)	(4,044)	(4,046)	(4,046)
Grants and subsidies	(19,404)	(16,221)	(12,070)	(19,560)	(20,999)	(20,260)	(20,866)
Supplies and services	(32,824)	(35,625)	(39,674)	(43,211)	(39,690)	(41,344)	(41,477)
Accommodation.....	(11,005)	(10,835)	(11,765)	(11,576)	(11,576)	(11,576)	(11,576)
Capital user charge.....	(1,766)	(1,072)	(1,851)	(1,495)	(1,507)	(1,499)	(1,502)
Goods and Services Tax	(8,695)	(12,271)	(15,093)	(18,022)	(13,283)	(11,170)	(9,855)
Other.....	(84)	(113)	(103)	(103)	(105)	(105)	(105)
Receipts							
User charges and fees.....	3,090	3,515	3,366	3,468	3,562	3,677	3,775
Regulatory fees and fines.....	11,588	11,000	11,915	19,128	21,400	21,000	21,000
Grants and subsidies	2,452	437	320	301	301	301	301
Interest received.....	218	200	200	200	200	200	200
Goods and Services Tax	9,205	12,128	15,361	17,702	13,659	11,347	9,965
Other receipts	4,086	3,606	7,082	3,857	3,742	3,744	3,496
Net cash from operating activities.....	(101,254)	(100,845)	(99,972)	(110,708)	(105,860)	(108,451)	(110,302)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(2,473)	(6,573)	(5,610)	(5,140)	(4,150)	(1,689)	(1,225)
Purchase of investments.....	(10)	-	-	-	-	-	-
Proceeds from sale of non-current assets	31	-	52	-	-	-	-
Net cash from investing activities.....	(2,452)	(6,573)	(5,558)	(5,140)	(4,150)	(1,689)	(1,225)
CASH FLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD							
NET INCREASE / (DECREASE) IN CASH HELD	4,726	(2,086)	(11,107)	(2,127)	(999)	(2,219)	(1,286)
Cash assets at the beginning of the reporting period	17,172	4,701	20,380	12,515	10,388	9,389	7,170
Net cash transferred to/from other agencies.....	(1,518)	-	3,242	-	-	-	-
Cash assets at the end of the reporting period.....	20,380	2,615	12,515	10,388	9,389	7,170	5,884

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) Figures have been adjusted due to the transfer of a number of functions to other agencies from 1 July 2006, and may not be directly comparable to previously published information.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Employee benefits expenses	5,504	-	-	-	-	-	-
Superannuation	195	-	-	-	-	-	-
Supplies and services	8,959	14,551	-	-	-	-	-
Accommodation	38	-	-	-	-	-	-
Depreciation and amortisation	39	-	-	-	-	-	-
TOTAL ADMINISTERED EXPENSES ^(b)..	14,732	14,551	-	-	-	-	-
INCOME							
Other revenue	16	-	-	-	-	-	-
Resources received free of charge.....	587	-	-	-	-	-	-
Administered appropriations.....	2,343	14,551	-	-	-	-	-
Change in equity arising from transfer of assets/liabilities	(6,104)	-	(5,992)	-	-	-	-
TOTAL ADMINISTERED INCOME ^(c)	(3,158)	14,551	(5,992)	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(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

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	8,364	-	-	-	-	-	-
Receivables	124	-	-	-	-	-	-
Total Administered Current Assets	8,488	-	-	-	-	-	-
ADMINISTERED NON-CURRENT ASSETS							
Plant and equipment.....	200	58,007	-	-	-	-	-
Total Administered Non-Current Assets	200	58,007	-	-	-	-	-
TOTAL ADMINISTERED ASSETS.....	8,688	58,007	-	-	-	-	-
ADMINISTERED CURRENT LIABILITIES							
Payables	49	-	-	-	-	-	-
Provision for employee entitlements	409	-	-	-	-	-	-
Total Administered Current Liabilities.....	458	-	-	-	-	-	-
ADMINISTERED NON-CURRENT LIABILITIES							
Provision for employee entitlements	238	-	-	-	-	-	-
Total Administered Non-Current Liabilities	238	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES..	696	-	-	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Employee benefits.....	(4,325)	-	(32)	-	-	-	-
Superannuation	(195)	-	-	-	-	-	-
Supplies and services	(8,858)	(14,551)	(13)	-	-	-	-
Accommodation	(38)	-	-	-	-	-	-
Goods and Services Tax	(1,646)	-	(207)	-	-	-	-
Transfer of Assets/Liabilities.....	(6,105)	-	(6,438)	-	-	-	-
Investing Activities							
Purchase of non-current assets.....	(239)	(44,689)	-	-	-	-	-
TOTAL ADMINISTERED CASH OUTFLOWS	(21,406)	(59,240)	(6,690)	-	-	-	-
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Goods and Services Tax	1,528	-	326	-	-	-	-
Other receipts	16	-	-	-	-	-	-
Administered appropriations.....	2,343	14,551	-	-	-	-	-
Capital contribution	21,883	44,689	-	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	25,770	59,240	326	-	-	-	-
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	4,364	-	(6,364)	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Policy Office	505	40	892	874	-	-	-
Public Sector Management	216	178	731	1,027	1,276	937	1,543
Constitutional Centre	2,179	370	384	370	370	370	370
Office of e-Government	2,300	-	-	-	-	-	-
Multicultural Interests	598	522	522	730	522	522	522
Office of Road Safety	7,077	10,900	8,500	15,928	18,200	17,800	17,800
Community Grants	6,545	4,211	1,041	631	631	631	631
TOTAL	19,420	16,221	12,070	19,560	20,999	20,260	20,866

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER STATE SERVICES							
Functional Review Implementation	14,732	14,551	-	-	-	-	-
TOTAL	14,732	14,551	-	-	-	-	-

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER							
Functional Review Implementation	2,946	14,551	-	-	-	-	-
TOTAL	2,946	14,551	-	-	-	-	-

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
State Law Publisher	3,090	2,668	2,700	2,767
Other Revenue	5,161	1,589	2,121	1,859
GST input credits	7,374	9,828	12,047	14,723
GST Receipts on sales	518	463	593	605
TOTAL	16,143	14,548	17,461	19,954

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

INDUSTRY AND RESOURCES

PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS

DIVISION 4

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 6 Net amount appropriated to deliver services	104,420	144,856	136,026	175,879	154,369	137,161	139,252
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	528	544	544	560	577	594	612
Total appropriations provided to deliver services	104,948	145,400	136,570	176,439	154,946	137,755	139,864
ADMINISTERED TRANSACTIONS							
Item 7 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	24,319	47,704	46,300	49,120	55,144	25,477	26,594
Amount Authorised by Other Statutes - Petroleum (Submerged Lands) Act 1982 ..	17,778	11,253	21,002	21,498	17,000	13,001	11,001
CAPITAL							
Item 125 Capital Contribution	1,264	6,770	7,770	5,584	5,320	750	750
Item 126 Administered Capital Contribution	88,067	2,100	1,100	1,000	-	-	-
GRAND TOTAL	236,376	213,227	212,742	253,641	232,410	176,983	178,209

- (a) Figures have been adjusted due to the transfer out of safety regulatory services to the Department of Consumer and Employment Protection from 1 July 2005, and transfer in of the Office of Science and Innovation from the Department of the Premier and Cabinet from 1 April 2006, and may not be directly comparable to previously published information.
- (b) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The Western Australian economy is expected to continue to grow strongly in response to the demand for the raw materials that are produced by the resources sector. This demand for the State's resources stems from a solid world economy largely driven by strong economic activity in the United States and China. Also contributing to demand is the encouraging growth that is beginning to emerge from India and Japan's economy and improved prospects for Europe. The emergence of increased Chinese demand for Western Australia's resources will require careful management of trade and investment relationships with Japan, the State's traditional trading partner.

- In 2005, the resources sector recorded a 37 per cent increase in sales value to reach a record \$39 billion, with petroleum and iron ore contributing two thirds of this amount. With the continued growth in Liquefied Natural Gas (LNG) and iron ore sales, along with strong prices for both commodities, this record is expected to be exceeded in 2005-06.
- Sustained increases in energy prices are driving demand for LNG and impacting on the market. The first shipments of LNG to China will commence in mid-2006 but China has been reluctant to accept the change in world LNG prices and has been slow to conclude further LNG deals since the Guangdong and Fujian deals from 2002. Japan has taken most of the available LNG production capacity from Western Australia.
- Western Australia could be producing as much as 50 million tonnes per annum of LNG by 2014 if new projects are developed in the Pilbara and West Kimberley coast. This will provide further opportunities for sales to China, Japan, India and the United States.
- Supply in the iron ore market has been tight for some time, which has resulted in price increases in 2005 and further price increases expected in 2006. Higher prices have resulted in significant increases in planned production capacity and are encouraging a range of new projects, particularly in the Mid West region and lower grade deposits in the Pilbara. China has been active in entering into agreements with the new projects to secure long-term supply.
- Production in the iron ore industry is expected to rise from around 230 million tonnes per annum to 300 million tonnes per annum by the end of 2006. Production is expected to increase to 360 million tonnes per annum by 2010 and to 400 million tonnes per annum in the longer term.
- Aluminium, copper, crude oil, iron ore and zinc prices remain elevated due to world-wide inventories, capacity constraints and various supply disruptions. The gold price has also trended higher in response to ongoing geopolitical tensions. Increases in the supply of these basic materials has been slower than generally anticipated due partly to increasing construction costs, which has delayed the expansion at various mining operations around the world. Expansion plans may also have been delayed due to uncertainty about the robustness of demand in the face of increasing commodity prices.
- The unprecedented expansion in the resources sector is raising considerable and competing demands for economic infrastructure as well as placing demands on the labour market. Initiatives have been put in place by government and industry to meet these demands but capacity shortages can occur while supply expands to meet demand.
- The Federal Government's Two Ocean Defence Policy means that Fleet Base West HMAS Stirling is now home to over 50 per cent of the nation's surface fleet and all of its submarine fleet. The Australian Marine Complex (AMC) at Cockburn Sound is an integrated industrial complex servicing the defence, marine, resources and petroleum sectors. It is rapidly gaining an international reputation as the nation's leading technologically advanced integrated industrial complex for marine related industries. The potential \$2 billion Amphibious vessel project and building modules for the \$6 billion Air Warfare Destroyer contract, in conjunction with ongoing maintenance and upgrades to home ported vessels, are the State's greatest opportunity and will determine the shape of the industry for the next decade.
- Innovation is critical to the development of competitive advantage in existing industries and the creation of new industries. An increased Government and industry focus on encouraging innovation in the State's industries is strongly contributing to economic growth. Innovation can create more value in traditional industries, and encourage the broadening of the State's long-term economic base through the establishment of new businesses.
- Information and communications technology (ICT) is a key driver of diversified economic growth and development, particularly with the Internet paving the way for world-wide productivity gains. To fully develop Western Australia's ICT capacity, over time, attention will need to be paid to the infrastructure required to support that development, particularly our international communication links and telecommunications coverage within the State. This need for infrastructure impacts on the growth of ICT as a sector in the State's economy, while the telecommunications deficiencies directly impact on the resources sector since most of the operations are in remote areas of the State.

- The international biotechnology sector is dynamic and rapidly changing as new technologies are developed and commercialised. Western Australia has unique biotechnology assets and capabilities that are generating new jobs and exports for the State. Western Australia needs to continue to develop its capabilities in biomedical technology, agricultural biotechnology, environmental technology and bio-mining to continue the development of a world-class biotechnology industry within the State and sustain our competitive advantage in existing industries.
- Renewable energy technologies are undergoing rapid international growth, encouraged by sustained increases in the price of fossil energy and greater awareness of the impacts of greenhouse emissions on climate. Within this context, renewable energy technologies for both stationary and transport uses have the potential to create new business, jobs and income for the State. They can also provide alternative fuel sources that will contribute to economic development in remote and regional communities.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Marine Industry Technology Park - Management Contract	150	-	-	-
Management of the Dampier Archipelago	800	470	-	-
Reform of the Project Approvals System	2,776	2,446	2,446	2,446
Overseas Trade Offices	1,000	1,000	1,000	1,000
Attraction and Retention Benefit	348	358	369	380
Science and Innovation	18,000	18,000	18,000	18,000
Continuation of IVEC Funding	1,950	1,950	1,950	1,950
Coal Industry Development	4,100	6,100	-	-
Assistance for Argyle Diamond Mine	-	26,250	-	-
Kimberley Broadband Solutions	500	-	-	-

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Resource Services	53,712	51,121	52,896	51,942			
<i>Service 2:</i>							
Industry Development Services	22,086	22,044	20,997	19,318			
<i>Service 3:</i>							
Investment Services	20,700	21,307	22,034	24,197			
<i>Service 4:</i>							
Geological Services	21,488	21,871	21,860	22,080			
<i>Service 5:</i>							
Science and Innovation Promotion and Support	17,477	43,724	33,849	71,341			
<i>Service 6:</i>							
Scientific Services	10,122	9,495	9,495	9,539			
Total Cost of Services	145,585	169,562	161,131	198,417	184,963	162,417	165,026
<i>Less Income</i>	<i>31,214</i>	<i>19,118</i>	<i>19,694</i>	<i>20,452</i>	<i>21,109</i>	<i>21,881</i>	<i>22,381</i>
Net Cost of Services	114,371	150,444	141,437	177,965	163,854	140,536	142,645
 Adjustments ^(b)	 (9,423)	 (5,044)	 (4,867)	 (1,526)	 (8,908)	 (2,781)	 (2,781)
Appropriation provided to deliver Services.	104,948	145,400	136,570	176,439	154,946	137,755	139,864
 ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	42,097	58,957	67,302	70,618	72,144	38,478	37,595
 CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	1,264	6,770	7,770	5,584	5,320	750	750
Administered Capital Contribution	88,067	2,100	1,100	1,000	-	-	-
 TOTAL CONSOLIDATED FUND APPROPRIATIONS	236,376	213,227	212,742	253,641	232,410	176,983	178,209

(a) Figures have been adjusted due to the transfer out of safety regulatory services to the Department of Consumer and Employment Protection from 1 July 2005, and transfer in of the Office of Science and Innovation from the Department of the Premier and Cabinet from 1 April 2006, and may not be directly comparable to previously published information.

(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 Ministers, Director General and the Treasurer.

The relationship of Ministers to services is shown below.

Responsible Minister	Services
Minister for Resources and Assisting the Minister for State Development; Employment Protection; Goldfields-Esperance and Great Southern.	1. Resource Services 4. Geological Services
Minister for Energy; Science and Innovation.	2. Industry Development Services 5. Science and Innovation Promotion and Support 6. Scientific Services
Premier; Minister for Public Sector Management; State Development; Federal Affairs.	3. Investment Services

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	Responsible development of the State's industry and resources for the benefit of Western Australia.	1. Resource Services 2. Industry Development Services 3. Investment Services 4. Geological Services 5. Science and Innovation Promotion and Support 6. Scientific Services

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Responsible development of the State's industry and resources for the benefit of Western Australia.					
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%	99%	99%	90%	Revised survey method.
State agency / Local Authority stakeholder agreement that 'the Department of Industry and Resources encourages a climate conducive to ongoing resources development in Western Australia.	63%	90%	63%	63%	

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Customer rating of the Department's services related to project and infrastructure facilitation and investment attraction.....	67%	86%	67%	67%	
The extent to which clients agree that the Department contributes to industry and trade development.....	86%	75%	86%	90%	
Customer satisfaction regarding scientific services.....	77%	77%	77%	77%	
Geological products and data services rating – geoscience information.....	4.2	4.2	4.2	4.2	
Geological products and data services rating – exploration information.....	3.9	3.9	3.9	3.9	
CONFORMANCE WITH REGULATION AND GOVERNMENT POLICY					
Level of compliance with expenditure conditions (form 5) in mineral titles.....	89%	97%	97%	97%	
Percentage of royalties collected during the period as compared to the total proportion of royalties due according to government policy.	100%	100%	100%	100%	
Minerals Industry Environmental Management assessment scores - Environmental compliance index.....	102	103	105	107	
Petroleum Industry Environmental Management – the performance of the industry, measured as a percentage of audited projects which attracted zero major Corrective Action Reports (CARs).....	95%	95%	95%	95%	
STATE DEVELOPMENT PERFORMANCE					
The proportion of international mineral exploration expenditure expended in Western Australia.....	10%	11%	6%	6%	
Australia's rating on the Fraser Institute Investment Attractiveness index.....	2nd	2nd	3rd	3rd	
Percentage of Australian mineral exploration expenditure expended in Western Australia.....	59%	60%	54%	54%	
Percentage of Australian petroleum exploration expenditure expended in Western Australia.....	60.2%	65%	49%	53%	
Area of Western Australia under mineral exploration title (km ²).....	258,241	280,000	298,000	320,000	
Index of funding leverage obtained for Western Australia from Centres of Excellence grants....	9:1	5:1	5:1	5:1	
Change in level of total investment in scientific research and development in Western Australia	n/a	n/a	n/a	n/a	Lagging indicator using ABS data published every two years. This data will be published in August 2006. It is not possible to provide an estimate prior to that date.

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

Service 1: Resource Services

(Minister for Resources and Assisting the Minister for State Development; Employment Protection; Goldfields-Esperance and Great Southern)

Benefits the Western Australian community through a legislative framework, information and audit systems, administrative processes, and supporting infrastructure for the mineral and petroleum industries, and other established industries.

Products and services include:

- granting and maintaining mineral and petroleum titles;
- collecting royalties according to legislation and government policy;
- undertaking environmental audit and assessment; and
- facilitating and providing supporting infrastructure to facilitate resource and established industry development.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	53,712	51,121	52,896	51,942	
Less Income	22,606	11,671	12,265	12,162	
Net Cost of Service	31,106	39,450	40,631	39,780	
Adjustments ^(a)	(2,173)	(2,096)	(2,099)	(1,036)	
Appropriation for delivery of Service	28,933	37,354	38,532	38,744	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per mineral title service	\$669	\$648	\$601	\$624	
Average cost per petroleum title operation and resource service	\$424	\$515	\$533	\$523	
Average cost per royalty returns verified and audited	\$1,548	\$1,620	\$1,466	\$1,543	
Average cost per environmental regulatory weighted service provided to the minerals industry	\$30	\$39	\$40	\$40	
Average cost per petroleum environmental audit and assessment	\$548	\$1,376	\$1,424	\$1,398	
Average cost of Aboriginal Economic Development projects facilitated	\$720,284	\$664,082	\$664,082	\$691,447	
Average cost of established industry projects	\$287,157	\$351,093	\$351,093	\$401,979	Increase in funding to Industry Capacity Network (WA).
Average cost of industry infrastructure projects	\$256,084	\$268,804	\$268,804	\$230,675	
Average cost of resource development projects	\$65,305	\$65,305	\$65,700	\$65,520	
Full Time Equivalents (FTEs)	374	368	368	369	

Major Achievements For 2005-06

- The *Mining Amendment Act 2004* came into effect on 10 February 2006 amending the *Mining Act 1978* to include initiatives to encourage mineral exploration by providing for longer terms, larger areas and improved operational provisions. Mining lease applications must now be supported by evidence of a mineral discovery and a 'reversion' scheme will allow the applicants of the 8,000 backlogged mining lease applications a one year period in which they can apply to 'revert' to exploration title.
- Upstream petroleum projects that have been lodged with the Department indicate increased capital expenditure from \$12 billion in 2004-05 to \$22 billion in 2005-06.
- Applications cleared through the Native Title Approval process resulted in 30,000 km² of new exploration acreage.
- Amendments to the *Petroleum (Submerged Lands) Act 1982* were passed, to give effect to the National Offshore Petroleum Safety Authority (NOPSA) legislation and supporting regulations are being drafted.
- Necessary changes related to safety management were implemented with agencies such as NOPSA and the Department of Consumer and Employment Protection (DOCEP), including a Memorandum of Understanding (MoU) with NOPSA and reviewing a draft MoU with DOCEP.
- Mineral and petroleum royalties totalling over \$2 billion were assessed, collected and audited for the year. Further enhancements were made to the Royalties Management System to ensure that it continues to meet the demands placed upon it.
- Royalty arrangements for the Argyle Diamond Mine were renegotiated to encourage the underground development of the mine, and to promote local employment (including Indigenous employment). A consolidated royalty schedule was negotiated for the North West Shelf Project and State negotiations with major iron ore producers resulted in the phasing in of higher royalty rates for fine ore and beneficiated ore under the various State Agreements.
- The requirements of the delegation to the Department for native vegetation clearing permit provisions of the Environmental Protection Act 1986 were implemented, for the administration and assessment requirements for mineral and petroleum projects. These included:
 - process-mapping native vegetation core business processes that integrate with mineral and petroleum processes;
 - preparing a request for tender for native vegetation supporting information technology; and
 - achieving in October 2005 ISO9000 certification for the Petroleum Environment approvals system.
- A whole-of-government State Indigenous Economic Development Strategy was finalised for the Government's consideration, which prioritises and coordinates activities by State and Commonwealth Governments under the three priority outcome areas of:
 - growing sustainable employment;
 - building investment and asset ownership; and
 - fostering opportunities for business development.
- The Kwinana Cumulative Risk Study was commenced, systematically mapping and recording for the first time the many pipelines and other interconnecting services in Kwinana.
- A Structure Plan for the Kemerton Industrial Park was commenced which includes consideration of a research facility within the Park's buffer area. The Park is a Strategic Industries Area (SIA), designated for heavy industry use, and particularly for resource-processing industries.
- Infrastructure requirements for Albany's Mirambeena Timber Processing Precinct were identified and a funding package prepared for consideration in the 2006-07 budget.
- Infrastructure requirements for the Mid West to support the growth of the iron ore industry were considered in consultation with the Planning and Infrastructure portfolio.

- The opportunity to maximise local industry participation in major projects was increased by implementation of the Buy Local and Building Local Industry Policies, expanding the capacity of the Industry Capability Network and improving the reporting of local content obligations under State Agreement Acts. These initiatives were complemented by approval of an expansion of the High Wide Load Corridor network to facilitate the transfer of oversized equipment and fabricated modules from engineering sites to ports or construction sites.
- A coordinated State response to the Commonwealth was finalised on the nomination of the Dampier Archipelago (including the Burrup Peninsula Industrial Precinct) to the National Heritage List.
- Infrastructure components in the Shire of Ravensthorpe were implemented to attract a residential workforce for BHP Billiton's Ravensthorpe Nickel Project.
- The coal industry was assisted to expand marketing opportunities as part of the Government's Western Australian Coal Futures Strategy, with Griffin Energy in December 2005 announcing its decision to construct the \$450 million 208 MW Bluewaters 1 Power Station.
- United Utilities Australia was assisted in progressing its \$420 million desalination plant at Esperance and 400 kilometre pipeline to Kalgoorlie-Boulder.

Major Initiatives For 2006-07

- It is expected that 75 per cent of the 8,000 backlog of mining lease applications that were pending when the *Mining Amendment Act 2004* was introduced in February 2006 will be 're-applied for' as exploration title applications by 9 February 2007.
- Implement the new Departmental spatial enquiry tool (WARIMS) providing customers with access to mineral title and geological information in the same system.
- Implementation of the Keating approval systems model and guidelines for granting and management of petroleum titles.
- Development of an overall energy security framework for Western Australia.
- Promotion of the Western Australian Petroleum Data Centre concept to key stakeholders in industry and government.
- Development and implementation of Stage 3 of the online Royalty Management System with enhanced customer interface and royalty revenue forecasting model.
- Development of technical understanding of the carbon dioxide geosequestration process through completion of the Barrow Island Phase Three study.
- Progression of legislation initiatives, including:
 - finalisation of safety and environmental regulations;
 - development of amendments to provide for geothermal (hot dry rocks) exploration and production;
 - development of amendments to provide for consistency with Commonwealth legislation (Common Mining Code);
 - development of amendments to provide regulation for geosequestration; and
 - development of amendments to ensure findings of National Competition Policy reviews are implemented.
- Encouragement and assistance for effective environmental management in the resources sector through:
 - review of Environmental Performance Bonds;
 - streamlining minerals environmental approval processes;
 - contribution to the development of an alternate regulatory regime for native vegetation regulations;
 - achievement of ISO 9001:2000 certification of the *Mining Act 1978* environmental approval processes; and
 - promotion and regulation of environmental management of the State mineral and petroleum industries.

- Action Indigenous employment and business development projects within priority industry sectors in Western Australia, namely the:
 - resources sector in the Pilbara and South West;
 - building and construction industry in South Hedland and Great Southern;
 - arts industry in the Kimberley and Ngaanyatjarra Lands; and
 - retail sector (remote community stores) in the Kimberley, Western Desert and Eastern Goldfields.
- Progress planning and infrastructure issues impacting on the development of mining and processing projects, including:
 - Expressions of Interest for development of Ord 'Stage 2' irrigation;
 - a broad study examining iron ore transport issues in the Pilbara;
 - heritage matters on the Burrup Peninsula, including surveys required under the Burrup and Maitland Agreement, and progress the relocation strategy for the Western Australian Museum compound;
 - moving into the implementation phase for industrial land, common-user port and rail infrastructure in the Mid West region; and
 - facilitating South West project and planning matters including the Boddington Gold Mine expansion and Mirambeena timber processing precinct.
- Adoption of new strategies to address the opportunities and challenges for local industry participation presented by the Australia-United States Free Trade Agreement.
- Implement industry development strategies including the Oil and Gas Industry Coordinating Council Action Plan and Western Australia Coal Industry Strategy.
- Continue the reform of the project approvals system, including:
 - development of processes for more strategic industrial planning with consequential improvements in the project approvals timeline; and
 - development of improved approvals information sharing systems across government.

Service 2: Industry Development Services

(Minister for Energy; Science and Innovation)

These services benefit the Western Australian community by facilitating the growth of internationally competitive industry within Western Australia, and through the provision of infrastructure that supports technology-based industry.

Products and services include:

- facilitation of industry development projects; and
- development and facilitation of Technology Parks and Precincts.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	22,086	22,044	20,997	19,318	
Less Income	830	338	318	210	
Net Cost of Service	21,256	21,706	20,679	19,108	
Adjustments ^(a)	(1,716)	(891)	(833)	(386)	
Appropriation for delivery of Service	19,540	20,815	19,846	18,722	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of industry projects facilitated....	\$3,104	\$3,099	\$2,951	\$2,696	
Average cost of technology infrastructure projects facilitated.....	\$577	\$575	\$548	\$523	
Full Time Equivalents (FTEs)	117	116	116	112	

Major Achievements For 2005-06

- The Skilled Migration Unit participated in migration expos in Melbourne, Germany, Ireland, India and the United Kingdom, resulting in the sponsorship of almost 500 skilled migrants to Western Australia.
- The Department launched the first comprehensive State Innovation Services directory, aimed at providing information to emerging technology based industry and academia, and continued to implement the Innovation Capability Funding Scheme, to assist businesses realise the commercial development of innovative ideas.
- The Department facilitated the coordination of knowledge economy activities with key agencies.
- The Western Australian Inventor of the Year Award was launched in March 2006, aimed at fostering an environment of innovation and showcasing Western Australia's innovative capacity to a national and international audience.
- The Department facilitated the provision of telecommunications technology through:
 - the provision of high speed data links between Perth and Mandurah along the railway;
 - releasing the tender for the Kimberley Broadband Solutions project, which will provide broadband telecommunications to selected towns and communities in the Kimberley region;
 - progressing the Ngaanyatjarra Lands Telecommunications Project, to deliver significantly improved communications to a number of towns;
 - promoting the adoption of broadband and open source technology to all major regions through the Technology Roadshow initiative; and
 - facilitating the deployment of broadband services to 39 regional towns through the Broadband Demand aggregation project.
- Preparation of the State's first ever Biotechnology Industry Development Strategy, which focuses on the priority areas of building capacity, building capability, building awareness and taking Western Australian biotechnology to global markets. The Department assisted Western Australia's biotechnology industry to build strategic alliances, develop networks and raise the profile of the industry through:
 - participation in biotechnology conferences in Australia, India, Europe and Japan;
 - coordination of industry initiatives and marketing between Federal and State Governments, industry and academia; and
 - signing of MoUs with the University of California, BayBio and BioSingapore and AusBiotech.
- The Department continued to facilitate the development and expansion of technology-based infrastructure:
 - Cabinet approved funding towards the upgrade of existing infrastructure at the AMC, and the first stage delivery of a floating dock capability;
 - naval trials of repair and maintenance work at the AMC were successful;
 - the expansion plan for the Bentley Technology Park into a wider Technology Precinct was implemented, which will increase its size ten-fold. There are now more than 90 businesses in the Park, operating in technology-based industries; and
 - similar development was planned for the AMC Technology Precinct, initially focussed on creating a support base for the marine / defence sectors.

Major Initiatives For 2006-07

- Oversee the infrastructure upgrade, establishment of the Well Integrity and Subsea Test Facility, and target major oil and gas subsea organisations to establish facilities at the AMC.
- Support the establishment of the Australian Subsea Technology Group to deliver a networking and technology marketing service to small to medium sized companies (SMEs) in the oil and gas industry.
- Implement a positioning strategy for the consolidation of the Amphibious Shipbuilding project in Western Australia, and work with TAFE and Department of Employment and Training to establish adequate skills training and skills enhancement in the defence industry.
- Extend mobile phone and broadband coverage within Western Australia and raise awareness of emerging telecommunications technologies.
- Improve access to government infrastructure and assets to facilitate better delivery of communications services to business and the community, and assist emerging telecommunications providers to explore opportunities to address local needs.
- Make open source software tools readily available through the Open Source Centre to support small business growth.
- Assist ICT companies to identify, develop and access new national and international markets through continued industry consultation, market intelligence, business matching, international partnerships, strategic alliances and MoUs.
- Continue to implement the Industry Innovation Capability Funding Scheme and the Business Development and Skills Training Assistance Scheme that assist technology-based companies to develop their business skills and to raise funding from other sources.
- Implement the Western Australian Biotechnology Industry Development Strategy.
- Develop and implement an industry development strategy for the Western Australian renewable energy sector, including biofuels and bioenergy, in collaboration with industry and key agencies.
- Review and update the ICT industry development strategy to ensure the development of a comprehensive and relevant long term strategy for Western Australia.

Service 3: Investment Services

Benefits the Western Australian community by facilitating private sector investment in the State, and promoting Western Australia as a source of internationally competitive products and services.

Products and services include:

facilitating and managing the interface between investors and government;

- providing resource sector information services; and
- delivering investment attraction programs.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	20,700	21,307	22,034	24,197	Cost and demand pressures on the overseas office network and accelerated expenditure expected from the Australia - China Natural Gas Technology Partnership.
Less Income	778	327	334	263	
Net Cost of Service	19,922	20,980	21,700	23,934	
Adjustments ^(a)	(1,608)	(861)	(875)	(483)	
Appropriation for delivery of Service	18,314	20,119	20,825	23,451	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per resource sector information service delivered	\$64,580	\$64,620	\$64,680	\$64,760	Once-off project completed in 2005-06.
Average cost per resource sector investment attraction program delivered	\$242,175	\$242,175	\$242,800	\$243,400	
Average cost per major resource project facilitated	\$65,305	\$65,305	\$65,700	\$65,920	
Average cost per major trade project facilitated	\$332,142	\$242,714	\$452,375	\$344,000	
Full Time Equivalents (FTEs)	114	113	113	113	

Major Achievements For 2005-06

- Assist investors to achieve successful project development through:
 - facilitating the approval and commencement of approximately 26 per cent capacity expansions at BHP Billiton's and Rio Tinto / Robe's Pilbara iron operations to a combined capacity of approximately 331 million tonnes per annum;
 - working closely with proponents of new proposed mines in the Mid West, Great Southern, Kimberley and Pilbara to advance their projects, including the commencement of Midwest Corporation's exports of ore through Geraldton;
 - securing commitment from Hope Downs to develop its East Pilbara iron ore mine;
 - assisting North West Shelf Joint Venture to commission LNG Train 4 and commence construction of Train 5;
 - assisting Gorgon Gas secure foundation customers for its LNG project;
 - securing commitment for inclusion of Jansz field into the Gorgon LNG project;
 - negotiating State Agreement for Fortescue Metals Group's East Pilbara mining operations;
 - completing the Native Title agreement for the development of the Ord irrigation expansion project;
 - securing Rio Tinto's commitment to an underground mine at Argyle to extend the life of the project; and
 - facilitating construction of the Burrup Fertilizers Ammonia Plant.
- Assist Western Australian companies identify, develop and access new national and international markets through:
 - industry consultation in relation to bilateral and multilateral trade agreements, including those for China, Malaysia, United Arab Emirates, Japan, ASEAN / New Zealand and Mexico to ensure Western Australia's interests were identified;
 - diversification of the State's export base and export markets by facilitating Western Australian industry participation in a broad range of international focussed trade events. Specific sectors supported were information and communications technology, biotechnology, oil, gas and mining services, food and beverages, building and construction, health and development services in international aid projects;
 - specific market development including the opening of the Western Australian Trade Office in the United States of America and conclusion of Western Australia's participation in 2005 World Exposition in Aichi, Japan; and
 - the Directors General of the major economic development agencies with international interests committed to a whole-of-government approach to the overseas office network. A planning conference of the overseas representatives was held to implement the findings of the review and set the new directions.

Major Initiatives For 2006-07

- Assist investors to achieve successful project development through:
 - a program to market Western Australia in Europe as a potential source of investment opportunities;
 - an iron ore policy;
 - implementation of a domestic gas reservation policy;
 - supporting Pilbara iron producers to further expand their mining operations by 20 per cent, rationalise their State Agreements and secure commitments to new iron ore mining projects in the Mid West and Great Southern regions;
 - securing commitments by Alcoa and Worsley to expand the State's alumina capacity by more than 30 per cent;
 - promoting the opportunities in LNG projects and facilitating the approval processes, including Pluto, Onslow, Browse and Gorgon projects;
 - securing commitments to new iron ore mining and associated railways and ports projects in the Pilbara; and
 - facilitating commitment to various base metal projects in the Goldfields, Murchison and Pilbara regions.
- Assist Western Australian companies identify, develop and access new national and international markets through:
 - promotion of the State's trade and investment opportunities by the State's overseas office network;
 - investigation of changing trading patterns and market conditions in Western Australia's trading region to assess the likely impact of China's growing significance as a competitive importer and exporter on Western Australia's established or potential markets;
 - review of factors in India's economy that may result in risks or opportunities for Western Australia's trading interests;
 - development, in conjunction with industry, of strategic export plans for target sectors and markets;
 - promotion of Western Australia in export markets to support commercial activity exporting Western Australia's lifestyle, culture, goods and services; and
 - continued promotion of the State's capabilities at major trade exhibitions and conferences.

Service 4: Geological Services

(Minister for Resources and Assisting the Minister for State Development; Employment Protection; Goldfields-Esperance and Great Southern)

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.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	21,488	21,871	21,860	22,080	
Less Income	941	486	481	380	
Net Cost of Service	20,547	21,385	21,379	21,700	
Adjustments ^(a)	(1,670)	(884)	(868)	(441)	
Appropriation for delivery of Service	18,877	20,501	20,511	21,259	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per weighted total published product.....	\$264,369	\$210,000	\$241,100	\$241,149	
Average cost per weighted data transaction unit.....	\$50	\$40	\$29.20	\$29.50	
Full Time Equivalents (FTEs)	178	185	185	185	

Major Achievements For 2005-06

- Mineral exploration throughout Western Australia was encouraged by publication of over 100 Geological Services products for the State and continued development of online information delivery services.
- A \$12 million commitment over four years (now being funded at \$3 million per annum) to double the area of the State covered by high-tech aerial geophysical surveys continued in its second year. The survey aims to increase exploration in greenfields areas of Western Australia. In 2005-06, data were collected over the East Yilgarn, Paterson and Gascoyne regions with data releases from the East Yilgarn and parts of the Paterson and Gascoyne regions, with a notable increase in tenement applications within surveyed areas.
- The program to accelerate the public release of archival information contained in non-confidential geoscience reports from exploration companies, in order to encourage greenfields exploration activity, resulted in the release of 7,000 reports.
- Advice on mineralisation potential was provided on 1,150 proposals for a change in the land use of Crown Land, leasehold and private land in Western Australia, including on new areas proposed to be included in the conservation estate.
- A major five year program of geoscience field mapping was commenced in the Tanami region, including the release of a Geological Exploration Package and completion of a deep seismic line in collaboration with Geoscience Australia.

Major Initiatives For 2006-07

- 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 Ashburton, South Officer Basin and Musgrave regions, and, subject to obtaining traditional owners' approval, ground gravity and geochemical surveys over the western Arunta area;
 - continuation of major programs of geoscience field mapping and corresponding data releases in the Musgrave, Murchison, Tanami, Bangemall and Gascoyne and Pilbara regions; and
 - release of a further 14,000 non-confidential geoscience reports from exploration companies.

Service 5: Science and Innovation Promotion and Support

(Minister for Energy; Science and Innovation)

Benefits the Western Australian community by supporting the development of research capability, and promoting the significance of science and innovation as a driver of economic growth. Promotion of science and innovation includes school science programs and projects, and promotions through the Scitech Discovery Centre. Research support includes the implementation of the Government's InnovateWA policy and strategy, research scholarships and fellowships.

Products and services include:

- support for the Western Australia Science Council, science policy development and advice;
- administration of research and infrastructure grants; and
- management of science and innovation programs and projects.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	17,477	43,724	33,849	71,341	New funding for Science and Innovation and delays in other science industry initiatives.
Less Income	4	-	-	-	
Net Cost of Service	17,473	43,724	33,849	71,341	
Adjustments ^(a)	(932)	(19)	101	(71)	
Appropriation for delivery of Service	16,541	43,705	33,950	71,270	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per FTE for support provided to the Science Council, science policy development and advice	\$109,151	\$128,816	\$144,481	\$137,557	Increased IVEC funding.
Average cost per research capability and infrastructure grant administered	\$8,830	\$10,167	\$13,866	\$35,865	
Average cost per science and innovation program and project managed	\$97,899	\$123,018	\$56,705	\$41,340	New funding for Science and Innovation and delays in other science industry initiatives.
Grants excluded	\$15,448,633	\$41,026,000	\$31,347,353	\$67,691,768	
Full Time Equivalents (FTEs)	19	19	19	19	

Major Achievements For 2005-06

- The Department provided new funding for eight new Centres of Excellence through the Centres of Excellence in Science and Innovation program. In principle funding commitments have been provided for Western Australian applications to the Australian Research Council Federation Fellowships program through the Centres of Excellence program, and for locally-based applicants to the 10th Round of the Commonwealth Cooperative Research Centre program, with particular emphasis on local headquartering.
- The Department awarded 20 Studentships through the Science and Innovation Studentship Awards program.
- Funding provided to Western Australia Energy Research Alliance through the Western Australia Major Research Facility Program has resulted in industry contracts of up to \$10 million per annum being awarded to the facility, and an additional \$3 million in Federal research grants.
- The Department committed \$4 million seed funding to the Centre for Food and Genomic Medicine through the Western Australia Major Research Facility Program, the third such facility funded through the Program.
- Four world-class researchers were attracted to Western Australia by grants of \$1 million each over four years under the Premier's Research Fellowship Program, attracting an additional \$8 million from other sources.
- The Department provided a grant of \$1 million over three years in the second round of the Premier's Collaborative Research Program to a project analysing the biological and chemical profiles of final treated wastewater from the Water Corporation's three large metropolitan wastewater treatment plants.
- The Department provided advice to the Federal Government's National Collaborative Research Infrastructure Strategy committee on allocation of \$542 million for research infrastructure.
- In collaboration with the Western Australia Science Council, the Department developed strategic plans for the Western Australian Government's ongoing involvement in supporting science research, enhancing science education and boosting public engagement with and awareness of science. The Department, in conjunction with the Science Council, established a 'Women in Science, Engineering and Technology' initiative.
- The MoU between the United Nations Educational, Scientific and Cultural Organisation's Intergovernmental Oceanographic Commission and the Bureau of Meteorology Perth covering operation of the Perth Regional Office was renewed for a further three years. The Perth Office was selected to provide the secretariat function for the planned Indian Ocean Tsunami Warning Centre.
- The Mid West site bid for the one billion euro international Square Kilometre Array radio astronomy project was submitted through the Australasian Square Kilometre Array Consortium Committee. The Mileura Station lease in the Mid West was purchased for the purpose of establishing it as the location for radio astronomy research in Western Australia, and an infrastructure master plan and an environmental assessment for a radio astronomy park completed.
- 'New Horizons', the National Committee for Astronomy's Decadal Plan for Australian Astronomy, identified the Mid West region of Western Australia as the location for Australian radio astronomy research, and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) Australia Telescope National Facility announced it would build its \$25 million extended New Technology Demonstrator project in the Mid West.
- An interim final report summarising the achievements of the Strategic Research Fund for the Marine Environment, a four year joint venture between the CSIRO and the State Government was prepared. Successful outcomes include establishing a significant marine research capability in Western Australia, 13 PhD studentships and funding over \$2 million in collaborative research projects with universities, including research on the Jurien Bay Marine Park. The final report will be delivered in July 2006.
- The Department developed the business plan for the \$5 million Ningaloo Research Program, and commenced negotiations to establish research agreements with the CSIRO, the Australian Institute of Marine Science and universities.

Major Initiatives For 2006-07

- The Chief Scientist will take on the role of Chair of the Tropical Science Knowledge and Innovation initiative. Western Australia's participation in this national initiative will generate economic and social outcomes for Western Australia.
- The Department will provide \$4 million to facilitate access by Western Australian researchers and industry to the National Synchrotron facility, with Western Australian universities committing an additional \$1 million.
- The CSIRO's Australia Telescope National Facility, and a consortium of research institutions led by the Massachusetts Institute of Technology and the University of California, Berkley will conduct radio astronomy research experiments in the Mid West, as a precursor to further radio astronomy projects in Western Australia.

Service 6: Scientific Services

(Minister for Energy; Science and Innovation)

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.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	10,122	9,495	9,495	9,539	
Less Income	6,055	6,296	6,296	7,437	
Net Cost of Service	4,067	3,199	3,199	2,102	
Adjustments ^(a)	(1,324)	(293)	(293)	891	
Appropriation for delivery of Service	2,743	2,906	2,906	2,993	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per chargeable hour of providing service.	\$129	\$129	\$130	\$130	
Full Time Equivalents (FTEs)	87	87	87	87	

Major Achievements For 2005-06

- Enabling legislation for the Chemistry Centre's transition to a statutory authority has been drafted and the Bill has been introduced in Parliament.
- The detailed design for new accommodation is essentially complete and the project is on target to go to tender in May 2006.
- The purchase and outfitting of a mobile laboratory during 2005-06 has enabled the Chemistry Centre to undertake critical scientific investigations off-site, creating in particular a capacity to collect real-time data at environmentally and community sensitive locations and facilities, including the Wagerup Alumina Refinery.
- Techniques for quantifying arsenic species in biological samples have been developed. This will assist industry to ascertain the extent of occupational exposure to potentially toxic materials.
- The Forensic Science Laboratory continued to invest in state-of-the-art forensic instrumentation with the purchase and successful installation of a Camscan 3200-LV scanning electron microscope incorporating an Oxford 'INCA' X-ray analysis system. The system significantly improves the laboratory's capacity for gunshot residue detection.
- The number of samples from Racing and Wagering Western Australia (RWVA) in connection with doping control in sport more than doubled in 2005-06, with the commencement of the three-year contract to provide all of RWVA's drug monitoring services. Investment in additional automated sample preparation and analytical instrumentation has resulted in a major upgrade of capacity and resulted in a successful start to the contract.

Major Initiatives For 2006-07

- Continued progress on the enabling legislation for the Chemistry Centre's transition to a statutory authority.
- Business systems will be redeveloped to capture additional information to support a more commercial operation, and a marketing initiative will commence to raise the profile of the Chemistry Centre in its target markets.
- The Chemistry Centre will further develop its ability to support the emerging Western Australian biotechnology industry, especially medical biotechnology. This will be achieved in close cooperation with the universities, industry and medical research facilities.
- Validation of soil and plant analysis techniques by radial Inductively Coupled Plasma-Atomic Emission Spectrometry (ICP-AES), microwave digestion of water, sediment and biota samples and commissioning the discrete analyser.
- The Forensic Science laboratory will invest in new portable technologies to enable chemicals and other equipment associated with clandestine drug laboratories to be examined on-site. The initiative will enable investigations to be progressed faster and will assist the Western Australian Police Service in tackling this criminal activity.

CAPITAL WORKS PROGRAM

The Department's planned capital works program for 2006-07 is \$32.8 million, comprising \$14.2 million for works in progress and \$18.5 million for new works.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Australian Marine Complex				
Marine Industry Technology Park - additional land acquisition and environmental costs.....	3,400	2,400	1,100	1,000
Marine Industry Technology Park	23,150	15,591	1,000	7,559
Southern Precinct	127,300	125,700	1,358	1,100
Maintenance of Chemistry Centre	1,500	900	300	300
Ord River Irrigation - Stage 2	15,539	13,039	3,500	1,000
Technology Precinct Bentley Stage 1 Implementation	8,550	1,000	1,000	3,275
COMPLETED WORKS				
Asset Replacement Program				
Computer Hardware and Software 2005-06 Program	996	996	996	-
Furniture and Equipment 2005-06 Program	100	100	100	-
Scientific Equipment 2005-06 Program	405	405	405	-
Integrated Customer E-Commerce Infrastructure	3,200	3,200	3,132	-
Kalgoorlie Complex Stage 2 Planning and Construction.....	3,525	3,525	3,434	-
Mineral House Air Conditioning	2,020	2,020	1,953	-
Mineral Titles Information System.....	460	460	460	-
Native Vegetation Clearing Regulations - IT Systems Land Clearing Permit System	1,500	1,500	1,288	-
New Computer and Office Equipment 2005-06 Program	159	159	159	-
New Scientific Equipment 2005-06 Program	195	195	195	-
NEW WORKS				
Asset Replacement Program				
Computer Hardware and Software 2006-07 Program	1,346	-	-	1,346
Furniture and Equipment 2006-07 Program	100	-	-	100
Scientific Equipment 2006-07 Program	405	-	-	405
Australian Marine Complex				
Marine Industry Technology Park - Cost Escalation	1,400	-	-	1,400
Facilities Storage Archives Processing Centre.....	1,264	-	-	1,264
New Computer and Office Equipment 2006-07 Program	212	-	-	212
New Scientific Equipment 2006-07 Program	195	-	-	195
Office of Science Innovate WA.....	12,012	-	-	12,012
Ord River Irrigation - Stage 2.....	1,599	-	-	1,599
	210,532	171,190	20,380	32,767

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	11,618	20,067	20,380	32,767	8,433	2,417	2,480
Working capital requirement							
Loan repayments and advances	550	550	550	550	550	550	550
	12,168	20,617	20,930	33,317	8,983	2,967	3,030
LESS							
Drawdowns from the Holding Account	1,046	1,501	1,501	1,851	1,851	1,900	1,963
Funding Included in Service Appropriations ^(a)	3,391	3,659	3,659	2,811	1,712	217	217
Administered Funds.....	2,436	8,127	1,100	13,012	-	-	-
Internal Funds and Balances	3,014	560	3,954	10,059	100	100	100
Other.....	1,017	-	2,946	-	-	-	-
Capital Contribution	1,264	6,770	7,770	5,584	5,320	750	750

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(c)	54,888	52,896	53,449	54,704	53,610	54,582	56,145
Superannuation	8,111	5,991	6,007	6,057	6,058	6,058	6,272
Cost of goods sold	203	200	200	200	200	200	200
Grants and subsidies ^(d)	27,029	52,171	41,392	75,488	53,092	32,309	33,797
Consultancies expense	1,814	1,370	1,620	1,674	1,278	808	808
Supplies and services	34,251	37,380	38,843	41,101	46,755	46,603	45,972
Accommodation	7,189	6,004	5,987	6,051	6,150	9,850	9,850
Finance costs	604	393	469	421	344	340	340
Capital user charge	6,809	6,806	6,819	7,308	7,550	7,556	7,556
Depreciation and amortisation	2,843	3,186	3,180	2,665	2,626	2,621	2,621
Loss on disposal of non-current assets	54	-	-	-	-	-	-
Other expenses	1,790	3,165	3,165	2,748	1,490	1,490	1,465
Receipts paid into consolidated fund	-	-	-	-	5,810	-	-
TOTAL COST OF SERVICES	145,585	169,562	161,131	198,417	184,963	162,417	165,026
Income							
User charges and fees	10,720	8,250	8,250	8,662	8,990	9,282	9,485
Regulatory fees and fines	19,882	10,681	11,181	11,527	12,001	12,485	12,782
Gain on disposal of non-current assets	-	68	68	68	-	-	-
Interest revenue	37	48	124	124	47	43	43
Other revenue	575	71	71	71	71	71	71
Total Income	31,214	19,118	19,694	20,452	21,109	21,881	22,381
NET COST OF SERVICES	114,371	150,444	141,437	177,965	163,854	140,536	142,645
INCOME FROM STATE GOVERNMENT							
Service appropriations	104,948	145,400	136,570	176,439	154,946	137,755	139,864
Resources received free of charge	1,921	1,831	1,820	1,819	1,817	1,817	1,817
Liabilities assumed by the Treasurer	2,110	903	914	914	914	914	914
Change in equity arising from transfer of assets / liabilities	(519)	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	108,460	148,134	139,304	179,172	157,677	140,486	142,595
SURPLUS (DEFICIENCY) FOR THE PERIOD	(5,911)	(2,310)	(2,133)	1,207	(6,177)	(50)	(50)
Other (expense)	(3,822)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(9,733)	(2,310)	(2,133)	1,207	(6,177)	(50)	(50)

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) Figures have been adjusted due to the transfer out of safety regulatory services to the Department of Consumer and Employment Protection from 1 July 2005, and transfer in of the Office of Science and Innovation from the Department of the Premier and Cabinet from 1 April 2006, and may not be directly comparable to previously published information.
- (c) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 889, 888 and 885 respectively.
- (d) Refer Details of Controlled Grants and Subsidies table for further information.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	9,939	3,380	3,550	1,908	1,157	1,100	1,043
Restricted cash	180	462	200	200	200	200	200
Receivables	3,045	1,799	3,095	3,095	3,070	3,077	3,084
Inventories	2,160	3,166	459	459	459	459	459
Amounts receivable for services	722	1,851	1,851	1,851	1,900	1,963	-
Prepayments	1,903	354	1,918	1,918	1,918	1,918	1,918
Non current assets held for sale	-	1,601	1,540	1,408	1,408	1,408	1,408
Other	117	-	97	97	97	97	97
Total current assets	18,066	12,613	12,710	10,936	10,209	10,222	8,209
NON-CURRENT ASSETS							
Amounts receivable for services	6,507	7,462	7,952	8,722	9,443	10,101	12,722
Land and buildings	64,962	53,661	63,711	67,399	65,013	65,013	65,013
Plant and equipment	3,091	8,476	11,322	10,602	9,925	9,211	8,304
Intangibles	-	304	304	332	363	407	407
Loans and advances	21,726	22,839	22,176	21,337	21,740	21,641	21,641
Other	4,504	19,791	5,536	8,160	9,377	9,526	9,975
Total non-current assets	100,790	112,533	111,001	116,552	115,861	115,899	118,062
TOTAL ASSETS	118,856	125,146	123,711	127,488	126,070	126,121	126,271
CURRENT LIABILITIES							
Payables	10,038	8,240	9,856	9,856	9,831	9,831	9,831
Provision for employee entitlements	9,777	8,002	9,938	9,965	9,965	9,965	9,965
Borrowings	771	1,340	771	771	771	771	870
Monies in trust	435	310	435	435	435	435	435
Interest payable	316	147	316	316	316	316	316
Accrued salaries	-	1,221	5	66	127	127	127
Amounts due to the Treasurer	1,200	600	1,200	-	-	-	-
Other	141	96	29	29	29	29	29
Total current liabilities	22,678	19,956	22,550	21,438	21,474	21,474	21,573
NON-CURRENT LIABILITIES							
Provision for employee entitlements	4,722	4,865	4,479	4,460	4,423	4,423	4,423
Borrowings	7,374	5,032	6,793	4,910	4,350	3,701	3,052
Total non-current liabilities	12,096	9,897	11,272	9,370	8,773	8,124	7,475
TOTAL LIABILITIES	34,774	29,853	33,822	30,808	30,247	29,598	29,048
EQUITY							
Contributed equity	44,522	52,338	52,229	57,813	63,133	63,883	64,633
Accumulated surplus / (deficit)	(234)	5,330	(2,134)	(927)	(7,104)	(7,154)	(7,204)
Reserves	39,794	37,625	39,794	39,794	39,794	39,794	39,794
Total equity	84,082	95,293	89,889	96,680	95,823	96,523	97,223
TOTAL LIABILITIES AND EQUITY	118,856	125,146	123,711	127,488	126,070	126,121	126,271

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CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	102,700	142,135	133,434	173,818	152,325	135,134	137,243
Capital contribution	1,264	6,770	7,770	5,584	5,320	750	750
Holding account drawdowns	1,046	1,501	1,501	1,851	1,851	1,900	1,963
Net cash provided by State Government.....	105,010	150,406	142,705	181,253	159,496	137,784	139,956
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(55,357)	(53,236)	(53,714)	(54,553)	(53,487)	(54,520)	(56,083)
Superannuation	(6,001)	(5,303)	(5,319)	(5,475)	(5,456)	(5,206)	(5,420)
Grants and subsidies	(26,695)	(51,557)	(41,112)	(74,874)	(52,478)	(32,309)	(33,797)
Consultancies payments.....	(1,723)	(1,370)	(1,620)	(1,674)	(1,278)	(808)	(808)
Supplies and services	(29,905)	(35,533)	(37,009)	(39,259)	(44,915)	(45,026)	(44,395)
Accommodation	(6,794)	(5,964)	(5,947)	(6,011)	(6,110)	(9,810)	(9,810)
Finance costs	(435)	(407)	(483)	(421)	(344)	(340)	(340)
Capital user charge.....	(6,809)	(6,806)	(6,819)	(7,308)	(7,550)	(7,556)	(7,556)
Goods and Services Tax	(6,247)	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Other.....	(3,680)	(3,164)	(3,165)	(2,748)	(1,490)	(1,490)	(1,465)
Receipts paid into Consolidated Fund	-	-	-	-	(5,810)	-	-
Receipts							
User charges and fees.....	11,048	8,830	8,243	8,655	8,983	9,275	9,478
Regulatory fees and fines.....	19,272	10,094	11,181	11,527	12,001	12,485	12,782
Interest received	37	48	124	124	47	43	43
Goods and Services Tax	5,958	10,317	10,317	10,317	10,317	10,323	10,323
Other receipts	496	71	71	71	71	71	71
Net cash from operating activities.....	(106,835)	(144,303)	(135,575)	(171,952)	(157,822)	(135,191)	(137,300)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(3,834)	(7,924)	(13,274)	(8,285)	(6,621)	(2,100)	(2,163)
Purchase of investments.....	(800)	-	-	-	-	-	-
Proceeds from sale of non-current assets	-	200	1,600	200	5,810	-	-
Proceeds from sale of investments	1,589	-	-	-	-	-	-
Net cash from investing activities.....	(3,045)	(7,724)	(11,674)	(8,085)	(811)	(2,100)	(2,163)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(663)	(881)	(581)	(3,083)	(597)	(649)	(649)
Other payments for financing activities.....	-	(1,064)	(1,064)	(1,064)	(1,064)	-	-
Proceeds from borrowings	800	-	-	-	-	-	-
Other proceeds from financing activities.....	-	-	-	1,289	47	99	99
Net cash from financing activities	137	(1,945)	(1,645)	(2,858)	(1,614)	(550)	(550)
NET INCREASE / (DECREASE) IN CASH HELD	(4,733)	(3,566)	(6,189)	(1,642)	(751)	(57)	(57)
Cash assets at the beginning of the reporting period	14,852	7,408	10,119	3,750	2,108	1,357	1,300
Net cash transferred to / from other agencies.....	-	-	(180)	-	-	-	-
Cash assets at the end of the reporting period.....	10,119	3,842	3,750	2,108	1,357	1,300	1,243

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(b) Figures have been adjusted due to the transfer out of safety regulatory services to the Department of Consumer and Employment Protection from 1 July 2005, and transfer in of the Office of Science and Innovation from the Department of the Premier and Cabinet from 1 April 2006, and may not be directly comparable to previously published information.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Grants and subsidies	142,460	57,857	67,702	70,018	72,044	38,478	37,595
Consultancies expense	-	200	300	100	-	-	-
Supplies and services	6,122	1,500	2,600	1,100	100	-	-
Loss on disposal of non-current assets	19,209	-	-	-	-	-	-
Other expenses	26	-	-	-	-	-	-
Receipts paid into Consolidated Fund	1,309,008	1,670,603	1,902,203	2,344,716	2,112,216	1,955,716	1,915,216
TOTAL ADMINISTERED EXPENSES ^(c) ..	1,476,825	1,730,160	1,972,805	2,415,934	2,184,360	1,994,194	1,952,811
INCOME							
Regulatory fees and fines	2,139	-	-	-	-	-	-
Mining royalties	1,419,322	1,701,357	2,037,999	2,290,499	2,085,501	1,960,000	1,914,000
Grants and subsidies	13,964	500	2,458	7,600	-	-	-
Interest revenue	168	140	140	140	140	140	140
Other revenue	681	-	-	-	-	-	-
Administered appropriations	42,097	58,957	67,302	70,618	72,144	38,478	37,595
TOTAL ADMINISTERED INCOME ^(d)	1,478,371	1,760,954	2,107,899	2,368,857	2,157,785	1,998,618	1,951,735

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

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	22,636	23,006	21,393	16,834	16,834	16,834	16,834
Restricted cash	5,044	5,154	5,044	5,044	5,044	5,044	5,044
Receivables	306,091	337,690	443,090	393,089	367,590	373,090	373,090
Total Administered Current Assets	333,771	365,850	469,527	414,967	389,468	394,968	394,968
ADMINISTERED NON-CURRENT ASSETS							
Land and buildings	-	420	-	-	-	-	-
Plant and equipment	13	13	13	13	13	13	13
Loans and advances	21,947	109,104	20,884	19,808	18,732	17,656	16,580
Other	882	34,902	4,240	13,799	13,799	13,799	13,799
Total Administered Non-Current Assets	22,842	144,439	25,137	33,620	32,544	31,468	30,392
TOTAL ADMINISTERED ASSETS	356,613	510,289	494,664	448,587	422,012	426,436	425,360
ADMINISTERED CURRENT LIABILITIES							
Payables	5,531	12,222	5,531	5,531	5,531	5,531	5,531
Moneys in trust	11,291	12,478	11,291	11,291	11,291	11,291	11,291
Total Administered Current Liabilities	16,822	24,700	16,822	16,822	16,822	16,822	16,822
ADMINISTERED NON-CURRENT LIABILITIES							
Total Administered Non-Current Liabilities	-	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES..	16,822	24,700	16,822	16,822	16,822	16,822	16,822

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SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	(50,551)	(57,857)	(67,702)	(70,018)	(72,044)	(38,478)	(37,595)
Consultancies payments.....	-	(200)	(300)	(100)	-	-	-
Supplies and services	(6,121)	(1,500)	(2,600)	(1,100)	(100)	-	-
Goods and Services Tax	(707)	-	-	-	-	-	-
Other.....	(39,808)	-	-	-	-	-	-
Receipts paid into Consolidated Fund	(1,319,071)	(1,670,603)	(1,902,203)	(2,344,716)	(2,112,216)	(1,955,716)	(1,915,216)
Transfer of Assets / Liabilities	-	-	(143)	-	-	-	-
Financing Activities							
Other payments for financing activities.....	(88,067)	-	-	-	-	-	-
Investing Activities							
Purchase of non-current assets.....	-	(2,100)	(3,358)	(9,559)	-	-	-
Purchase of investments.....	(958)	-	-	-	-	-	-
TOTAL ADMINISTERED CASH OUTFLOWS	(1,505,283)	(1,732,260)	(1,976,306)	(2,425,493)	(2,184,360)	(1,994,194)	(1,952,811)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	2,139	-	-	-	-	-	-
Mining royalties	1,305,503	1,669,400	1,901,000	2,340,500	2,111,000	1,954,500	1,914,000
Grants and subsidies	13,964	500	2,458	7,600	-	-	-
Interest received	168	140	140	140	140	140	140
Goods and Services Tax	1,169	-	-	-	-	-	-
Other receipts	40,751	-	-	-	-	-	-
Service appropriations	42,097	58,957	67,302	70,618	72,144	38,478	37,595
Financing Activities							
Other proceeds from financing activities.....	-	1,063	1,063	1,076	1,076	1,076	1,076
Investing Activities							
Capital contribution	88,067	2,100	1,100	1,000	-	-	-
Proceeds from sale of investments	1,442	-	-	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS	1,495,300	1,732,160	1,973,063	2,420,934	2,184,360	1,994,194	1,952,811
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(9,983)	(100)	(3,243)	(4,559)	-	-	-

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DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Industry Development Financial Assistance	11,375	10,939	9,839	7,590	6,547	6,121	6,121
School of Mines Scholarships	50	56	56	56	56	56	56
Resource Projects.....	155	150	150	150	150	150	150
Science and Innovation.....	15,449	41,026	31,347	67,692	46,339	25,982	27,470
TOTAL	27,029	52,171	41,392	75,488	53,092	32,309	33,797

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 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.....	85	95	95	95	95	95	95
Western Power - gas lateral line to the Murchison area - interest costs	1,040	832	832	832	832	832	832
Western Power - Onslow gas fired power station - interest costs.....	226	183	183	183	183	183	183
Western Australian Land Authority - Kemerton industrial estate	519	-	-	-	-	-	-
Western Australian Land Authority - Oakajee industrial estate buffer expansion.....	1,404	-	-	-	-	-	-
Western Australian Land Authority - Burrup service corridor - subsidy.....	1,768	2,030	2,230	2,130	2,130	2,130	2,130
Water Corporation - Burrup water system - subsidy.....	6,977	6,700	7,300	7,400	7,600	7,800	8,000
Dampier Port Authority - Burrup Port infrastructure - subsidy	-	7,800	7,800	9,100	9,000	11,500	9,200
OTHER STATE SERVICES							
Woolscour Project.....	2,933	-	-	-	-	-	-
Marine Industry Technology Park.....	182	-	-	-	-	-	-
Regional Headworks Scheme.....	72	-	-	-	-	-	-
Jervoise Bay Infrastructure Enhancement	1,620	-	-	-	-	-	-
Jervoise Bay Infrastructure Southern Precinct							
Write down on disposal of asset.....	19,209	-	-	-	-	-	-
Refunds of Previous Years' Revenues.....	4,862	1,960	1,960	1,960	28,210	1,960	1,960
Mining tenement refunds.....	-	8,000	8,000	6,000	-	-	-
Aboriginal Lands Trust - Remuneration for mining on Aboriginal lands	-	155	155	155	155	155	155
Petroleum (Submerged Lands) Act 1982	17,778	11,253	21,002	21,498	17,000	13,001	11,001
Receipts paid into Consolidated Fund.....	1,309,008	1,670,603	1,902,203	2,344,716	2,112,216	1,955,716	1,915,216
Minerals and Energy Research Institute of Western Australia (MERIWA)	645	649	649	657	664	667	675
Protecting Our Old Growth Forests Policy	10,465	-	3,080	-	-	-	-
Hearson Cove Road upgrade	220	-	-	-	-	-	-
Wittenoom Clean-up.....	-	473	473	-	-	-	-
Ravensthorpe Nickel Project	1,017	11,900	11,900	3,800	-	-	-
Ngaanyatajarra Telecommunications	36	1,500	1,500	-	-	-	-
Burrup Fertilisers - Temporary Pipeline Facility.....	1,672	-	-	-	-	-	-
Boodarie Workers Assistance Package	1,000	-	-	-	-	-	-
Recoup of costs for Ministerial Inquiry into Occupational Health and Safety systems - Ritter.....	444	-	-	-	-	-	-
Kimberley Broadband Solutions	-	-	1,200	1,100	-	-	-
Dampier to Bunbury Gas Pipeline Sale assistance.....	88,067	-	-	-	-	-	-
Coal Industry Development.....	-	-	-	4,100	6,100	-	-
Science and Innovation - Innovate WA.....	3,720	6,027	2,027	12,012	-	-	-
Protecting Our Old Growth Forests-Blue Leaf Whittakers Financial Assistance.....	-	-	216	196	175	155	3,364
Other Administered Expenses	1,121	-	-	-	-	-	-
TOTAL.....	1,476,825	1,730,160	1,972,805	2,415,934	2,184,360	1,994,194	1,952,811

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
COMMONWEALTH GRANTS							
Commonwealth Contribution - Jervoise Bay Infrastructure	5,739	-	1,258	7,000	-	-	-
Commonwealth Contribution - Ngaanyatjarra Lands	1,100	500	500	-	-	-	-
Commonwealth Contribution - Kimberley Broadband Solutions	-	-	700	600	-	-	-
ROYALTIES							
Petroleum - Commonwealth	505,766	505,200	675,000	720,500	694,500	622,500	545,500
Petroleum - State	64,722	38,657	82,499	81,999	69,501	57,500	50,000
Iron Ore	464,845	763,000	805,500	1,000,000	853,500	826,000	885,500
Alumina	54,735	58,500	62,500	63,500	62,500	62,500	60,500
Diamonds	35,556	51,000	68,000	57,500	36,000	33,500	24,000
Mineral Sands	26,037	22,500	28,000	24,500	25,500	25,000	25,500
Nickel	91,959	83,500	84,500	99,500	101,500	89,000	80,000
Gold	74,165	73,000	94,000	125,000	119,500	120,500	120,500
Other	51,919	63,000	73,500	75,500	80,500	80,500	79,500
Lease Rentals	49,618	43,000	64,500	42,500	42,500	43,000	43,000
OTHER							
Regulatory Fees	2,139	-	-	-	-	-	-
Contribution from Regional Investment Fund	4,500	-	-	-	-	-	-
Settlement - Woolscour Project	2,625	-	-	-	-	-	-
Appropriations	42,097	58,957	67,302	70,618	72,144	38,478	37,595
Other Revenue	849	140	140	140	140	140	140
TOTAL	1,478,371	1,760,954	2,107,899	2,368,857	2,157,785	1,998,618	1,951,735

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 1969*.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Proceeds from Petroleum Permits and Licences	15,100	6,145	6,145	5,832
Proceeds from Prospecting, Exploration and Other Mining Licences.....	4,782	4,536	5,036	5,695
Proceeds from Departmental Fees and Charges.....	2,042	1,401	1,401	1,245
Proceeds from the Provision of Chemical, Mineralogical, Metallurgical and Related Scientific Investigative and Advisory Services.....	6,055	6,296	6,296	6,864
Interest.....	-	48	124	124
Goods and Services Tax	5,965	10,317	10,317	10,317
TOTAL.....	33,944	28,743	29,319	30,077

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

OFFICE OF SHARED SERVICES

PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS

DIVISION 5

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 8 Net amount appropriated to deliver services	-	-	14,192	40,316	20,454	16,684	16,511
Total appropriations provided to deliver services	-	-	14,192	40,316	20,454	16,684	16,511
CAPITAL							
Item 127 Capital Contribution	-	-	38,798	12,461	4,300	-	-
GRAND TOTAL	-	-	52,990	52,777	24,754	16,684	16,511

MISSION

By December 2008, the Office of Shares Services (Office) will be a viable Business Centre, delivering continually improving, responsive and customer-focused corporate services through our skilled and motivated people.

SIGNIFICANT ISSUES AND TRENDS

- The Office was created on 1 July 2005 as a separate accountable office, incorporating the former Functional Review Implementation Team (FRIT - created in 2003).
- The Office covers two distinct areas of business activity at this stage:
 - the whole-of-government project to manage and implement shared corporate services across the public sector. This aspect of the Office's operations will continue until mid-2008 when the last of the agencies will commence receiving corporate services from the Office; and
 - the provision of finance and human resource and payroll services to client agencies. This will commence in mid 2006 when the first pilot agencies are scheduled to roll in.
- The completion of the design, build and test of the whole-of-government Oracle eBusiness Suite for delivering services to agencies is nearing finalisation, for services to commence as planned in mid 2006.
- The implementation of shared corporate services across the sector will attain ongoing annual savings of approximately \$55.0 million (first full year 2008-09), with a further \$2.5 million annual savings from non-Consolidated Funded agencies.
- In partnership with the Department of Treasury and Finance, agency budget adjustments relating to both the savings to be achieved (\$55.0 million) and charges relating to the services to be delivered by the Office to agencies, have been made as part of this 2006-07 Budget process.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Project management, coordination and implementation of the whole-of-government shared corporate services reform	-	-	590	290			
<i>Service 2:</i>							
Provision of financial and human resources services	-	-	13,602	40,961			
Total Cost of Services	-	-	14,192	41,251	52,813	53,974	54,375
<i>Less Income ^(a)</i>	-	-	-	18,705	34,471	38,290	38,864
Net Cost of Services	-	-	14,192	22,546	18,342	15,684	15,511
 Adjustments ^(b)	-	-	-	17,770	2,112	1,000	1,000
Appropriation provided to deliver Services.	-	-	14,192	40,316	20,454	16,684	16,511
 CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	-	-	38,798	12,461	4,300	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	-	-	52,990	52,777	24,754	16,684	16,511

(a) The amount shown as Income relates to charges for services provided to agencies by the Office. These amounts are based on a roll in schedule prepared in December 2005. This schedule is subject to ongoing review.

(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, 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	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	Quality, value for money corporate services within a whole-of-government shared services framework.	<ol style="list-style-type: none"> 1. Project management, coordination and implementation of the whole-of-government shared corporate services reform 2. Provision of financial and human resources services

Outcomes and Key Effectiveness Indicators ^{(a) (b) (c)}

2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Quality, value for money corporate services within a whole of government shared services framework.				
Progress with the reform of the Western Australian public sector for shared corporate services by achievement of the following milestones:				
First agencies go live.....				
Number of agencies rolling in by financial quarter ^(b)				
Percentage of services provided within established timeframes.....				
Accuracy rate of services provided				
Average resolution rate of enquiries.....				

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

(b) These effectiveness indicators will also be supplemented with a client satisfaction survey to be conducted on a cyclical basis.

(c) In following years these indicators will be enhanced to further reflect clients' needs and priorities as the Office of Shared Services improves on service delivery over time. This will include the development of additional qualitative 'value-for-money' cost effectiveness indicators to report on the overall cost effectiveness of the provision of a shared corporate services solution for the general public sector.

Service 1: Project Management, Coordination and Implementation of the Whole-of-Government Shared Corporate Services Reform ^(a)

The Office is responsible for building the business systems which will support the provision of shared corporate services to client agencies and transitioning, or rolling in, general government agencies into the shared service environment. Agencies will progressively roll in to the shared services environment from mid 2006.

2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	-	590	290	The system build is substantially completed and the project is moving into the agency roll in phase.
Less Income.....	-	-	-	
Net Cost of Service	-	590	290	
Adjustments ^(b)	-	-	-	
Appropriation for delivery of Service	-	590	290	

(a) The majority of costs associated with Service 1 are of a capital nature as reflected in the efficiency indicator below.

(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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated \$'000	2006-07 Target \$'000	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Progress with the reform of the Western Australian public sector for shared corporate services within budget: Delivery of project within budgeted target....	-	-	38,798	12,461	The system build is substantially completed and the project is moving into the agency roll in phase.
Full Time Equivalents (FTEs) ^(a)	-	-	10	4	

(a) The FTE numbers reported relate to permanent staff and excludes seconded staff working on the project.

Major Achievements For 2005-06

- The Office was formally established on the 1 July 2005 as a separate accountable office, incorporating the former Functional Review Implementation Team (FRIT - created in 2003).
- The business case for the Corporate Services Reform was reviewed and presented to the Expenditure Review Committee in November 2005, resulting in an increase of the savings target from \$50.0 million to \$55.0 million.
- A 10 year contract valued at \$66.8 million to supply, implement and support the whole-of-government Business Solution was awarded to Oracle Corporation Australia Pty Ltd and ASG (Asia Pacific) Pty Ltd.
- A contract of \$87.8 million (over 10 years) was awarded in December 2005 to ASG (Asia Pacific) Pty Ltd for the provision of application and infrastructure management services for the computing and telecommunications structures. This contract also involves an alliance of partners called WAGlobal incorporating CSC, IBM, Amcom, REDhat and HP.
- The whole-of-government Oracle Business Solution for finance, human resources and payroll services has been designed, built and tested for implementation in mid 2006.
- Transition planning to assist agencies to roll in to the shared service environment has been completed and work has commenced with pilot agencies and those agencies in the first wave of implementation.
- The refurbishment of the Cannington premises of the Office was completed. The \$6.2 million purpose built fit-out was funded by an incentive provided by the building owner.
- Ongoing support has been provided to the whole-of-government Shared Corporate Services Steering Committee, the governance body for this reform.
- Outstanding recommendations from the Functional Review Taskforce Report (FRTR - December 2002) have continued to be monitored by the Office. Responsibility for the implementation and finalisation of each recommendation rests with individual Ministers, however outstanding recommendations have been reduced to 14 per cent with this regular monitoring.

Major Initiatives For 2006-07

- Commencement of service delivery in finance, human resources and payroll functionality to the first grouping of general agencies across the sector.
- Further functionality will be built and tested for Release 2 and future enhancements of the Business System to enable subsequent agencies to roll in.

- The savings benefits to be realised by government will be attained as agencies progressively roll in to receive services.
- The overarching agency roll in schedule will be reviewed regularly to ensure the optimal and most effective transitioning of individual agencies occurs.
- Outstanding recommendations from the FRTR (December 2002) will be closed and finalised, with ongoing monitoring and follow up resting with the respective Ministers.

Service 2: Provision of Financial and Human Resources Services

The Office is responsible for providing shared corporate services to general agencies across the sector, progressively from mid-2006. These services include finance functions such as accounts payable, accounts receivable and reporting, human resources and payroll functions and various other support services.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	-	-	13,602	40,961	Commencement of agency roll in
Less Income	-	-	-	18,705	Commencement of agency roll in
Net Cost of Service	-	-	13,602	22,256	
Adjustments ^(a)	-	-	-	17,770	
Appropriation for delivery of Service	-	-	13,602	40,026	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per Financial Services ^(a)	-	-	-	-	
Average cost per Human Resource Services ^(a) ...	-	-	-	-	
Full Time Equivalents (FTEs)	-	-	100	300	

(a) It is not possible to reliably estimate a target average cost, as baseline data for reporting purposes is not currently available. Data collected during the 2006-07 operating year will be used as baseline data for future reporting periods.

Major Achievements For 2005-06

- The Recruitment, Selection and Appointment Process was undertaken for 'at level' positions at the Office. A total of 732 applications were received for the 439 positions identified across 114 roles.
- Formalisation of operational planning, with continued recruitment of resources needed to enable the Office to commence operations.
- A total of 125 offers of appointment have been made in readiness for the delivery of corporate services to client agencies.
- Continued engagement of client agencies, participation in Steering Committees and other governance forums associated with roll in strategies across government.
- A draft Service Level Agreement has been finalised in readiness for implementation with individual agencies.

Major Initiatives For 2006-07

- Service delivery will commence in mid 2006 to pilot agencies for finance, human resources and payroll functions.
- Finance, human resources and payroll functions will be delivered to the first group of general agencies from October 2006, followed by other agencies who will progressively roll in during 2006-07.
- The progressive establishment of the staffing of the Office will continue, concurrent to agencies rolling in to receiving services.
- Negotiation and implementation of Service Level Agreements with general cluster client agencies rolling in during 2006-07.
- Monitoring and basic reporting on service provision by the Office to the client agencies.
- Implementation of a Contact Centre Collaborative Customer Services Framework to assist in the management of customer service related matters.
- Evaluate system capability, design a system improvement strategy and commence planning for ongoing system design and enhancement.

CAPITAL WORKS PROGRAM

The Capital Works Program for 2006-07 comprises the ongoing development of the Oracle Business Systems. Expenditure during this year will include the further development and implementation of system modules and transition costs for agencies rolling into shared service arrangements.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Office of Shared Services Establishment ^(a)	55,559	38,798	38,798	12,461
	55,559	38,798	38,798	12,461

(a) The Office was established in July 2005. The Department of the Premier and Cabinet reported expenditure on Capital Works prior to July 2005.

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	-	-	38,798	12,461	4,650	400	400
	-	-	38,798	12,461	4,650	400	400
LESS							
Internal Funds and Balances	-	-	-	-	350	400	400
Capital Contribution	-	-	38,798	12,461	4,300	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	-	-	3,000	12,995	26,861	28,710	29,784
Supplies and services	-	-	5,097	13,250	10,621	10,000	10,000
Accommodation	-	-	3,600	3,622	3,000	2,500	2,500
Capital user charge	-	-	-	4,434	4,496	4,499	3,906
Depreciation and amortisation	-	-	884	5,350	6,253	6,765	7,185
Other expenses	-	-	1,611	1,600	1,582	1,500	1,000
TOTAL COST OF SERVICES	-	-	14,192	41,251	52,813	53,974	54,375
Income							
User charges and fees	-	-	-	18,705	34,471	38,290	38,864
Total Income	-	-	-	18,705	34,471	38,290	38,864
NET COST OF SERVICES	-	-	14,192	22,546	18,342	15,684	15,511
INCOME FROM STATE GOVERNMENT							
Service appropriations	-	-	14,192	40,316	20,454	16,684	16,511
TOTAL INCOME FROM STATE GOVERNMENT	-	-	14,192	40,316	20,454	16,684	16,511
SURPLUS (DEFICIENCY) FOR THE PERIOD	-	-	-	17,770 ^(c)	2,112	1,000	1,000

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 0, 110 and 304 respectively.

(c) During 2006-07 the Office is required to make contributions of equity to the Department of Health and the Department of Education and Training for the establishment of their Shared Service Centres. The funds for this had been provided through the original appropriation of funds for the Office. These funds are being provided as a recurrent appropriation but paid as an asset transfer.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	-	-	-	17,640	19,402	20,002	20,602
Restricted cash	-	-	500	1,500	2,500	3,500	3,500
Receivables	-	-	-	130	130	130	130
Total current assets	-	-	500	19,270	22,032	23,632	24,232
NON-CURRENT ASSETS							
Amounts receivable for services	-	-	884	6,234	12,487	19,252	26,437
Plant and equipment	-	-	37,914	45,025	43,422	37,057	30,272
Total non-current assets	-	-	38,798	51,259	55,909	56,309	56,709
TOTAL ASSETS	-	-	39,298	70,529	77,941	79,941	80,941
CURRENT LIABILITIES							
Provision for employee entitlements	-	-	100	400	700	1,000	1,000
Total current liabilities	-	-	100	400	700	1,000	1,000
NON-CURRENT LIABILITIES							
Provision for employee entitlements	-	-	400	1,100	1,800	2,500	2,500
Total non-current liabilities	-	-	400	1,100	1,800	2,500	2,500
TOTAL LIABILITIES	-	-	500	1,500	2,500	3,500	3,500
EQUITY							
Contributed equity	-	-	38,798	51,259	55,559	55,559	55,559
Accumulated surplus / (deficit)	-	-	-	17,770	19,882	20,882	21,882
Total equity	-	-	38,798	69,029	75,441	76,441	77,441
TOTAL LIABILITIES AND EQUITY	-	-	39,298	70,529	77,941	79,941	80,941

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	-	-	13,308	34,966	14,201	9,919	9,326
Capital contribution	-	-	38,798	12,461	4,300	-	-
Net cash provided by State government	-	-	52,106	47,427	18,501	9,919	9,326
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	-	-	(2,500)	(11,995)	(25,861)	(27,710)	(29,784)
Supplies and services	-	-	(2,150)	(14,850)	(12,200)	(11,500)	(10,000)
Accommodation	-	-	(3,600)	(3,622)	(3,000)	(2,500)	(2,500)
Capital user charge	-	-	-	(4,434)	(4,496)	(4,499)	(3,906)
Goods and Services Tax	-	-	-	(2,000)	(3,447)	(3,829)	(3,886)
Other	-	-	(5,058)	(1,000)	(1,003)	(1,000)	(1,000)
Receipts							
User charges and fees	-	-	-	18,705	34,471	38,290	38,864
Goods and Services Tax	-	-	-	1,870	3,447	3,829	3,886
Other receipts	-	-	500	1,000	1,000	1,000	-
Net cash from operating activities	-	-	(12,808)	(16,326)	(11,089)	(7,919)	(8,326)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	-	-	(38,798)	(12,461)	(4,650)	(400)	(400)
Net cash from investing activities	-	-	(38,798)	(12,461)	(4,650)	(400)	(400)
NET INCREASE / (DECREASE) IN CASH HELD	-	-	500	18,640	2,762	1,600	600
Cash assets at the beginning of the reporting period	-	-	-	500	19,140	21,902	23,502
Cash assets at the end of the reporting period	-	-	500	19,140	21,902	23,502	24,102

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Services Rendered.....	-	-	-	18,705
GST Input Credits.....	-	-	-	1,870
Other Revenue	-	-	-	1,000
TOTAL.....	-	-	-	21,575

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

GOVERNOR'S ESTABLISHMENT

PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS

DIVISION 6

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 9 Net amount appropriated to deliver services	1,376	1,104	1,104	1,136	1,156	1,172	1,188
Amount Authorised by Other Statutes							
- Governor's Establishment Act 1992	1,163	1,198	1,198	1,240	1,276	1,313	1,352
- Salaries and Allowances Act 1975	174	172	186	192	197	203	210
Total appropriations provided to deliver services	2,713	2,474	2,488	2,568	2,629	2,688	2,750
GRAND TOTAL	2,713	2,474	2,488	2,568	2,629	2,688	2,750

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Lieutenant General John Sanderson AC retired from office at 31 October 2005. The new Governor, Dr Ken Michael AC was sworn in on 18 January 2006.
- Preservation and appropriate use and presentation of the Government House, ballroom and grounds will continue in accordance with the Conservation and Management Plan.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Effective support to the Governor	737	742	675	711			
<i>Service 2:</i>							
Management of the Governor's Establishment.	2,477	1,737	1,818	1,918			
Total Cost of Services	3,214	2,479	2,493	2,629	2,690	2,748	2,810
<i>Less Income</i>	<i>45</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>
Net Cost of Services	3,169	2,449	2,463	2,599	2,660	2,718	2,780
Adjustments ^(a)	(456)	25	25	(31)	(31)	(30)	(30)
Appropriation provided to deliver Services.	2,713	2,474	2,488	2,568	2,629	2,688	2,750
TOTAL CONSOLIDATED FUND APPROPRIATIONS	2,713	2,474	2,488	2,568	2,629	2,688	2,750

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Desired Outcome	Services
Support the Governor and management of the Governor's Establishment.	1. Effective support to the Governor 2. Management of the Governor's Establishment

Service 1: Effective Support to the Governor

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	737	742	675	711	
<i>Less Income</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Net Cost of Service	737	742	675	711	
Adjustments ^(a)	6	6	6	(8)	
Appropriation for delivery of Service	743	748	681	703	

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

Major Achievements For 2005-06

- The Governor, accompanied by Mrs Sanderson, completed final regional tours to the Great Southern and Kimberley regions.
- Hon David Malcolm AC, Lieutenant Governor, was appointed Administrator for the period of interregnum. The Governor's Establishment supported the Administrator in functions relating to that role.
- His Excellency Dr Ken Michael AC was sworn in as 30th Governor of Western Australia on 18 January 2006.
- The Governor, accompanied by Mrs Michael, has undertaken regional tours of the Great Southern, Mid-West and Kimberley regions. The Governor, accompanied by Mrs Michael, attended a luncheon in Canberra hosted by the Governor General in honour of the visit to Australia by Her Majesty The Queen and the Duke of Edinburgh prior to attending the official opening of the Commonwealth Games in Melbourne.

Major Initiatives For 2006-07

- Implementing the strategic plan and official program to support the new Governor in his role.
- Continue to provide a program of official hospitality, arrangements for ceremonial events and support to the Governor for official duties.

Service 2: Management of the Governor's Establishment

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,477	1,737	1,818	1,918	
Less Income	45	30	30	30	
Net Cost of Service	2,432	1,707	1,788	1,888	
Adjustments ^(a)	(462)	19	19	(23)	
Appropriation for delivery of Service	1,970	1,726	1,807	1,865	

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

Major Achievements For 2005-06

- Completed a refurbishment of the former billiard room to accommodate a new library and Executive Council meeting room within Government House.
- Continued with minor maintenance program in house and gardens.
- Finalised the appointment of Ballroom Manager following the completion of the ballroom refurbishment.

Major Initiatives For 2006-07

- Obtain quotes for upgrade of security system and commence installation.
- Finalise a strategic maintenance report and develop a cyclical maintenance plan for house and gardens including further progress on works listed in the Grounds Master Plan.
- Complete review of the archival storage and records management system including a new database.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Government House Restoration and Refurbishment Communication System Upgrade	100	100	100	-
NEW WORKS				
Government House Restoration and Refurbishment Security System Upgrade	400	-	-	400
	500	100	100	400

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	-	100	100	400	-	-	-
	-	100	100	400	-	-	-
LESS							
Drawdowns from the Holding Account	-	100	100	400	-	-	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,321	1,455	1,469	1,520	1,556	1,594	1,633
Superannuation	115	113	113	113	113	117	121
Supplies and services	901	707	707	792	817	832	851
Accommodation	127	-	-	-	-	-	-
Capital user charge	220	-	-	-	-	-	-
Depreciation and amortisation	530	195	195	195	195	195	195
Other expenses	-	9	9	9	9	10	10
TOTAL COST OF SERVICES	3,214	2,479	2,493	2,629	2,690	2,748	2,810
Income							
User charges and fees	-	30	30	30	30	30	30
Other revenue	45	-	-	-	-	-	-
Total Income	45	30	30	30	30	30	30
NET COST OF SERVICES	3,169	2,449	2,463	2,599	2,660	2,718	2,780
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,713	2,474	2,488	2,568	2,629	2,688	2,750
Resources received free of charge	25	31	31	31	31	30	30
Liabilities assumed by the Treasurer	5	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	2,743	2,505	2,519	2,599	2,660	2,718	2,780
SURPLUS (DEFICIENCY) FOR THE PERIOD	(426)	56	56	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 26, 25 and 25 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	303	830	262	257	286	286	286
Restricted cash	-	7	5	10	15	15	15
Receivables	-	52	1	1	1	1	1
Amounts receivable for services	-	400	400	-	-	-	-
Prepayments	4	-	4	4	4	4	4
Total current assets	307	1,289	672	272	306	306	306
NON-CURRENT ASSETS							
Amounts receivable for services	531	226	226	421	616	811	1,006
Land and buildings	13,286	12,309	13,118	12,923	12,728	12,533	12,338
Plant and equipment	189	289	218	218	218	218	218
Other	713	1,251	828	828	828	828	828
Total non-current assets	14,719	14,075	14,390	14,390	14,390	14,390	14,390
TOTAL ASSETS	15,026	15,364	15,062	14,662	14,696	14,696	14,696
CURRENT LIABILITIES							
Payables	72	164	67	62	116	116	116
Provision for employee entitlements	203	192	202	202	202	202	202
Accrued salaries	-	5	5	10	15	15	15
Total current liabilities	275	361	274	274	333	333	333
NON-CURRENT LIABILITIES							
Provision for employee entitlements	111	74	92	92	67	67	67
Total non-current liabilities	111	74	92	92	67	67	67
TOTAL LIABILITIES	386	435	366	366	400	400	400
EQUITY							
Contributed equity	2,635	2,635	2,635	2,635	2,635	2,635	2,635
Accumulated surplus / (deficit)	(95)	443	(39)	(39)	(39)	(39)	(39)
Reserves	12,100	11,851	12,100	11,700	11,700	11,700	11,700
Total equity	14,640	14,929	14,696	14,296	14,296	14,296	14,296
TOTAL LIABILITIES AND EQUITY	15,026	15,364	15,062	14,662	14,696	14,696	14,696

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	2,518	2,279	2,293	2,373	2,434	2,493	2,555
Holding account drawdowns	-	100	100	400	-	-	-
Net cash provided by State government	2,518	2,379	2,393	2,773	2,434	2,493	2,555
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(1,345)	(1,418)	(1,432)	(1,494)	(1,529)	(1,569)	(1,611)
Superannuation	(110)	(113)	(113)	(114)	(114)	(118)	(121)
Supplies and services	(784)	(715)	(715)	(732)	(758)	(801)	(818)
Accommodation	(73)	-	-	-	-	-	-
Capital user charge	(220)	-	-	-	-	-	-
Goods and Services Tax	(149)	(83)	(83)	(83)	(83)	(88)	(88)
Other	(214)	(79)	(79)	(43)	(9)	(10)	(10)
Receipts							
User charges and fees	45	30	30	30	30	30	30
Goods and Services Tax	196	63	63	63	63	63	63
Net cash from operating activities	(2,654)	(2,315)	(2,329)	(2,373)	(2,400)	(2,493)	(2,555)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(471)	(100)	(100)	(400)	-	-	-
Net cash from investing activities	(471)	(100)	(100)	(400)	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(607)	(36)	(36)	-	34	-	-
Cash assets at the beginning of the reporting period	910	874	303	267	267	301	301
Cash assets at the end of the reporting period	303	838	267	267	301	301	301

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Ballroom Hire	45	30	30	30
GST input credits	63	63	63	63
TOTAL.....	108	93	93	93

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

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER

PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS

DIVISION 7

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 10 Net amount appropriated to deliver services	3,110	3,551	3,551	3,841	3,906	3,952	4,021
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	264	288	288	297	306	315	315
Total appropriations provided to deliver services	3,374	3,839	3,839	4,138	4,212	4,267	4,336
CAPITAL							
Capital Contribution	50	34	34	-	-	-	-
GRAND TOTAL	3,424	3,873	3,873	4,138	4,212	4,267	4,336

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- There is a need for an overarching framework of public governance in the sector, encompassing issues such as how to embed ethical conduct in agency policies and practices, along with the interface between political office holders and public servants.
- A perception continues to exist that accountability, transparency and reporting requirements are an administrative burden for the public sector. Information regarding the benefits of open and accountable decision-making, while highlighting the scope for increased innovativeness and flexibility, need to be communicated and supported by streamlined processes and direct assistance to agencies.
- The implementation of the *Public Interest Disclosure Act 2003* has highlighted a number of legal and policy issues. For example, confidentiality provisions have had some unintended consequences that inhibit the effectiveness of the Act. These will need to be considered during the review scheduled for next year.
- Providing access to part time and flexible work options at a senior level is a critical success factor for public authorities attempting to improve retention and promotion rates of women. There are potential synergies between this and phased retirement strategies but each requires a change in management mindset and workplace practice.
- There is difficulty in attracting applicants for senior level positions (particularly Chief Executive Officers) from public sector organisations outside the state or from the private sector due to some salary levels being uncompetitive and a tight labour market at senior levels generally.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Public Interest Disclosure	200	200	200	200

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i> Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines	2,069	2,599	2,829	2,880			
<i>Service 2:</i> Advice and evaluation of equity and diversity in public employment	1,122	1,093	1,141	1,081			
<i>Service 3:</i> Independent Chief Executive Officer Selection and Reappointment Advice	486	534	559	542			
Total Cost of Services	3,677	4,226	4,529	4,503	4,590	4,647	4,883
<i>Less Income</i>	<i>353</i>	<i>275</i>	<i>275</i>	<i>275</i>	<i>275</i>	<i>275</i>	<i>275</i>
Net Cost of Services	3,324	3,951	4,254	4,228	4,315	4,372	4,608
Adjustments ^(a)	50	(112)	(415)	(90)	(103)	(105)	(272)
Appropriation provided to deliver Services.	3,374	3,839	3,839	4,138	4,212	4,267	4,336
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	50	34	34	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	3,424	3,873	3,873	4,138	4,212	4,267	4,336

(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	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	In public authorities there is accountability for and achievement of: - merit, equity and probity in human resource management (public sector only); - workforce diversity at all levels of employment; and - conduct and integrity in the performance of official duties.	1 Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines. 2. Advice and evaluation of equity and diversity in public employment 3. Independent Chief Executive Officer Selection and Reappointment Advice

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: In public authorities there is accountability for and achievement of: - merit, equity and probity in human resource management (public sector only); - work force diversity at all levels of employment; and - conduct and integrity in the performance of official duties					
Percentage of public authorities that have provided all reports as required by legislation .	98%	100%	100%	100%	
Percentage of employees expressing a view who agree that there is compliance with the human resource management standards ^(b)	60%	68%	68%	70%	
Percentage of employees expressing a view who agree that there is compliance with the ethical ^(b)	74%	80%	75%	80%	
Improvement in the public sector composite equity index for women, people with disabilities, Indigenous Australians and people from culturally diverse backgrounds ^(c)	78	80	80	82	
Percentage of Commissioner's nominations for CEO positions accepted by Minister	100%	100%	90%	100%	

(a) More details of effectiveness indicators are provided in the Annual Report.

(b) These percentages are measured by aggregated responses to selected climate survey questions conducted in a sample of agencies across the sector. The percentage is obtained by dividing the number of respondents who agree by the total number who express an opinion. People who neither agree nor disagree or who do not answer the question are excluded from the calculation.

(c) The composite equity index is a single measure that combines key measures of equity in public employment for women, Indigenous Australians, people from culturally diverse backgrounds and people with disabilities. The key measures of equity for each group are the variation between the workforce % and the community % and the variation between the Equity Index (a measure of the distribution of the group across all levels of the workforce). The ideal Composite Equity Index is 100. This measure replaces the other four improvement indicators in 2004-05.

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2069	2,599	2,829	2,880	
Less Income	13	-	-	-	
Net Cost of Service	2,056	2,599	2,829	2,880	
Adjustments ^(a)	68	(70)	(291)	(63)	
Appropriation for delivery of Service	2,124	2,529	2,538	2,817	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of assistance and monitoring per public sector agency for the <i>Public Sector Management Act</i>	\$18,485	\$22,853	\$24,851	\$23,703	
Average cost of assistance and monitoring per public authority for the <i>Public Interest Disclosure Act</i>	\$762	\$1,011	\$763	\$1,163	Approval for increased funding for 2006-07 of \$200,000 and an increase in the number of public authorities due to inclusion of boards and committees.
Full Time Equivalents (FTEs)	16	18	21	24	

Major Achievements For 2005-06

- Produced the first two of a series of reports focussing on key issues emerging from ten years of compliance reporting.
- Implemented new breach of Standard regulations, and provided support materials and assistance to agencies and claimants in accordance with the requirements of the amended Regulations.
- Continued significant progress on a sector-wide thematic review of the Acting and Grievance Standards in a range of public sector agencies, with a view to providing a compiled report to Parliament.
- Enhanced and upgraded the Office of the Public Sector Standards Commissioner (OPSSC) website to provide easier access to assistance materials, interactive services and compliance information in line with the needs of agencies and other stakeholders.

- Launched Integrity Coordinating Group (July 2005) in collaboration with member agencies, and introduced Senior Integrity Forums as a mechanism to enhance common understanding of the definition of integrity and the range of avenues available to address integrity issues.
- Developed an interactive online tool to assist line managers build and sustain compliance with the Recruitment Selection and Appointment Standard.
- Launched new Standards, Ethics and Equity e-Bulletin as a mechanism to improve interaction and communication between OPSSC and line agencies on a range of human resource management, diversity and ethical issues.
- Developed and promoted new communication and assistance materials to raise awareness and confidence in the *Public Interest Disclosure Act 2003* and established mechanisms to monitor levels of awareness.

Major Initiatives For 2006-07

- Produce remaining reports in the ten year review series to cover subject areas that include: the principles of merit, equity and probity (in public sector selection processes) and the application of human resource standards and ethical codes; Chief Executive Officer recruitment and selection; ethics and the integrity principle; and political impartiality.
- Develop an overarching ethical framework for the public sector that focuses on issues of public governance to increase knowledge and awareness of the Code of Ethics, provides guidance for agencies on embedding the Code into everyday practices, and provides for a measure of ethical conduct across the sector.
- Streamline administrative procedures associated with monitoring and compliance initiatives, including breach claims under the Human Resource Standards, and enhance the quality of reporting outcomes in the compliance area.
- Provide quality, advice and assistance to agencies on the Human Resource Standards, with a view to better linkages between breach claim issues and specific assistance to better inform the sector and reduce the likelihood of non-compliance.
- Launch an interactive online Recruitment and Selection tool and provide follow up assistance to agencies to make best use of this tool.
- Undertake a review of the effectiveness and administration of the *Public Interest Disclosure Act 2003* as required by the Act.

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,122	1,093	1,141	1,081	
Less Income	16	15	15	15	
Net Cost of Service	1,106	1,078	1,126	1,066	
Adjustments ^(a)	(98)	(36)	(118)	(25)	
Appropriation for delivery of Service	1,008	1,042	1,008	1,041	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of advice and evaluation per public authority	\$4,250	\$4,125	\$4,242	\$4,019	
Full Time Equivalents (FTEs)	8	11	10	10	

Major Achievements For 2005-06

- Developed and communicated the Equity and Diversity Plan for the Public Sector Workforce 2006-09 as a framework as well as related measures to promote the achievement of whole-of-government diversity objectives for the public sector workforce.
- Concluded a 'consultations with women' program that identified a range of support initiatives aimed at increasing the representation of women in senior management across the public sector.
- Implemented a new Office of Equal Employment Opportunity website and related online communication tools including upgraded resource pages, subscription based bulletins and an email based information sharing network.
- Designed an online equal employment opportunity management planning tool to support the revision of plans by local government authorities and public sector agencies.
- Supported an improvement in agency response rates, data accuracy and in the application of workforce demographic data in integrated strategic human resources planning as well as workforce evaluation and diversity analysis.
- Revised the 'How Does Your Agency Compare' report to agencies to include enhanced comparative analysis and agency based rankings using a Single Equity Index.
- Developed and launched an online survey tool significantly streamlining the climate survey process for the OPSSC as well as for public sector employees completing the survey. The new tool also significantly reduces overheads associated with printing and scanning.

Major Initiatives For 2006-07

- Implement and promote an online Equal Employment Opportunity (EEO) management planning tool to optimise agency level compliance with the requirements under the *Equal Opportunity Act*, to facilitate ongoing monitoring of progress against objectives in the Government's Equity and Diversity Plan for the Public Sector Workforce 2006-09 and to assist in the programming of advise and assist activities.
- Establish frameworks for the undertaking of investigations consistent with the changed role of the Director of Equal Opportunity in Public Employment following amendments to the *Equal Opportunity Act 1984*.
- Support whole-of-sector initiatives aimed at improving the representation of women in senior management tiers.
- Increase awareness of programs to support and promote the employment of people with disabilities to achieve government objectives.
- Continue to develop specific strategies to support the development and implementation of EEO Management Plans in the local government sector.
- Participate in a joint initiative involving the Department for Community Development, the Department of Consumer and Employment Protection and other agencies employing significant numbers of Indigenous Australians to examine links between cultural obligations of Indigenous Australians and the attraction and retention of Indigenous Australian employees.

Service 3: Independent Chief Executive Officer Selection and Reappointment Advice

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	486	534	559	542	
Less Income	324	260	260	260	
Net Cost of Service	162	274	299	282	
Adjustments ^(a)	80	(6)	(6)	(2)	
Appropriation for delivery of Service	242	268	293	280	

(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

	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per Chief Executive Officer Selection	\$48,532	\$44,500	\$50,818	\$49,273
Full Time Equivalents (FTEs)	1	1	2	2

Major Achievements For 2005-06

- Developed a discussion paper addressing issues related to the Commissioner's Chief Executive Officer selection function.
- Managed the selection process and provided nominations for 11 Chief Executive Officer positions to the Minister for Public Sector Management.

Major Initiatives For 2006-07

- Prepare a report on the Commissioner's Chief Executive Officer selection function and highlight any potential for improvement based on the issues identified in the discussion paper and feedback received from key stakeholders.

CAPITAL WORKS PROGRAM

The Office's capital works program of \$102,000 in 2006-2007 will provide for the rolling replacement of existing assets.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Computer Software Upgrades	56	22	22	34
COMPLETED WORKS				
Furniture and Office Equipment				
2005-06 Program	44	44	44	-
Internet Development - OPSSC and OEEO	78	78	78	-
Replacement of Computing Equipment				
2005-06 Program	95	95	95	-
NEW WORKS				
Replacement of Computing Equipment				
2006-07 Program	75	-	-	75
	348	239	239	109

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	192	198	239	109	121	191	218
	192	198	239	109	121	191	218
LESS							
Drawdowns from the Holding Account	110	164	164	102	120	141	141
Internal Funds and Balances	32	-	41	7	1	50	77
Capital Contribution	50	34	34	-	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,864	2,852	2,597	2,881	2,967	3,050	3,187
Superannuation	190	230	230	240	250	261	261
Supplies and services	1,129	607	1,165	848	842	828	915
Accommodation	238	262	262	267	257	257	257
Capital user charge	93	55	55	55	55	55	55
Depreciation and amortisation	144	177	177	184	191	178	178
Other expenses	19	43	43	28	28	18	30
TOTAL COST OF SERVICES	3,677	4,226	4,529	4,503	4,590	4,647	4,883
Income							
Other revenue	353	275	275	275	275	275	275
Total Income	353	275	275	275	275	275	275
NET COST OF SERVICES	3,324	3,951	4,254	4,228	4,315	4,372	4,608
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,374	3,839	3,839	4,138	4,212	4,267	4,336
Resources received free of charge	105	92	92	93	94	95	95
Liabilities assumed by the Treasurer	4	3	3	3	3	3	3
TOTAL INCOME FROM STATE GOVERNMENT	3,483	3,934	3,934	4,234	4,309	4,365	4,434
SURPLUS (DEFICIENCY) FOR THE PERIOD	159	(17)	(320)	6	(6)	(7)	(174)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 25, 33 and 36 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	298	212	53	51	54	52	55
Restricted cash	220	103	169	178	188	198	198
Receivables	148	130	151	149	126	126	126
Amounts receivable for services	164	102	102	120	141	141	141
Prepayments	24	25	24	24	24	24	24
Total current assets	854	572	499	522	533	541	544
NON-CURRENT ASSETS							
Amounts receivable for services	515	711	711	899	1,072	1,235	1,398
Plant and equipment	566	562	527	457	395	373	175
Intangibles	-	26	26	21	13	6	6
Other	-	84	34	34	34	34	34
Total non-current assets	1,081	1,383	1,298	1,411	1,514	1,648	1,613
TOTAL ASSETS	1,935	1,955	1,797	1,933	2,047	2,189	2,157
CURRENT LIABILITIES							
Payables	96	58	94	94	70	69	69
Provision for employee entitlements	315	550	447	516	586	660	735
Accrued salaries	-	9	9	9	18	28	28
Amounts due to the Treasurer	300	300	300	300	300	300	300
Other	-	-	2	2	3	3	3
Total current liabilities	711	917	852	921	977	1,060	1,135
NON-CURRENT LIABILITIES							
Provision for employee entitlements	197	238	204	265	329	395	462
Total non-current liabilities	197	238	204	265	329	395	462
TOTAL LIABILITIES	908	1,155	1,056	1,186	1,306	1,455	1,597
EQUITY							
Contributed equity	581	615	615	615	615	615	615
Accumulated surplus/(deficit)	446	185	126	132	126	119	(55)
Total equity	1,027	800	741	747	741	734	560
TOTAL LIABILITIES AND EQUITY	1,935	1,955	1,797	1,933	2,047	2,189	2,157

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT (Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	3,122	3,541	3,541	3,830	3,898	3,963	4,032
Capital contribution	50	34	34	-	-	-	-
Holding account drawdowns	110	164	164	102	120	141	141
Net cash provided by State Government.....	3,282	3,739	3,739	3,932	4,018	4,104	4,173
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,936)	(2,708)	(2,451)	(2,751)	(2,824)	(2,901)	(3,045)
Superannuation	(187)	(227)	(227)	(237)	(247)	(258)	(258)
Supplies and services	(967)	(515)	(1,073)	(755)	(748)	(733)	(670)
Accommodation	(238)	(262)	(262)	(267)	(257)	(257)	(257)
Capital user charge.....	(93)	(55)	(55)	(55)	(55)	(55)	(55)
Goods and Services Tax	(135)	(134)	(134)	(115)	(114)	(118)	(118)
Other.....	(18)	(43)	(43)	(28)	(28)	(18)	(18)
Receipts							
Goods and Services Tax	113	133	133	117	114	118	118
Other receipts	372	275	275	275	275	275	275
Net cash from operating activities.....	(3,089)	(3,536)	(3,837)	(3,816)	(3,884)	(3,947)	(4,028)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(139)	(198)	(198)	(109)	(121)	(149)	(142)
Net cash from investing activities.....	(139)	(198)	(198)	(109)	(121)	(149)	(142)
NET INCREASE/(DECREASE) IN CASH HELD	54	5	(296)	7	13	8	3
Cash assets at the beginning of the reporting period	464	310	518	222	229	242	250
Cash assets at the end of the reporting period.....	518	315	222	229	242	250	253

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	113	133	133	117
Other Revenue	372	275	275	275
TOTAL.....	485	408	408	392

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

SALARIES AND ALLOWANCES TRIBUNAL

PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS

DIVISION 8

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 11 Net amount appropriated to deliver services	310	317	497	340	502	520	546
Total appropriations provided to deliver services	310	317	497	340	502	520	546
GRAND TOTAL	310	317	497	340	502	520	546

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Finalisation of a review of the classification structure of all special division and prescribed office holder positions.
- Issue the Tribunal's first recommendation report on the total reward package of 151 local government area and regional local government area Chief Executive Officers (CEOs).

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
Service 1:							
Support Services to the Salaries and Allowances Tribunal	358	328	648	530			
Total Cost of Services	358	328	648	530	556	550	602
<i>Less Income</i>	3	3	46	3	3	3	3
Net Cost of Services	355	325	602	527	553	547	599
Adjustments ^(a)	(45)	(8)	(105)	(187)	(51)	(27)	(53)
Appropriation provided to deliver Services	310	317	497	340	502	520	546
TOTAL CONSOLIDATED FUND APPROPRIATIONS	310	317	497	340	502	520	546

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

RESOURCE AGREEMENT

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

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

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

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

Outcomes and Key Effectiveness Indicators

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Judicial and Magisterial Officers and superannuation benefits for Members of Parliament.					
The extent to which the Salaries and Allowances Tribunal is satisfied with the support services provided	100%	100%	100%	100%	

Service 1: Support Services to the Salaries and Allowances Tribunal

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	358	328	648	530	Higher costs reflect the engagement of remuneration experts in 2005-06 to undertake the review of special division and local government CEO positions. Income in 2005-06 is abnormally high due to receipt of a leave entitlement transfer payment.
Less Income	3	3	46	3	
Net Cost of Service	355	325	602	527	Reflects the use of internal funds and balances to meet the cost of undertaking variation determinations.
Adjustments ^(a)	(45)	(8)	(105)	(187)	
Appropriation for delivery of Service	310	317	497	340	

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

Key Efficiency Indicators

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Quantity – Determinations / Reports	13	13	11	11	Both years are historically high due to costs including salary and remuneration advice, associated with undertaking ad hoc variation determinations of special division office holders.
Quality - Tribunal satisfaction with quality of services provided	100%	100%	100%	100%	
Timeliness - Tribunal satisfaction with quality of service provided	100%	100%	100%	100%	
Cost (Efficiency) - Average cost per determination report	\$27,538	\$25,230	\$58,910	\$48,182	
Full Time Equivalents (FTEs)	1	1	1	1	

Major Achievements For 2005-06

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

Major Initiatives For 2006-7

- Finalisation of a review of the classification structure and classification of all special division and prescribed office holder positions.
- Issue the Tribunal's first recommendation report on the total reward package of 151 local government area and regional local government area CEO.

CAPITAL WORKS PROGRAM

The Salaries and Allowances Tribunal will spend \$6,000 in 2006-07 to continue its rolling replacement of office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Asset Replacement Program				
2005-06 Program	6	6	6	-
NEW WORKS				
Asset Replacement Program				
2006-07 Program	6	-	-	6
	12	6	6	6

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	8	6	6	6	6	6	7
	8	6	6	6	6	6	7
LESS							
Drawdowns from the Holding Account	6	6	6	6	6	6	6
Internal Funds and Balances	2	-	-	-	-	-	1
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	112	104	144	192	199	181	213
Superannuation	10	19	19	20	21	21	22
Supplies and services	177	145	425	254	264	272	288
Accommodation	37	40	40	43	46	50	52
Capital user charge	18	14	14	15	20	20	21
Depreciation and amortisation	4	6	6	6	6	6	6
TOTAL COST OF SERVICES	358	328	648	530	556	550	602
Income							
Other revenue	3	3	46	3	3	3	3
Total Income	3	3	46	3	3	3	3
NET COST OF SERVICES	355	325	602	527	553	547	599
INCOME FROM STATE GOVERNMENT							
Service appropriations	310	317	497	340	502	520	546
Resources received free of charge	36	20	40	41	42	43	44
TOTAL INCOME FROM STATE GOVERNMENT	346	337	537	381	544	563	590
SURPLUS (DEFICIENCY) FOR THE PERIOD	(9)	12	(65)	(146)	(9)	16	(9)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 1, 1 and 1 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	270	246	205	60	60	51	51
Restricted cash	-	1	1	1	2	2	2
Receivables	1	1	1	1	1	1	1
Amounts receivable for services	11	6	6	6	6	6	6
Total current assets	282	254	213	68	69	60	60
NON-CURRENT ASSETS							
Amounts receivable for services	-	18	12	19	19	26	30
Plant and equipment	9	9	9	9	9	9	10
Total non-current assets	9	27	21	28	28	35	40
TOTAL ASSETS	291	281	234	96	97	95	100
CURRENT LIABILITIES							
Payables	26	3	26	26	26	26	26
Provision for employee entitlements	3	7	55	58	62	39	47
Accrued salaries	-	-	-	1	1	1	2
Total current liabilities	29	10	81	85	89	66	75
NON-CURRENT LIABILITIES							
Provision for employee entitlements	45	41	1	5	11	16	21
Total non-current liabilities	45	41	1	5	11	16	21
TOTAL LIABILITIES	74	51	82	90	100	82	96
EQUITY							
Contributed equity	6	6	6	6	6	6	6
Accumulated surplus / (deficit)	211	224	146	-	(9)	7	(2)
Total equity	217	230	152	6	(3)	13	4
TOTAL LIABILITIES AND EQUITY	291	281	234	96	97	95	100

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	299	304	484	327	496	507	536
Holding account drawdowns	6	6	6	6	6	6	6
Net cash provided by State government	305	310	490	333	502	513	542
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(89)	(96)	(136)	(184)	(189)	(195)	(199)
Superannuation	(11)	(19)	(19)	(20)	(21)	(21)	(22)
Supplies and services	(121)	(125)	(385)	(213)	(222)	(233)	(244)
Accommodation	(40)	(40)	(40)	(43)	(46)	(50)	(52)
Capital user charge	(18)	(14)	(14)	(15)	(20)	(20)	(21)
Goods and Services Tax	(10)	(9)	(9)	(10)	(11)	(12)	(12)
Receipts							
Goods and Services Tax	9	9	9	10	11	12	12
Other receipts	3	3	46	3	3	3	3
Net cash from operating activities	(277)	(291)	(548)	(472)	(495)	(516)	(535)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(8)	(6)	(6)	(6)	(6)	(6)	(7)
Net cash from investing activities	(8)	(6)	(6)	(6)	(6)	(6)	(7)
NET INCREASE / (DECREASE) IN CASH HELD	20	13	(64)	(145)	1	(9)	-
Cash assets at the beginning of the reporting period	250	234	270	206	61	62	53
Cash assets at the end of the reporting period	270	247	206	61	62	53	53

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	9	9	9	10
Other revenue	3	3	46	3
TOTAL.....	12	12	55	13

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

Part 3

Deputy Premier; Treasurer; Minister for Government Enterprises; Minister Assisting the Minister for Public Sector Management

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
179	Treasury and Finance			
	– Delivery of Services	65,389	71,986	79,971
	– Administered Grants, Subsidies and Other Transfer Payments	1,235,199	1,279,735	1,285,994
	– Capital Contribution	-	5,891	1,255
	– Administered Capital Contribution.....	192,219	394,357	326,334
	Total	1,492,807	1,751,969	1,693,554
211	Office of Native Title			
	– Delivery of Services	27,952	-	44,173
	Total	27,952	-	44,173
219	Office of the Auditor General			
	– Delivery of Services	13,063	14,178	14,188
	– Capital Contribution	27	27	-
	Total	13,090	14,205	14,188
232	Economic Regulation Authority			
	– Delivery of Services	5,610	6,733	5,249
	– Capital Contribution	17	141	-
	Total	5,627	6,874	5,249
243	Western Australian Treasury Corporation	-	-	-
244	State Supply Commission			
	– Delivery of Services	1,562	1,562	1,642
	– Capital Contribution	42	42	-
	Total	1,604	1,604	1,642

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
254	Gold Corporation	-	-	-
255	Insurance Commission of Western Australia	-	-	-
256	Lotteries Commission	-	-	-
GRAND TOTAL				
	– Delivery of Services	113,576	94,459	145,223
	– Administered Grants, Subsidies and Other Transfer Payments	1,235,199	1,279,735	1,285,994
	– Capital Contribution	86	6,101	1,255
	– Administered Capital Contribution.....	192,219	394,357	326,334
	Total	1,541,080	1,774,652	1,758,806

TREASURY AND FINANCE

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

DIVISION 9

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 12 Net amount appropriated to deliver services	52,942	64,515	71,112	79,071	74,466	76,282	78,088
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	849	874	874	900	927	955	984
Total appropriations provided to deliver services	53,791	65,389	71,986	79,971	75,393	77,237	79,072
ADMINISTERED TRANSACTIONS							
Community Service Obligation Payments							
Item 13 - Electricity Retail Corporation (Synergy)	-	-	9,167	38,007	39,413	40,891	42,472
Item 14 - Forest Products Commission	1,100	1,070	1,070	2,370	2,370	2,370	2,370
Item 15 - Regional Power Corporation (Horizon Power)	-	-	3,474	16,184	21,910	24,007	25,674
Item 16 - Water Corporation of Western Australia	288,253	340,416	340,790	367,647	381,815	403,502	417,172
Item 17 - Western Australian Land Authority	22,444	22,922	33,272	21,540	25,217	22,262	20,867
Electricity Corporation	46,177	49,649	35,969	-	-	-	-
Electricity Networks Corporation (Western Power (Networks))	-	-	814	-	-	-	-
Grants, Subsidies and Transfer Payments							
Item 18 - Aerial Shark Surveillance Program	131	-	162	170	177	185	194
Item 19 - Armadale Redevelopment Authority	1,180	1,470	1,470	2,750	1,200	1,200	1,250
Item 20 - Broome Port Authority	-	575	1,150	1,335	420	405	405
Item 21 - City of Subiaco	-	-	-	6,100	-	-	-
Item 22 - Consumer Utilities Program (WACOSS)	-	-	-	170	170	170	-
Item 23 - First Home Owners' Assistance	124,691	123,100	138,000	129,100	131,200	133,300	135,400
Item 24 - GST Administration Costs	58,480	59,300	61,000	63,000	64,400	65,500	66,600
Item 25 - HIH Insurance – Assistance to Local Government	-	-	3,700	300	-	-	-
Item 26- HIH Insurance Rescue Package	19	600	600	600	500	500	500
Item 27 - Life Support Equipment Electricity Subsidy Scheme	-	534	1,000	550	560	-	-
Item 28 - Office of Health Review	1,197	1,223	1,383	1,254	1,275	1,303	1,325
Item 29 - On-Road Diesel Subsidies	6,894	5,000	8,000	8,200	8,400	8,620	8,830
Item 30 - Pensioners Concessions – Emergency Services Levy	6,794	6,390	8,824	9,455	10,114	10,809	11,100
Item 31 - Pensioners Concessions – Local Government and Water Rates	43,340	46,473	48,500	52,000	55,640	59,430	63,350
Item 32 - Provision for Unfunded Liabilities in the Government Insurance Fund	5,256	4,030	5,185	4,761	3,831	3,484	3,341
Item 33 - Refund of Past Years Revenue Collections - Public Corporations	312	100	100	500	500	500	500
Item 34 - Refund of Past Years Revenue Collections - All Other	12,762	11,000	22,355	18,675	20,180	21,865	23,285
Item 35 - Rottneest Island Authority ^(b)	-	-	-	2,200	2,200	2,200	2,200
Item 36 - Stamp Duty Rebate Scheme	-	-	6,000	1,000	-	-	-

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Item 37 - State Property –							
Emergency Services Levy	7,662	9,324	9,000	9,000	9,000	9,000	9,000
Item 38 - Thermoregulatory Dysfunction							
Energy Subsidy Scheme	-	-	-	485	555	555	555
Item 39 - Water Corporation of Western							
Australia - State Water Strategy							
Rebate Scheme	8,372	9,000	16,520	9,000	-	-	-
Item 40 - Water Corporation of Western							
Australia - Part Reimbursement of							
Land Sales	-	10	1,645	716	700	800	900
Item 41 - Western Australian Building							
Management Authority - Interest ^(c)	6,679	5,633	5,633	4,700	4,000	3,700	3,000
Item 42 - Wine Equalisation Tax Rebate	-	2,400	2,100	4,400	2,600	2,700	2,800
Item 43 - All Other Grants, Subsidies and							
Transfer Payments	4,197	3,812	3,475	3,134	3,067	3,310	3,101
Albany Port Authority	173	151	151	-	-	-	-
Search for HMAS Sydney (II)	-	-	500	-	-	-	-
Authorised by Other Statutes							
Gold Corporation Act 1987	-	55	55	55	55	55	55
Judges' Salaries and Pensions Act 1950	6,361	4,146	7,000	7,280	7,571	7,874	8,189
Loan (Financial Agreement) Act 1991:							
Interest	14,912	-	-	-	-	-	-
Loan Guarantee Fees	294	-	-	-	-	-	-
Parliamentary Superannuation Act 1970	9,205	7,950	4,834	5,027	5,228	20,000	5,700
Salaries Provision - Special Division and							
Prescribed Office Holders ^(d)	-	-	750	1,500	1,500	1,500	1,500
State Superannuation Act 2000	436,625	469,005	464,127	471,108	487,162	491,335	494,680
Tobacco Control Act 1990	17,363	17,753	17,753	18,153	18,607	19,081	19,517
Unclaimed Money Act 1990	431	500	500	500	500	500	500
Unclaimed Money (Superannuation and RSA							
Providers) Act 2003	81	50	200	50	50	50	50
Western Australian Treasury Corporation							
Act 1986:							
Interest	27,773	30,812	13,507	3,018	3,018	3,018	3,018
Loan Guarantee Fees	604	746	-	-	-	-	-
Total Administered	1,159,762	1,235,199	1,279,735	1,285,994	1,315,105	1,365,981	1,379,400
CAPITAL							
Item 128 Capital Contribution	400	-	5,891	1,255	301	-	-
ADMINISTERED CAPITAL							
Government Equity Contributions							
Item 129 - Armadale Redevelopment							
Authority	3,000	3,000	3,000	10,600	2,000	2,000	2,000
Item 130 - Broome Port Authority	-	1,250	1,500	1,450	-	-	-
Item 131 - Department of Health ^(e)	82,677	133,933	54,578	178,509	377,287	503,865	469,550
Item 132 - Electricity Networks Corporation							
(Western Power (Networks))	-	-	6,000	6,000	6,000	6,000	-
Item 133 - Forest Products Commission	1,230	1,291	1,291	2,291	2,291	2,291	2,291
Item 134 - Fremantle Port Authority	5,319	1,533	1,527	214	212	209	206
Item 135 - Midland Redevelopment							
Authority	-	3,440	3,440	16,448	6,216	-	-
Item 136 - Regional Power Corporation							
(Horizon Power)	-	-	3,000	10,950	-	-	-
Item 137 - Rottnest Island Authority ^(b)	10,564	7,730	15,244	6,456	2,072	22	22
Item 138 - State Housing Commission	19,105	15,000	15,000	15,000	15,000	15,000	15,000
Item 139 - Western Australian Building							
Management Authority ^(c)	7,375	7,626	7,626	7,900	8,200	8,400	8,700
Item 140 - Western Australian Meat Industry							
Authority	-	1,596	1,596	3,200	-	-	-
Item 141 - Western Australian Land							
Authority	5,000	-	20,000	42,100	19,000	-	-
Albany Port Authority	-	2,600	3,785	-	-	-	-
Electricity Corporation	6,000	13,220	-	-	-	-	-
Electricity Generation Corporation							
(Verve Energy)	-	-	2,770	-	-	-	-

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Other							
Item 142 - Perry Lakes Trust Account	-	-	-	25,216	38,698	16,677	9,123
Authorised by Other Statutes							
Loan (Financial Agreement) Act 1991							
Capital Repayments	477,139	-	-	-	-	-	-
Loans (Co-operative Companies) Act 2004	-	-	10,000	-	-	-	-
Western Australian Treasury Corporation							
Act 1986 - Capital Repayments	-	-	244,000	-	-	-	-
Total Administered Capital Contribution	617,409	192,219	394,357	326,334	476,976	554,464	506,892
GRAND TOTAL	1,831,362	1,492,807	1,751,969	1,693,554	1,867,775	1,997,682	1,965,364

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.
- (b) Prior to 2006-07, these items were reflected in the administered appropriations of the Western Australian Tourism Commission. From 2006-07, the current and capital components of the appropriation are shown.
- (c) The functions of the Western Australian Building Management Authority (WABMA) were transferred to the Department of Housing and Works (DHW) as part of Machinery of Government changes in 2002-03. For legal reasons, loans held by WABMA cannot be transferred to the DHW. The Consolidated Fund provides appropriation support for the interest and capital repayments associated with this debt.
- (d) Reflects the Salaries and Allowances Tribunal decision of 7 April 2006 to increase the annual remuneration of officers in this division. These increases were received too late to be shown in the estimates of the affected Divisions elsewhere in Budget Paper No. 2.
- (e) Reflects global funding to be applied to health reforms and related broader health initiatives as part of the Department of Health's Capital Works Program. The Department of Health is required to submit business cases and planning details for Government approval to access these funds.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

Financial Management

- Maintenance of the State's triple A credit rating, and the provision of timely and comprehensive advice to support government decision making and sound financial management outcomes, will remain high priorities for the department.
- The effective reform of the Department of Health is one of the most critical issues facing Government at the present time. In this regard, the Department of Treasury and Finance has a continuing involvement in the health reform process, through the evaluation of business cases for the development of new hospital facilities and providing advice to the Government on the progress of the reform.
- The Government has a significant number of capital projects underway with significant economic and financial implications. The Department of Treasury and Finance has a key role in providing independent advice to Government on the progress of these projects, which include health, water and power infrastructure, as well as specific projects such as the New MetroRail project and the proposed Multipurpose Indoor Entertainment and Sports Stadium.
- The Government has an objective to ensure the efficiency and effectiveness of its agencies and, to this end, has established a rolling program of functional reviews. The Department of Treasury and Finance will assist Government by providing advice on individual agency reviews.
- In October 2005 the former Premier announced the development of a State Infrastructure Strategy to identify and prioritise the State's infrastructure needs over the next 20 years. The Department of Treasury and Finance has the responsibility to continue the development of the Strategy's white paper which is scheduled for release in June 2007.

- The achievement of earlier reporting deadlines established by the *Financial Administration Legislation Amendment Act 2005*, and the transition to Australian equivalents to International Financial Reporting Standards, will continue to be significant issues for public sector financial reporting in 2006-07. The department will continue to play a key leadership role in the sector's transition to the new reporting regime.
- An ongoing challenge is to improve the quality and usefulness of agencies' performance information and reporting, and to more closely link the resource allocation process with the strategic planning process and the achievement of government desired outcomes. As part of the performance management improvement process, the Outcome Structure Review Group continues to review all proposals for major changes to agency level government desired outcomes, the supporting services and related key performance indicators.

Economic Outlook

- Understanding the Western Australian economy (and also the international markets to which it is linked) remains a key imperative. Western Australia's strong economic growth has already resulted in a number of emerging pressures in key areas such as labour supply, wages, and input costs. Furthermore, while economic activity is forecast to remain reasonably strong over the next few years, a downturn in global market conditions could have serious effects on the State's economy. The Department of Treasury and Finance will continue to monitor current and expected conditions in the State's economy, and to provide the government with advice on economic policy management.

Commonwealth-State Relations

- While Western Australia provides the largest per capita subsidy to the Australian federation, it is nevertheless particularly exposed, through its dependence on grants from the Commonwealth, to misalignment between policies and disincentives for economic development. In the absence of fundamental reform, better collaboration between the Australian and State Governments is a key to drawing out the benefits of Australia's federal system. In particular:
 - there needs to be a fairer sharing of the costs and benefits of State initiatives that generate national benefits (including large fiscal gains for the Australian Government), to help ensure that these initiatives are given sufficient priority by the States; and
 - raising the profile of Western Australia's special needs among national government decision makers should be a priority.
- Western Australia has a common interest with other States in pursuing coordinated initiatives with the Australian Government (particularly through the Council of Australian Governments) that will generate national welfare and economic benefits.
- The Commonwealths use of additional grants to influence State policies in ways which may hinder achievement of the best community outcomes is the subject of ongoing review by a Western Australian lead head of Treasuries Working Group (on Specific Purpose Payments).

Energy Reform

- Western Power Corporation has been disaggregated into four separate entities on 31 March 2006 and new electricity market arrangements are to commence on 1 July 2006. Independent regulation of network access is to be finalised this year and new electricity access arrangements are to be implemented.

National Competition Policy

- Following a unilateral decision by the Commonwealth Government, 2005-06 is the final year for National Competition Policy (NCP) payments to flow from the Commonwealth to the States and Territories under the 1996 Agreement to Implement the NCP and Related Reforms. On 10 February 2006, the Council of Australian Governments committed to a new framework for future reform in the areas of human capital, competition and regulatory reform. The framework also includes a recommitment to competitive neutrality in government business operations, and to continued public interest assessment of anti-competitive provisions in new and amending legislation. Implementation plans remain to be developed for each jurisdiction, with the Commonwealth indicating that new funding will be provided to the States and Territories, and possibly to local government, on a case by case basis linked to achievement of agreed actions.

Revenue Laws Administration

- Exceptional revenue growth on the back of a booming economy has triggered a major review and revamp of revenue forecasting practices and processes, and is partly behind the Government's decision to instigate a State Tax Review to identify community practices for further State tax relief and reform. A final report will be completed in time for consideration in the 2007-08 State Budget.
- The strong growth in economic activity, particularly as it affects transaction activity in the property market and employment growth, will continue to impact on the level of demand for services.
- Monitoring of the level of tax evasion and avoidance in the community will continue through the use of appropriate compliance strategies.
- There will be a greater focus on education initiatives to ensure taxpayers and their agents are well informed of their obligations and rights, particularly as a result of a greater reliance on self-assessment as a means of tax administration.
- The outcomes of the State Tax Review process, which will not only determine which taxes will continue to be levied into the future, but also how they are to be imposed. These policy settings are also required to provide the policy basis for the rewrite of the *Stamp Act*.
- The department will continue to explore opportunities to partner with other government agencies where opportunities exist to provide improved services to common customers.
- Increasing contact will occur with industry and professional bodies to ensure their views are considered in the design of taxation and grant administrative arrangements and to increase the department's awareness of issues important to their members.
- Expansion of electronic systems and procedures for interaction with customers and the supply of information and data with other agencies will continue.

Government Procurement

- The Government's Procurement Reform initiative is a five year program that commenced in 2003-04 and entails whole of government savings targets for the period 2004-05 to 2007-08. Thus the continued development, implementation and monitoring of procurement reform projects across the sector, will continue to be a prime driver until at least 2007-08.
- Significant benefits are being sought from leveraging purchasing power on a whole-of-government basis while ensuring probity and equity principles are maintained for public sector procurement.
- There is a need to further develop the level of procurement expertise across the sector to assist those in procurement leadership positions to pursue innovative and effective solutions to procurement problems and emerging issues.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Reinstatement of Retained Revenue Foregone	4,354	4,430	4,458	4,680
Continuation of Procurement Reform	213	488	4,880	5,356
Enhanced Land Data Management	384	408	-	-
Maintaining timely Revenue Service Assessing	354	375	-	-

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Financial Management.....	4,956	5,420	5,537	5,385			
<i>Service 2:</i>							
Reporting of public sector finances.....	1,602	1,854	1,896	1,905			
<i>Service 3:</i>							
Development of economic and revenue policies.....	5,193	5,940	6,315	6,820			
<i>Service 4:</i>							
Management of the State Budget's expenditure aspects.....	7,277	7,903	8,080	8,506			
<i>Service 5:</i>							
Revenue assessment and collection.....	33,860	33,958	36,949	39,421			
<i>Service 6:</i>							
Grants and subsidies administration.....	2,635	2,702	2,773	3,064			
<i>Service 7:</i>							
Facilitate the development and management of agency specific contracts.....	11,487	11,066	12,628	13,191			
<i>Service 8:</i>							
Development, management and promotion of whole of government common use contract arrangements and systems.....	20,073	16,675	25,999	24,025			
Total Cost of Services	87,083	85,518	100,177	102,317	93,784	96,304	98,501
<i>Less Income</i>	16,269	11,289	7,191	7,200	7,092	7,095	6,873
Net Cost of Services	70,814	74,229	92,986	95,117	86,692	89,209	91,628
Adjustments ^(a)	(17,023)	(8,840)	(21,000)	(15,146)	(11,299)	(11,972)	(12,556)
Appropriation provided to deliver Services.	53,791	65,389	71,986	79,971	75,393	77,237	79,072
ADMINISTERED TRANSACTIONS							
Appropriation for Community Service Obligation Payments; Grants, Subsidies and Transfer Payments and Authorised by Other Statutes	1,159,762	1,235,199	1,279,735	1,285,994	1,315,105	1,365,981	1,379,400
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	400	-	5,891	1,255	301	-	-
Administered Capital Contribution	617,409	192,219	394,357	326,334	476,976	554,464	506,892
TOTAL CONSOLIDATED FUND APPROPRIATIONS	1,831,362	1,492,807	1,751,969	1,693,554	1,867,775	1,997,682	1,965,364

(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 Under Treasurer and the Treasurer.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	Sustainable and transparent public sector finances.	1. Financial Management. 2. Reporting of public sector finances.
	A strong and competitive State economy.	3. Development of economic and revenue policies.
	Financial resources are allocated consistent with the government's priorities.	4. Management of the State Budget's expenditure aspects.
	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	5. Revenue assessment and collection. 6. Grants and subsidies administration.
	Value for money from public sector procurement ^(a) .	7. Facilitate the development and management of agency specific contracts. 8. Development, management and promotion of whole of government common use contract arrangements and systems.

(a) Value for money is the overarching principle governing the procurement of goods and services and requires public authorities to achieve the best possible outcome for the State. It is the essential test against which all procurement decisions must be justified.

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Sustainable and transparent public sector finances.					
Maintenance of the State's credit rating ^(b)	Triple A	Triple A	Triple A	Triple A	
Fiscal transparency ranking ^(c)	First (A)	First (A)	First (A)	First (A)	
Outcome: A strong and competitive State economy.					
State's tax competitiveness:					
WA taxation revenue as a percentage of GSP ^(d)	4.28	3.67	4.47	4.13	
Weighted average of other States' taxation revenue as a percentage GSP	4.77	4.53	4.52	4.50	
WA taxation revenue as a percentage of GSP minus weighted average of other States	-0.49	-0.86	-0.21	-0.88	
Five year average GSP growth compared with average of other States (percentage point difference)	+1.1	>/0.0	>/0.0 ^(e)	>/0.0 ^(e)	
Outcome: Financial resources are allocated consistent with the Government's priorities.					
Percentage of the DTF's resource allocation recommendations accepted by ERC	n/a ^(e)	n/a ^(e)	n/a ^(e)	75	
Share of general government expenses allocated to priority areas ^(f)	60%	59%	59%	59%	
Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid.					
Extent to which due revenue is collected on time	86%	87%	86%	87%	
Extent to which correct grants, subsidies and rebates are claimed	99%	99%	99%	99%	
Outcome: Value for money from public sector procurement.					
Extent to which client agencies agree that their contract arrangements achieved value for money	87%	80%	85%	85%	
Extent to which client agencies agree that common use contract arrangements achieved value for money	81%	80%	85%	85%	

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

(b) Western Australia's credit rating is currently assessed by Standard and Poor's and by Moody's.

(c) The State's fiscal transparency ranking is assessed by Access Economics and published in the report 'State and Territory Budget Monitor'.

(d) Economic growth is measured independently by reference to Gross State Product (GSP).

(e) Future outcomes will depend on growth in the national economy, which is not forecast by the Department of Treasury and Finance. Note that, while State Government may have some influence over economic growth, factors such as interest rates and the international environment affect the State's economy but are beyond the power to influence.

(f) Priority areas as articulated by the Government include: health, education, law order and public safety, and in accordance with Government's strategic plan as outlined in 'Better Planning, Better Services'.

Service 1: Financial Management

The service includes the provision of advice on the Government's fiscal strategy, advice on the legislative framework underpinning financial management and accountability in the Western Australian public sector, advice on interpretation and implementation of Accounting Standards, and management of the State Fleet operation.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	4,956	5,420	5,537	5,385	
Less Income	749	813	802	805	
Net Cost of Service	4,207	4,607	4,735	4,580	
Adjustments ^(a)	(424)	(54)	(556)	(234)	
Appropriation for delivery of Service.....	3,783	4,553	4,179	4,346	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost of financial management per \$million general government sector expenses	\$380	\$396	\$392	\$353	
Full Time Equivalents (FTEs)	53	53	53	53	

Major Achievements For 2005-06

- Both major credit rating agencies reaffirmed Western Australia's triple A credit rating during 2005-06. Detailed submissions and presentations were provided to Moody's Investor Services and to Standard and Poor's in support of the State's credit rating assessments.
- A significant volume of advice on the State's finances supported the Expenditure Review Committee through the year, assisting the Government's budget development and decision making processes.
- Developed the Financial Management Bill, which was tabled in Parliament as a Green Bill and referred to the Public Accounts Committee for review. This Bill – in conjunction with the Auditor General Bill – is proposed to be introduced into Parliament in the current Autumn session to replace the *Financial Administration and Audit Act 1985 (FAAA)*, which has become progressively less suited to the modern public sector financial management environment.
- Assisted an expanded number of agencies to adopt more relevant and useful government desired outcomes, services and supporting key performance indicators. Major improvements were effected for agencies including the Department of Health and the newly formed departments of the Attorney General and Corrective Services.
- Developed and provided advice on the financial and accountability provisions of key legislation such as the *Perry Lakes Redevelopment Act 2005* and the proposed land information authority legislation.
- Implemented, in conjunction with the Department for the Environment, an emissions offset program to make the government's light vehicle fleet 'carbon neutral'.
- Implemented, in conjunction with the Office of Road Safety, an enhanced safety policy for the government's light vehicle fleet.

Major Initiatives For 2006-07

- Implement new financial management legislation to replace the *FAAA*. This includes development of new Regulations and Treasurer's Instructions to complement the new legislation, as well as raising awareness of the major changes and implications for agencies.
- Continue to provide comprehensive and timely financial management advice to government and other stakeholders, promoting sound financial management decision making and outcomes.
- Implement improved outcome based management structures for agencies through the continuing efforts of the Outcome Structure Review Group.
- Release an updated and amended edition of the publication 'Costing and Pricing Guidelines', which is designed to assist agencies with the costing of services and the setting of fees and charges.
- Manage the transfer of accounting functions to the Office of Shared Services.
- Restructure outsourced vehicle facility management arrangements to further streamline State Fleet operations and reduce administration costs.

Service 2: Reporting of Public Sector Finances

This service entails the preparation and publication of regular reports on the State's finances, and maintenance of the Treasurer's Accounts.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,602	1,854	1,896	1,905	
Less Income	38	27	23	22	
Net Cost of Service	1,564	1,827	1,873	1,883	
Adjustments ^(a)	(136)	(18)	(187)	(81)	
Appropriation for delivery of Service	1,428	1,809	1,686	1,802	

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

Key Efficiency Indicators

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Percentage of financial reports released as per agreed time frames ^(a)	21%	50%	50%	100%	
Full Time Equivalents (FTEs)	18	19	20	20	

- (a) Agreed time frames for whole of government financial reports are as follows:
- Annual Report on State Finances - ninety days after the end of the financial year (legislative deadline)
 - quarterly financial results report - sixty days after the end of the quarter (legislative deadline)
 - mid-year review - 31 December (legislative deadline)
 - pre-election financial projections statement - ten days after Legislative Assembly dissolved/expired (legislative deadline)
 - monthly reports - six weeks from end of the month (non-legislative internal goal)

Major Achievements For 2005-06

- Instrumental in effecting the implementation of the *Financial Administration Legislation Amendment Act 2005 (FALAA)*, which has resulted in a more timely and streamlined regime for public sector financial reporting, at both the whole-of-government and agency levels.
- Established and chaired a Steering Committee on Accelerated Financial Reporting Deadlines to oversee the transition to the new reporting regime established by the *FALAA*. This included developing and publishing guidelines for agencies to assist them in meeting the new reporting process and timeframes.
- Consistent with the *FALAA* requirements, the department prepared and the Treasurer subsequently tabled the Quarterly Financial Results Report for December 2005 within the new sixty day legislative deadline. At the same time, the timeliness of monthly reporting improved in line with the legislated quarterly deadlines.
- As a consequence of adopting the International Financial Reporting Standards, updated model financial statements were issued and assistance provided to enable agencies to comply with new reporting requirements under the Treasurer's Instructions and Australian Accounting Standards.

Major Initiatives For 2006-07

- The *FALAA* requires an audited Annual Report on State Finances to be tabled in the Parliament within ninety days of 30 June 2006, reporting key outcomes for whole-of-government finances. This is a new report which combines several previous reports and which, for the first time, will include an audit of the 'headline' government finance statistics-based aggregates. The department will continue to work with agencies and the Office of the Auditor General to ensure that this key report is prepared and tabled within the ninety-day deadline.
- The department will continue to work with agencies to bed down the processes required to meet the tighter quarterly and annual financial reporting deadlines required by the *FALAA*.
- The department will work with the Department of the Premier and Cabinet and the Office of the Auditor General to try and streamline and better focus the information included in agencies' annual reports.

Service 3: Development of economic and revenue policies

This involves the analysis and advice on economic and revenue policy issues, including in relation to the State's major revenue sources, utilities regulation and reform, competition policy and economic, social and environmental developments generally, estimates and monitoring of Western Australia's economic performance, major revenue streams and utilities finances, particularly as part of the budget process and reviews of the State's credit rating.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	5,193	5,940	6,315	6,820	
Less Income	69	69	64	59	
Net Cost of Service	5,124	5,871	6,251	6,761	
Adjustments ^(a)	(408)	(55)	(599)	(289)	
Appropriation for delivery of Service	4,716	5,816	5,652	6,472	

- (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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Accuracy of key economic and general government revenue forecasts ^(a) :					
- Tax and mining revenue (percentage difference in how much actually received by State compared to forecast) (see significant variation)	17.8%	+/-5%	25.0% ^(b)	+/-5%	
- GST Revenue Grants (percentage difference in how much actually received by State compared to forecast)	4.3%	+/-3%	-1.4%	+/-3%	
- Economic Growth (percentage point difference)	-1.8	+/-1.0	-0.5	+/-1.0	
- Consumer Price Index growth (percentage point difference)	-1.2	+/-0.5	-0.5	+/-0.5	
- Employment growth (percentage point difference)	-1.9	+/-0.5	-2.75	+/-0.5	
Percentage of briefing requests and other Ministerials responded to within agreed time frames	70%	80%	70%	80%	
Full Time Equivalents (FTEs)	67	68	70	70	

(a) The indicators show the accuracy of forecasts by disclosing the extent to which variations between budget forecasts and actual results are within acceptable limits. The actual revenues and economic parameters on which the efficiency indicators are based are each reported in Budget Paper No. 3, Chapter 2 subheading 'Statement of Risks' and Chapter 4 'Financial Projections - Revenue.'

(b) Tax and mining royalty revenues have exceeded expectations in recent years due to the strength of the property market and commodity prices. The Review of Revenue Forecasting released by the Department of Treasury and Finance in March 2006 outlines initiatives to improve the forecasting process. A number of these measures have been implemented in the preparation of the 2006-07 Budget.

Major Achievements For 2005-06

- Provided advice on budget submissions prepared by commercial agencies, as well as Strategic Development Plans (SDP) and Statements of Corporate Intent (SCI), including alignment of the SDP and SCI and Budget processes.
- Contributed to the electricity reform process through membership on the Electricity Reform Implementation Steering Committee and relevant working groups and expert teams. The reforms have included the disaggregation of Western Power Corporation into four separate entities and the introduction of new electricity market arrangements on 1 July 2006. Provided advice on regulatory frameworks and access arrangements in utility markets, particularly rail, gas and electricity.
- Coordinated and oversaw the progress of remaining NCP reviews and reforms, and prepared the annual submission to the National Competition Council, with particular attention to minimising payments risks within the parameters of Government policy. Particular issues involved grain marketing arrangements, health practitioner reform, and aviation licensing.
- Contributed to the development of the new National Reform Agenda in collaboration with other State agencies, including the Department for Planning and Infrastructure and the Department of the Premier and Cabinet.
- Made a public submission to the Economic Regulation Authority's inquiry on:
 - Western Power Corporation's proposed Network Access Arrangement;
 - urban water and wastewater pricing; and
 - the cost of supplying bulk potable water to Kalgoorlie-Boulder.
- Provided advice on State superannuation regulatory frameworks, new products and services to help deliver greater benefits for public sector employees.

- Published an updated report on the Structure of the Western Australian Economy and research reports on business investment in Western Australia and conducted research on migration in Western Australia, Quarterly State Accounts and the Modelling of Economic Benefits of New Projects. Regularly published the Western Australian Economic Summary, which included feature articles on competition in Western Australia's food market; and pressures, risks and uncertainties affecting Western Australia's economic outlook, to contribute to a better understanding of the State's economy. Published at Discussion Paper on Commonwealth-State Relations.
- Completed Review of Revenue Forecasting. A report outlining the recommendations of the review was published. A number of initiatives were implemented in the 2006-07 Budget.
- The first stage of the current two-staged State Tax Review was completed, with an Interim Report published for comment at the time of the 2006-07 Budget. Assisted the government with preparation of major tax relief measures announced in March 2006. Announced relief includes phased abolition of mortgage duty, abolition of hire of goods duty, and abolition of stamp duty on non-real conveyances.
- Coordinated a major submission to the Commonwealth Grants Commission's Review of the Interstate Distribution of Local Road Grants, to be reported by 30 June 2006 and provided a submission to the Local Government Advisory Board's review of structural and electoral reform (which reported to the Minister for Local Government and Regional Development in March 2006).
- Continued to lead the Specific Purpose Payments Working Group, comprising senior officers from the Treasury and Finance Departments of the Commonwealth and all States and Territories. The Group aims to promote better community outcomes from these payments. A major focus of the Group in 2005-06 was the scope for more flexibility in the next Commonwealth State Territory Disability Agreement.

Major Initiatives For 2006-07

- Continue to contribute to the electricity reform process, including overseeing the new disaggregated Western Power Corporation entities, and the implementation of the electricity access arrangements and the new electricity market arrangements.
- Contribute to development of the State's Individual Implementation Plan for the new National Reform Agenda.
- Contribute to development of the State's Individual Implementation Plan for the new National Reform Agenda, in order that progress towards the State's desired objectives may be made. Incidental to achieving agreed reform milestones, funding may flow from the Commonwealth.
- Consistent with the Council of Australian Government's 10 February 2006 Competition and Infrastructure Reform Agreement, contribute to a coordinated Western Australian review of the regulation of the State's ports and port authority, handling and storage facility operations at significant ports to ensure that where economic regulation is warranted it conforms with agreed access, planning and competition principles.
- Contribute to a coordinated Western Australian submission to the Productivity Commission's review into the efficient (competitively neutral) pricing of road and rail freight infrastructure, to maximise net benefits to the community – particularly in rural and remote parts of the State.
- Contribute to and coordinate the State's response to Superannuation Choice of Fund for public sector employees through the Superannuation Consultative Group.
- Build capacity for economic assessment of policy and projects in the context of the Government's desire to more closely integrate economic, social and environmental analysis and expand the range and quality of research for policy making.
- Continue promoting greater understanding of the Western Australian economy, and the international markets to which it is linked, through the publication of discussion papers and analysis of contemporary economic issues.
- Continue to develop and implement strategies for broad reform of Commonwealth-State financial relations (including in relation to specific purpose payments), aimed at achieving a better deal for Western Australian taxpayers, industry and the community generally.

- Participate in the Commonwealth Grants Commission's review of its methods for distributing the goods and services tax revenue between the States including providing submissions on conceptual issues related to simplification of the Commission's methods, and establishing relationships with State service provision agencies to gather data and research in support of future State submissions to the Grants Commission.
- Completion of stage two of the State Tax Review. A final report is expected to be published by March 2007 with final recommendations to be considered in the 2007-08 Budget.
- Continue to advise Government on taxation policies to improve the competitiveness of the Western Australian economy in a financially responsible manner. Implementation of recommendations of the Review of Revenue Forecasting. This is expected to include reviewing and updating the forecast methodology, including greater use of statistical modelling techniques.
- Participate in the Specific Purpose Payments Working Group's review of the Australian Health Care Agreements, in response to an agreement by the Council of Australian Governments to review specific purpose payments that significantly affect the health system, to identify any changes that could contribute to better health outcomes. Also, review the State Government's 2002 Strategic Framework for Specific Purpose Payments, which aims to facilitate a whole-of-Government position in negotiating with the Commonwealth, and to encourage best practice in Commonwealth-State funding agreements (including a focus on agreed community outcomes rather than specific requirements on the level and application of State funds).

Service 4: Management of the State Budget's Expenditure Aspects

To advise and manage the allocation of taxpayers' resources to achieve Government's desired outcomes.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	7,277	7,903	8,080	8,506	
Less Income	104	61	52	49	
Net Cost of Service	7,173	7,842	8,028	8,457	
Adjustments ^(a)	(614)	(78)	(810)	(365)	
Appropriation for delivery of Service	6,559	7,764	7,218	8,092	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost of expenditure budget management per \$ million general government sector expenses	\$558	\$577	\$571	\$558	
Percentage of briefing requests and other Ministerials responded to within agreed time frames	n/a	n/a	n/a	90%	
Full Time Equivalents (FTEs)	89	88	86	86	

Major Achievements For 2005-06

- Monitored and provided advice to government on the progress of the 2005-06 budget and contributed to the formulation of the 2006-07 budget and forward estimates.
- Provided ongoing advice on major public sector wage agreement negotiations.
- Continued to strengthen relationships with agencies, through regular visits, to better understand the agencies' business and the issues impacting them, and to engage agencies in policy development.
- Provided agencies and Government with policy, financial and economic advice on a range of matters including:
 - the development of an Expression of Interest for the development of the 140 William Street site in the centre of the Perth CBD;
 - representation on the New Metro Rail Steering Committee which oversees one of the State's largest capital works projects;
 - involvement in the Shared Land Information Platform Executive Committee which provides direction towards this cross-agency initiative which is aimed at providing seamless access to spatial information across the public sector;
 - assisting towards the development of the legislation and ongoing implementation of the redevelopment of the Perry Lakes Stadium and AK Reserve precinct;
 - contributing to the development of the submission and ongoing involvement in assisting Government achieve its objectives for the development of the Australian Marine Complex at Henderson;
 - assisting in major projects such as the development of a major port at Oakajee, the development of Ord River Stage Two project and assisting the Office of Native Title in developing appropriate responses for government with regards native title issues;
 - the Mahoney Recommendations on reform of the Criminal Justice System;
 - the CBD Courts project;
 - submissions for borrowings by the tertiary education sector; and
 - continuing involvement in the Department of Health reform process, including the evaluation of business cases on the development of new hospital facilities and advice on the progress of health reform relating to the Health Reform Committee (also known as the Reid Review) recommendations and other related issues.
- Developed and implemented the Strategic Asset Management Framework, an integrated policy strategy to improve asset management and capital investment across the State public sector.
- Facilitated the development of the Green Paper, as the first stage of the State Infrastructure Strategy.

Major Initiatives For 2006-07

- Monitor and provide advice to government on the progress of the 2006-07 budget and contribute to the formulation of the 2007-08 budget and forward estimates.
- Provide ongoing advice on major public sector wage agreement negotiations.
- Continue to strengthen relationships with agencies, through regular visits, to better understand the agencies' business and the issues impacting them, and to engage agencies in policy development.
- Continue to facilitate the development of the State Infrastructure Strategy, with the white paper scheduled for release June 2007.
- Provide agencies and Government with policy, financial and economic advice on a range of issues.
- Continue to implement the Strategy Asset Management Framework and, in consultation with the Department of Housing and Works, assist agencies in utilising the Framework effectively.
- Continue to be involved in the Department of Health reform process.
- Assist Government in the review of the functions of a number of agencies to improve efficiency and effectiveness.

Service 5: Revenue Assessment and Collection

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	33,860	33,958	36,949	39,421	Variance due to increase in cost of resources free of charge for valuation and legal services and bringing forward of funding for the rewrite of the <i>Stamp Act</i> .
Less Income	3,568	2,666	2,551	2,532	
Net Cost of Service	30,292	31,292	34,398	36,889	
Adjustments ^(a)	(12,322)	(8,339)	(14,235)	(12,347)	
Appropriation for delivery of Service	17,970	22,953	20,163	24,542	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per land item assessed ^(a)	\$8.71	\$7.89	\$9.30	\$9.37	
Average cost per stamp duty return processed.	\$94.73	\$101.25	\$105.11	\$115.21	
Average cost per pay-roll tax return processed	\$96.86	\$119.46	\$135.56	\$138.02	
Average cost per instrument assessed ^(b)	\$21.25	\$22.82	\$15.33	\$16.81	
Full Time Equivalents (FTEs)	256	245	282	283	

(a) Cost per stamp duty return processed - this consists of insurance and rental duty only.

(b) Cost per instrument assessed - this consists of instruments from both lodgements and returns (excluding insurance and rental duty returns).

Major Achievements For 2005-06

- Continued improvement of the revenue administration schemes by:
 - further developing systems and procedures to reduce compliance costs for persons seeking to meet their State taxation obligations or to access grants or subsidies to which they may be entitled;
 - undertaking a land data management project to deal with the matters identified in the analysis phase of the review of computing interfaces in respect of data sources and the processing of that information;
 - finalising the Revenue On-Line (ROL) pay-roll tax suite of services;
 - developing and implementing changes to the pay-roll tax lodgement regime to accommodate mandatory monthly electronic lodgement and payment for high value taxpayers, and to facilitate lodgement of pay-roll tax returns on a quarterly basis;
 - expanding the utilisation of the ROL on-line stamping facility so as to eliminate the collection by return disc-based facility and manual return lodgements;
 - completing an examination of the replacement options for the Revenue Collection Information System (RCIS);
 - commencing a review of the *Stamp Act* for the purpose of a re-write of that *Act* in more contemporary language and having regard to current business practices and the outcomes of the State Tax Review;
 - continuing to build and manage key customer relationships in a manner which avoids duplication of contact with common customers and ensures relationships are managed in a coordinated manner; and
 - continuing to emphasise voluntary compliance through customer education initiatives.

Major Initiatives For 2006-07

- Continuing to assist in the conduct of the State Tax Review and implementing initiatives as required.
- Developing further capacity to address the complex assessing needs of the Office of State Revenue's customers in respect of stamp duties, pay-roll tax and land tax.
- Building and implementing a ROL facility for insurance duty, thereby largely completing the ROL suite of services.
- Continuing to implement the recommendations of the land data management project to improve the quality of land related data maintained by the Office of State Revenue.
- Ensuring appropriate electronic payment facilities are reviewed and implemented to support the collection of revenues assessed by the Office of State Revenue.
- Continuing the *Stamp Act* rewrite project to produce an *Act* in more contemporary language and having regard to current business practices and the outcomes of the State Tax Review.
- Continuing to monitor developments in electronic conveyancing in Western Australia and the proposed national e-Conveyancing system.
- Reviewing opportunities for greater consistency of tax legislation and administration with the other jurisdictions.

Service 6: Grants and Subsidies Administration

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,635	2,702	2,773	3,064	
Less Income	245	185	182	183	
Net Cost of Service	2,390	2,517	2,591	2,881	
Adjustments ^(a)	(90)	(11)	(114)	(41)	
Appropriation for delivery of Service	2,300	2,506	2,477	2,840	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per application/claim processed .	\$6.21	\$7.32	\$7.24	\$7.69	
Full Time Equivalents (FTEs)	31	31	30	30	

Major Achievements For 2005-06

- Continued to explore opportunities to leverage our revenue collection and grant payment processes in order to maximise the use of the department's infrastructure to realise efficiencies across the whole-of-government.
- Continued to liaise with the Commonwealth regarding the administration of the FHOG, including accessing information held by certain Commonwealth agencies to improve compliance.
- Continued the work being undertaken to receive pensioners' and seniors' data automatically from the Commonwealth and the Office of Senior's Interests and Volunteering.
- Integrated the Life Support Equipment Energy Subsidy Scheme operations into the Office of State Revenue, and finalised the supporting computer system for the scheme.
- Undertook a review of the *First Home Owner Grant Act* and reported the outcome to the Treasurer.

Major Initiatives For 2006-07

- Continuing to improve the administration of the grant and subsidy schemes by:
 - undertaking further work to the Office of State Revenue databases to streamline the validation process to check individual eligibility for concessional water and local government rates and the emergency services levy for pensioners and seniors; and
 - increasing the number of visits by the Office of State Revenue officers to financial institutions and local governments to improve the level of education and compliance for the FHOG, and rates and charges scheme requirements, respectively, by these organisations.
- Continuing to liaise with the Commonwealth regarding the administration of the FHOG, including accessing information held by certain Commonwealth agencies to improve compliance.
- Finalising the scope of the e-Concessions project aimed at streamlining the application and validation process for eligible pensioners and seniors for local government and water rates and the emergency services levy concessions, with possible broader application in respect of other government concessions.
- Continuing to explore opportunities to leverage our revenue collection and grant payment processes in order to maximise the use of the department's infrastructure to realise efficiencies across the whole-of-government.

Service 7: Facilitate the Development and Management of Agency Specific Contracts

Helps government agencies effectively manage procurement risks, and establish contracts that deliver value for money and efficiently meet their operational needs.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	11,487	11,066	12,628	13,191	
Less Income	1,687	456	416	414	
Net Cost of Service	9,800	10,610	12,212	12,777	
Adjustments ^(a)	(1,118)	(118)	(1,404)	(609)	
Appropriation for delivery of Service	8,682	10,492	10,808	12,168	

- (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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost of facilitating the development and management of agency specific contracts as a percentage of contract award value.....	1.83%	2.54%	1.28%	1.88%	Contract award value increased by the \$500 million, 15 year contract for the management of the Acacia prison.
Client satisfaction with the timeliness of agency specific contract development	81%	80%	85%	85%	
Full Time Equivalents (FTEs)	123	137	137	140	

Major Achievements For 2005-06

- Consistently achieved high levels of customer satisfaction with the services provided by Client Procurement Services.
- Finalisation of the transition of Health's Tendering and Contracting function to the Department of Treasury and Finance, marking completion of the 'rebadging' program under the Procurement Reform initiative.
- Further improved the quality of standard documents and templates available to agencies to assist them in efficiently managing the procurement process.
- Launched new General Conditions of Contract and associated tender Request documentation that establishes a standardised approach across government for the procurement of information and communications technology (ICT) goods and services. A training program to assist agencies to achieve better value for money outcomes from (ICT) contracts was also implemented.
- Implemented training programs to assist agencies achieve better value for money outcomes from professional advisory services contracts and smarter buying practices.
- Established three Regional Buying Centres and their respective consultative forums.

Major Initiatives For 2006-07

- Continue to enhance the Department of Treasury and Finance procurement service to agencies.
- Continue to improve and streamline contract development processes.
- Develop an improved Annual Forward Procurement Planning process.
- Continue to grow the role of the Regional Buying Centre.

Service 8: Development, Management and Promotion of Whole-of-Government Common Use Contract Arrangements and Systems

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	20,073	16,675	25,999	24,025	
Less Income	9,809	7,012	3,101	3,136	
Net Cost of Service	10,264	9,663	22,898	20,889	
Adjustments ^(a)	(1,911)	(167)	(3,095)	(1,180)	
Appropriation for delivery of Service	8,353	9,496	19,803	19,709	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost of developing, managing and promoting whole of government common use contract arrangements and systems as a percentage of the total annual value of purchases through the arrangements	2.87%	2.68%	3.47%	3.00%	
Percentage of retendered/ redesigned common use arrangements developed and awarded prior to the expiry of the previous arrangement.....	100%	90%	69%	90%	
Full Time Equivalents (FTEs)	91	99	99	101	

Major Achievements For 2005-06

- Awarded twenty common use contracting arrangements which have delivered significant additional savings and buying efficiencies to agencies.
- Implemented an awareness program to assist agency buyers to achieve better value for money outcomes from common use contracting arrangements.
- Implemented new programs to develop the skills of procurement practitioners including tertiary level studies in strategic procurement and a special program for all new procurement staff.
- Implemented the new Contract Development and Management System (CDMS) for use by all the Department of Treasury and Finance procurement staff.
- Implemented a Government Supplier Register to uniquely identify all commercial suppliers that are used by government agencies.
- Established a new Government Contracts Catalogue, for use by all the shared services clusters.
- Continued to provide a range of online technologies products and services to government agencies, such as Service Net and ConferWest.

Major Initiatives For 2006-07

- Continue the program of developing new common use contracting arrangements.
- Continue to enhance awareness programs to assist agency buyers in achieving best value outcomes from common use contracting arrangements.
- Continue to work with the shared services clusters to support their initiatives in the procure-to-pay process.
- Continue the skills development program for the Department of Treasury and Finance procurement practitioners.
- With the involvement of the Office of e-Government, transition the online technologies function from the Department of Treasury and Finance to the Office of Shared Services.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Computing and Office Equipment Replacement 2004-05 to 2014-15 Online Technologies	3,644	524	324	745
Procurement Reforms project	26,988	16,292	16,292	7,520
COMPLETED WORKS				
Accommodation Fit-out	660	660	434	-
Computing and Office Equipment Replacement 2005-06 Program	1,569	1,569	1,569	-
Gem Procurement	3,300	3,300	445	-
Procurement Systems replacement (formerly GEM Equipment) 2005-06 Program	450	450	450	-
Revenue Collection Initiative	72	72	72	-
Software Development Revenue Collection Information System - Planning Funds	250	250	250	-
Treasury Information Management System	2,880	2,880	650	-
NEW WORKS				
Computing and Office Equipment Replacement 2006-07 Program	1,565	-	-	1,565
Confer West Stage3	350	-	-	350
Procurement Systems replacement (formerly GEM Equipment) 2006-07 Program	450	-	-	450
	42,178	25,997	20,486	10,630

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	2,143	2,541	20,486	10,630	5,209	2,005	2,300
	2,143	2,541	20,486	10,630	5,209	2,005	2,300
LESS							
Drawdowns from the Holding Account	1,131	2,115	2,115	2,241	2,033	2,005	2,300
Funding Included in Service Appropriations ^(a)	123	120	2,619	3,775	2,875	-	-
Internal Funds and Balances	489	306	9,861	3,359	-	-	-
Capital Contribution	400	-	5,891	1,255	301	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	43,825	42,241	44,503	47,897	43,322	47,330	48,516
Superannuation	5,212	4,448	4,648	4,530	4,488	4,540	4,540
Grants and subsidies ^(c)	50	10	-	-	-	-	-
Consultancies expense	1,451	-	-	-	-	-	-
Supplies and services	22,612	25,852	37,145	35,399	30,928	29,329	30,340
Accommodation	5,374	4,150	5,054	4,789	4,584	4,584	4,584
Capital user charge	2,368	2,549	2,549	2,582	2,629	2,666	2,666
Depreciation and amortisation	4,197	4,177	4,177	4,507	4,712	4,734	4,734
Loss on disposal of non-current assets	28	-	-	-	-	-	-
Other expenses	1,966	2,091	2,101	2,613	3,121	3,121	3,121
TOTAL COST OF SERVICES	87,083	85,518	100,177	102,317	93,784	96,304	98,501
Income							
User charges and fees	2,798	8,952	4,854	4,852	4,731	4,725	4,503
Other revenue	13,471	2,337	2,337	2,348	2,361	2,370	2,370
Total Income	16,269	11,289	7,191	7,200	7,092	7,095	6,873
NET COST OF SERVICES	70,814	74,229	92,986	95,117	86,692	89,209	91,628
INCOME FROM STATE GOVERNMENT							
Service appropriations	53,791	65,389	71,986	79,971	75,393	77,237	79,072
Resources received free of charge	9,187	8,239	10,150	10,643	11,159	11,713	12,297
Liabilities assumed by the Treasurer	1,036	720	720	720	720	720	720
TOTAL INCOME FROM STATE GOVERNMENT	64,014	74,348	82,856	91,334	87,272	89,670	92,089
SURPLUS (DEFICIENCY) FOR THE PERIOD	(6,800)	119	(10,130)	(3,783)	580	461	461
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(6,800)	119	(10,130)	(3,783)	580	461	461

(a) 2004-05 and 2005-06 amounts are presented on the basis of previous Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 728, 777 and 783 respectively.

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

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	6,611	8,049	7,702	4,532	5,401	5,850	6,086
Restricted cash	-	1,400	140	295	445	595	595
Receivables	2,758	3,182	2,804	2,804	2,804	2,804	2,804
Amounts receivable for services	2,115	2,241	2,241	2,033	2,005	2,300	-
Prepayments	958	332	959	959	959	959	959
Total current assets	12,442	15,204	13,846	10,623	11,614	12,508	10,444
NON-CURRENT ASSETS							
Amounts receivable for services	12,896	14,896	14,896	17,370	20,077	22,511	27,245
Plant and equipment	2,621	1,890	2,538	2,068	2,043	2,853	1,035
Intangibles	225	13,650	6,812	5,927	5,042	4,157	4,157
Other	13,621	291	5,499	5,338	3,569	915	524
Total non-current assets	29,363	30,727	29,745	30,703	30,731	30,436	32,961
TOTAL ASSETS	41,805	45,931	43,591	41,326	42,345	42,944	43,405
CURRENT LIABILITIES							
Payables	848	255	858	858	858	858	858
Provision for employee entitlements	9,986	8,059	9,967	10,097	10,227	10,357	10,357
Accrued salaries	-	804	128	266	404	542	542
Other	-	2,806	-	125	125	125	125
Total current liabilities	10,834	11,924	10,953	11,346	11,614	11,882	11,882
NON-CURRENT LIABILITIES							
Provision for employee entitlements	5,294	4,168	5,383	5,253	5,123	4,993	4,993
Total non-current liabilities	5,294	4,168	5,383	5,253	5,123	4,993	4,993
TOTAL LIABILITIES	16,128	16,092	16,336	16,599	16,737	16,875	16,875
EQUITY							
Contributed equity	21,315	29,880	33,023	34,278	34,579	34,579	34,579
Accumulated surplus/(deficit)	4,362	(41)	(5,768)	(9,551)	(8,971)	(8,510)	(8,049)
Total equity	25,677	29,839	27,255	24,727	25,608	26,069	26,530
TOTAL LIABILITIES AND EQUITY	41,805	45,931	43,591	41,326	42,345	42,944	43,405

(a) 2004-05 and 2005-06 amounts are presented on the basis of previous Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	49,813	61,148	67,745	75,464	70,681	72,503	74,338
Capital contribution	400	-	5,891	1,255	301	-	-
Holding account drawdowns	1,131	2,115	2,115	2,241	2,033	2,005	2,300
Net cash provided by State government	51,344	63,263	75,751	78,960	73,015	74,508	76,638
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(42,044)	(42,043)	(44,305)	(47,759)	(43,184)	(47,192)	(48,378)
Superannuation	(4,212)	(3,728)	(3,928)	(3,810)	(3,768)	(3,820)	(3,820)
Grants and subsidies	(50)	(10)	-	-	-	-	-
Consultancies payments.....	(1,563)	-	-	-	-	-	-
Supplies and services	(15,723)	(17,965)	(21,456)	(24,212)	(19,829)	(17,977)	(18,404)
Accommodation	(5,990)	(4,150)	(5,054)	(4,789)	(4,584)	(4,584)	(4,584)
Capital user charge.....	(2,368)	(2,549)	(2,549)	(2,582)	(2,629)	(2,666)	(2,666)
Goods and services tax	(3,773)	(3,130)	(3,130)	(3,084)	(3,084)	(3,084)	(3,084)
Other.....	(2,130)	(1,730)	(1,740)	(2,127)	(2,760)	(2,760)	(2,760)
Receipts							
User charges and fees.....	-	8,214	4,116	3,866	3,790	3,762	3,540
Goods and services tax	3,440	3,084	3,084	3,084	3,084	3,084	3,084
Other receipts	16,512	2,937	2,937	2,948	2,961	2,970	2,970
Net cash from operating activities.....	(57,901)	(61,070)	(72,025)	(78,465)	(70,003)	(72,267)	(74,102)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(1,558)	(2,421)	(2,495)	(3,510)	(1,993)	(1,642)	(2,300)
Net cash from investing activities.....	(1,558)	(2,421)	(2,495)	(3,510)	(1,993)	(1,642)	(2,300)
NET INCREASE/(DECREASE) IN CASH HELD	(8,115)	(228)	1,231	(3,015)	1,019	599	236
Cash assets at the beginning of the reporting period	14,726	9,677	6,611	7,842	4,827	5,846	6,445
Cash assets at the end of the reporting period.....	6,611	9,449	7,842	4,827	5,846	6,445	6,681

- (a) 2004-05 and 2005-06 amounts are presented on the basis of previous Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Superannuation	607,813	497,855	497,855	496,310	489,907	429,146	437,055
Interest	76,819	66,930	58,178	38,488	38,166	45,249	42,185
Appropriations	10,451,115	11,141,642	11,230,820	12,326,974	12,703,295	13,153,810	13,565,137
Grants, subsidies and transfers	1,006,287	988,261	1,049,046	1,083,205	1,117,659	1,176,420	1,237,325
Other expenses	43,922	37,084	37,690	38,837	40,071	41,309	42,586
Total administered expenses ^(b)	12,185,956	12,731,772	12,873,609	13,983,814	14,389,098	14,845,934	15,324,288
INCOME							
Sale of Goods and Services	23,317	29,133	25,230	33,587	34,366	35,169	35,996
Taxation	3,720,746	3,425,071	4,514,467	4,456,427	4,383,841	4,521,202	4,790,131
Commonwealth grants	4,444,690	4,629,386	4,610,992	4,725,820	4,767,583	4,788,126	4,923,500
Government Enterprises:							
- dividends	469,921	463,403	536,098	456,404	470,380	496,197	508,790
- income tax equivalent regime	288,552	238,349	288,836	284,927	289,194	320,656	320,957
- local government rates equivalent	6,149	6,586	7,203	8,588	8,887	8,973	9,567
Other revenue	3,930,991	4,258,607	4,619,306	5,390,631	5,326,879	5,311,675	5,413,422
Net assets transferred in	-	-	-	6,100	-	-	29,049
Total administered income ^(c)	12,884,366	13,050,535	14,602,132	15,362,484	15,281,130	15,481,998	16,031,412

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

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

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash resources.....	1,465,032	641,222	2,211,270	1,572,918	1,506,352	1,463,949	1,817,331
Investments	138,209	52,954	137,309	136,359	135,359	134,309	133,209
Treasurer's advances	8,485	14,679	12,383	9,542	7,542	5,542	3,542
Interest receivable	14,861	12,579	14,861	14,861	14,861	14,861	14,861
Pension recoups receivable	516	2,320	507	507	507	507	507
Government enterprises:							
- dividends receivable	147,617	50,744	40,200	39,362	45,843	49,544	52,169
- tax equivalents receivable.....	104,969	67,335	74,155	57,732	76,069	101,631	103,116
Revenue received from agencies receivable.....	3,273	17,747	3,273	3,273	3,273	3,273	3,273
Capital ledgers.....	12,045	13,706	13,122	12,059	11,393	10,199	8,492
Other receivables	215,977	215,900	215,488	215,957	216,026	216,034	216,054
Total Administered Current Assets	2,110,984	1,089,186	2,722,568	2,062,570	2,017,225	1,999,849	2,352,554
ADMINISTERED NON-CURRENT ASSETS							
Investments	273,258	265,157	258,258	258,258	258,258	258,258	258,258
Capital ledgers and other repayable borrowings.....	119,011	105,657	104,054	118,429	137,487	106,997	69,047
Equity in agencies	2,738,143	4,067,156	3,966,980	6,472,602	7,992,185	9,266,763	10,189,165
Total Administered Non-Current Assets	3,130,412	4,437,970	4,329,292	6,849,289	8,387,930	9,632,018	10,516,470
TOTAL ADMINISTERED ASSETS.....	5,241,396	5,527,156	7,051,860	8,911,859	10,405,155	11,631,867	12,869,024
ADMINISTERED CURRENT LIABILITIES							
Borrowings.....	244,000	-	-	-	-	-	-
Superannuation	475,961	482,506	483,415	499,961	519,209	508,569	508,569
Interest payable	6,897	14,011	6,899	6,899	6,899	6,899	6,899
Appropriations payable.....	163,967	158,424	183,990	158,711	119,101	135,806	97,380
Trust account liabilities.....	1,297,829	849,217	1,225,855	1,183,138	1,219,383	1,281,568	1,272,493
Other payables.....	16,029	5,627	15,169	14,567	14,081	13,640	13,217
Total Administered Current Liabilities.....	2,204,683	1,509,785	1,915,328	1,863,276	1,878,673	1,946,482	1,898,558
ADMINISTERED NON-CURRENT LIABILITIES							
Borrowings.....	49,318	568,150	49,318	49,318	49,318	49,318	49,318
Superannuation	5,149,989	5,030,290	5,164,430	5,160,779	5,131,477	5,052,054	4,980,540
Appropriations payable.....	1,524,377	2,003,760	1,995,783	2,508,059	3,105,494	3,716,020	4,389,206
Trust account liabilities.....	-	101,783	5,982	12,267	18,852	25,432	32,012
Other liabilities.....	52,945	38,414	47,553	43,394	40,049	37,006	34,088
Total Administered Non-Current Liabilities	6,776,629	7,742,397	7,263,066	7,773,817	8,345,190	8,879,830	9,485,164
TOTAL ADMINISTERED LIABILITIES.....	8,981,312	9,252,182	9,178,394	9,637,093	10,223,863	10,826,312	11,383,722

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SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Appropriations.....	(9,809,207)	(10,552,781)	(10,579,164)	(11,655,393)	(11,987,138)	(12,411,822)	(12,802,545)
Grants, subsidies and transfers.....	(937,245)	(991,621)	(1,045,618)	(1,075,385)	(1,108,020)	(1,165,429)	(1,250,686)
Superannuation.....	(452,622)	(481,601)	(476,461)	(483,915)	(500,461)	(519,709)	(509,069)
Interest.....	(83,904)	(66,930)	(58,178)	(38,488)	(38,166)	(45,249)	(42,185)
Other payments.....	(25,182)	(37,254)	(38,605)	(38,798)	(39,951)	(41,244)	(42,576)
Financing Activities							
Net change in Treasurer's Advance.....	(72,083)	(5,577)	(12,304)	(8,841)	(2,000)	(2,000)	(2,000)
Repayment of borrowings.....	(477,139)	-	(244,000)	-	-	-	-
Accrual appropriations receivable paid to agencies.....	(161,880)	(163,527)	(161,011)	(184,466)	(158,216)	(114,651)	(127,698)
Other payment.....	-	-	10,000	25,216	38,698	16,677	9,123
Net movement in trust account balances and other financing transactions.....	53,210	(10,423)	(65,992)	(36,432)	42,830	68,765	(2,495)
Investing Activities							
Equity/capital contribution payments.....	(842,351)	(1,272,238)	(1,224,583)	(2,504,849)	(1,518,001)	(1,273,096)	(920,375)
TOTAL ADMINISTERED CASH OUTFLOWS.....	(12,807,972)	(13,581,452)	(13,895,416)	(16,000,851)	(15,269,925)	(15,487,258)	(15,690,006)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Sale of goods and services.....	23,317	29,133	25,230	33,587	34,366	35,169	35,996
Taxation.....	3,736,135	3,425,071	4,514,467	4,456,427	4,383,841	4,521,202	4,790,131
Commonwealth grants.....	4,444,690	4,629,386	4,603,092	4,714,020	4,754,883	4,774,526	4,934,500
Government enterprises:							
- dividends.....	436,192	461,323	519,748	456,767	463,647	492,538	505,806
- income tax Tax Equivalent Regime.....	309,574	269,744	321,501	308,695	278,191	293,531	318,076
- local government rates Tax Equivalent Regime.....	5,250	7,321	6,463	8,119	8,818	8,965	9,547
Consolidated Fund revenue received from agencies.....	2,903,586	3,162,561	3,468,276	3,989,539	3,811,866	3,705,062	3,749,198
Capital user charge.....	769,020	846,739	850,500	1,145,764	1,276,226	1,364,093	1,413,419
Interest.....	88,795	88,634	134,084	92,584	82,484	88,593	98,105
Loan guarantee fees.....	14,484	15,426	16,027	18,139	18,985	19,556	19,802
Pension recoups.....	14,962	13,792	14,326	14,361	14,609	14,864	15,017
Other operating receipts.....	143,560	129,967	137,941	131,341	123,704	119,823	118,590
Financing Activities							
Proceeds of borrowings.....	-	227,099	-	-	-	-	-
Capital ledgers repaid by agencies.....	16,899	13,735	13,720	11,122	9,519	8,659	7,261
Other receipts.....	118,187	15,000	25,000	6,100	9,530	38,470	70,541
TOTAL ADMINISTERED CASH INFLOWS.....	13,024,651	13,334,931	14,650,375	15,386,565	15,270,669	15,485,051	16,085,989
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	216,679	(246,521)	754,959	(614,286)	744	(2,207)	395,983

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DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Superannuation	607,813	497,855	497,855	496,310	489,907	429,146	437,055
Interest	76,819	66,930	58,178	38,488	38,166	45,249	42,185
<i>Appropriations for:</i>							
Outputs	9,142,865	9,787,956	9,881,335	10,876,951	11,260,178	11,615,465	11,948,854
Salaries and allowances	48,081	50,434	52,163	55,880	56,953	58,464	59,491
<i>Community Service Obligations</i>							
Electricity Corporation	42,718	49,649	35,969	-	-	-	-
Electricity Networks Corporation (Western Power (Networks))	-	-	814	-	-	-	-
Electricity Retail Corporation (Synergy)	-	-	9,167	38,007	39,413	40,891	42,472
Forest Products Commission	1,100	1,070	1,070	2,370	2,370	2,370	2,370
Regional Power Corporation (Horizon Power)	-	-	3,474	16,184	21,910	24,007	25,674
Water Corporation	288,253	340,416	340,790	367,647	381,815	403,502	417,172
Western Australian Land Authority	22,444	22,922	33,270	21,540	25,217	22,262	20,867
<i>Total community service obligations</i>	<i>354,515</i>	<i>414,057</i>	<i>424,554</i>	<i>445,748</i>	<i>470,725</i>	<i>493,032</i>	<i>508,555</i>
<i>Other appropriations</i>	<i>905,654</i>	<i>889,195</i>	<i>872,768</i>	<i>948,395</i>	<i>915,439</i>	<i>986,849</i>	<i>1,048,237</i>
Total appropriations	10,451,115	11,141,642	11,239,820	12,326,974	12,703,295	13,153,810	13,565,137
<i>Grants, subsidies and transfers</i>							
Acts of Grace Payments	22	1	1	1	1	1	1
Aerial Shark Surveillance Program	131	-	162	170	177	185	194
Albany Port Authority	173	151	151	-	-	-	-
ANZAC Day Trust	270	300	300	300	300	300	300
Armadale Redevelopment Authority	1,180	1,470	1,470	2,750	1,200	1,200	1,250
Broome Port Authority	-	575	1,150	1,335	420	405	405
City of Subiaco	-	-	-	6,100	-	-	-
Commonwealth grants on-passed - Jervoise Bay Infrastructure	13,000	-	-	-	-	-	-
Commonwealth grants on-passed - all other	638	1,107	1,107	1,107	690	690	-
Consumer Utilities Program (WACOSS)	-	-	-	170	170	170	-
First Home Owners Scheme	124,691	123,100	138,000	129,100	131,200	133,300	135,400
Gold Corporation Act 1987	-	55	55	55	55	55	55
GST administration	58,480	59,300	61,000	63,000	64,400	65,500	66,600
HIH Insurance - Assistance to Local Government	-	-	3,700	300	-	-	-
HIH Insurance Rescue Package	-	600	600	600	500	500	500
Incidentals	23	60	60	65	70	75	80
Life Support Equipment Electricity Subsidy Scheme	-	534	1,000	550	560	-	-
Local Government Financial Assistance Grants	104,958	109,012	111,112	115,580	119,913	124,290	128,900
Local Government Road Funding	72,379	75,279	76,279	79,019	81,904	84,989	88,100
Losses on indemnities under the Housing Loan Guarantee Act	-	185	185	190	190	195	195
Non-government schools	503,247	500,618	505,418	545,371	584,505	626,447	671,500
Office of Health Review	-	1,223	-	-	-	-	-
On-road diesel subsidies	6,894	5,000	8,000	8,200	8,400	8,620	8,830
Pensioner Concessions - Emergency Services Levy	6,794	6,390	8,824	9,455	10,114	10,809	11,100
Pensioner Concessions - Local government and water rates	43,340	46,473	48,500	52,000	55,640	59,430	63,350
Provision for unfunded liabilities in the Government Insurance Fund	11,126	600	4,028	-	-	-	-
Public swimming pools - operating costs subsidy	271	300	300	300	300	300	300
Rebates to Community Banks	-	8	8	8	8	8	8
Refund of past years revenue collections - public corporations	-	100	100	500	500	500	500
Refund of past years revenue - all other	12,762	11,000	22,355	18,675	20,180	21,865	23,285
Search for HMAS Sydney (II)	-	-	500	-	-	-	-
Stamp duty concessions on farming properties	320	150	350	300	250	200	150

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Stamp Duty Rebate Scheme	-	-	6,000	1,000	-	-	-
State Property - Emergency Services Levy	7,662	9,324	9,000	9,000	9,000	9,000	9,000
Thermoregulatory Dysfunction Energy Subsidy Scheme	-	-	-	485	555	555	555
Tobacco Control Act 1990	17,363	17,753	17,753	18,153	18,607	19,081	19,517
Unclaimed Money Act 1990	431	500	500	500	500	500	500
Unclaimed Money (Superannuation and RSA Providers) Act 2003	81	50	200	50	50	50	50
Water Corporation of Western Australia - Part Reimbursement of Land Sales	-	10	1,645	716	700	800	900
Water Corporation of Western Australia - State Water Strategy Rebate Scheme	13,372	9,000	11,520	9,000	-	-	-
Western Australian Building Management Authority - Interest	6,679	5,633	5,633	4,700	4,000	3,700	3,000
Wine Equalisation Tax Rebate	-	2,400	2,100	4,400	2,600	2,700	2,800
Total grants, subsidies and transfers	1,006,287	988,261	1,049,066	1,083,205	1,117,659	1,176,420	1,237,325
<i>Other expenses</i>							
Services and contracts	23,317	25,230	25,230	25,987	26,766	27,569	28,396
Doubtful debts	15,223	-	-	-	-	-	-
Other	5,382	11,854	12,460	12,850	13,305	13,740	14,190
Total other expenses	43,922	37,084	37,690	38,837	40,071	41,309	42,586
TOTAL	12,185,956	12,731,772	12,873,609	13,983,814	14,389,098	14,845,934	15,324,288

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Sale of Goods and Services	23,317	29,133	25,230	33,587	34,366	35,169	35,996
<i>Taxation</i>							
Betting tax	56,771	55,671	61,767	64,327	48,841	50,802	52,631
Debits tax	99,553	8,000	8,000	-	-	-	-
Land tax	314,823	322,000	326,000	345,700	369,800	396,400	424,000
Metropolitan Regional Improvement Tax	47,128	54,000	54,000	57,500	61,000	66,000	70,500
Payroll tax	1,226,202	1,247,000	1,356,500	1,431,600	1,533,200	1,624,400	1,718,500
Stamp duty - conveyancing and transfers	1,218,334	1,003,700	1,843,400	1,745,700	1,572,700	1,624,700	1,734,500
Stamp duty - insurance	279,928	295,500	305,500	317,000	330,500	346,500	364,500
Stamp duty - mortgages	139,595	109,700	171,300	101,600	82,800	6,900	-
Stamp duty - motor vehicles	302,525	298,500	351,000	368,500	382,500	402,000	422,000
Stamp duty - other financial and capital transactions	12	-	-	-	-	-	-
Stamp duty - rental business	29,010	28,000	34,000	21,000	-	-	-
Stamp duty - shares and marketable securities	4,975	-	-	-	-	-	-
Stamp duty - other	1,890	3,000	3,000	3,500	2,500	3,500	3,500
Total taxation	3,720,746	3,425,071	4,514,467	4,456,427	4,383,841	4,521,202	4,790,131
<i>Commonwealth grants</i>							
Commonwealth mirror taxes	16,137	18,500	18,500	20,800	21,000	21,500	25,500
Compensation (companies regulation)	16,087	16,601	16,501	17,043	17,371	17,810	18,300
Competition reform	53,568	39,450	70,950	-	-	-	-
Debt redemption assistance	3,072	23,600	23,600	-	-	-	-
GST grants	3,646,228	3,819,600	3,765,500	3,929,200	3,924,100	3,893,700	3,972,000
Local government (financial assistance grants)	104,958	109,012	111,112	115,580	119,913	124,290	128,900
Local government (road funding)	72,379	75,279	76,279	79,019	81,904	84,989	88,100
Non government schools	503,247	500,618	505,418	545,371	584,505	626,447	671,500
Pensioner concession assistance	16,670	17,200	17,300	17,700	18,100	18,700	19,200
Other	12,344	9,526	5,832	1,107	690	690	-
Total Commonwealth grants	4,444,690	4,629,386	4,610,992	4,725,820	4,767,583	4,788,126	4,923,500
GOVERNMENT ENTERPRISES							
<i>Dividends</i>							
Albany Port Authority	826	35	468	448	595	1,007	1,144
Broome Port Authority	-	-	-	-	-	288	288
Bunbury Port Authority	1,480	1,724	1,781	2,300	2,037	2,724	3,345
Country Housing Authority	-	18	18	18	18	18	-
Dampier Port Authority	24	526	526	935	937	961	917
Electricity Corporation	105,783	88,003	112,032	-	-	-	-
Electricity Generation Corporation (Verve Energy)	-	-	-	11,075	2,392	4,069	1,958
Electricity Networks Corporation (Western Power (Networks))	-	-	-	62,429	64,090	58,287	62,368
Electricity Retail Corporation (Synergy)	-	-	-	1,766	15,279	6,277	4,929
Esperance Port Authority	1,563	1,301	1,218	2,432	3,205	3,915	3,855
Forest Products Commission	-	-	-	-	370	1,988	1,572
Fremantle Port Authority	4,929	3,640	4,929	3,641	3,906	3,559	4,076
Geraldton Port Authority	472	-	804	3,343	4,657	4,774	4,892
Gold Corporation	1,281	1,675	493	1,630	2,221	2,489	3,107
Port Hedland Port Authority	1,029	1,798	1,335	1,259	2,369	5,172	5,227
Regional Power Corporation (Horizon Power)	-	-	-	-	2,298	2,432	3,081
Subiaco Redevelopment Authority	2,000	5,000	-	-	7,000	7,000	-
Water Corporation of Western Australia	311,477	321,608	353,418	348,485	338,443	370,581	387,313
Western Australian Land Authority	35,560	35,560	54,202	13,751	17,251	17,251	17,251
Western Australian Treasury Corporation	3,497	2,515	4,874	2,892	3,312	3,405	3,467
Total dividends	469,921	463,403	536,098	456,404	470,380	496,197	508,790

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
<i>Income Tax Equivalent Regime</i>							
Albany Port Authority	1,347	30	309	383	510	863	980
Broome Port Authority	-	100	-	-	-	247	247
Bunbury Port Authority	1,578	1,599	1,754	2,265	2,006	2,683	3,295
Bunbury Water Board	680	626	656	590	527	553	469
Busselton Water Board	753	224	224	227	231	250	800
Dampier Port Authority	-	451	451	801	803	822	786
Electricity Corporation	75,141	42,240	51,927	-	-	-	-
Electricity Generation Corporation (Verve Energy)	-	-	-	-	4,328	15,063	1,364
Electricity Networks Corporation (Western Power (Networks))	-	-	14,683	52,209	50,843	54,432	54,305
Electricity Retail Corporation (Synergy)	-	-	2,400	7,039	7,457	9,582	10,394
Esperance Port Authority	1,257	213	340	1,000	500	700	1,916
Fremantle Port Authority	4,160	3,784	3,784	3,856	3,572	4,099	3,866
Geraldton Port Authority	1,019	1,008	689	2,865	3,992	4,092	4,193
Gold Corporation	-	1,426	1,204	1,586	1,778	2,219	2,219
Port Hedland Port Authority	-	1,627	1,144	1,079	2,030	2,976	4,481
Regional Power Corporation (Horizon Power)	-	-	-	-	898	4,368	5,473
Water Corporation of Western Australia	181,096	171,599	188,883	196,175	190,988	195,305	203,101
Western Australian Land Authority	17,994	11,327	18,322	12,013	15,813	19,430	20,048
Western Australian Treasury Corporation	3,527	2,095	2,066	2,839	2,918	2,972	3,020
Total Income Tax Equivalent Regime	288,552	238,349	288,836	284,927	289,194	320,656	320,957
<i>Local Government Rates Equivalent</i>							
Albany Port Authority	106	68	90	93	95	97	100
Broome Port Authority	-	5	5	5	5	5	5
Bunbury Port Authority	126	144	178	148	186	191	210
Dampier Port Authority	12	13	13	13	14	14	15
Electricity Corporation	900	1,413	1,060	-	-	-	-
Electricity Generation Corporation (Verve Energy)	-	-	70	576	589	604	609
Electricity Networks Corporation (Western Power (Networks))	-	-	166	1,121	1,155	1,183	1,194
Electricity Retail Corporation (Synergy)	-	-	75	150	226	188	207
Esperance Port Authority	226	180	230	230	235	240	245
Fremantle Port Authority	204	239	239	239	251	264	277
Geraldton Port Authority	159	140	160	160	160	160	160
Regional Power Corporation (Horizon Power)	-	-	42	504	520	532	537
Perth Market Authority	157	146	159	146	146	146	146
Port Hedland Port Authority	202	215	215	224	233	242	252
Potato Marketing Corporation	3	-	-	-	-	-	-
Water Corporation of Western Australia	2,259	2,895	2,895	3,040	3,200	3,280	3,362
Western Australian Land Authority	1,795	1,128	1,606	1,939	1,872	1,827	2,248
Total Local Government Rates Equivalent	6,149	6,586	7,203	8,588	8,887	8,973	9,567
Total Government Enterprises	764,622	708,338	832,137	749,919	768,461	825,826	839,314
<i>Other revenue</i>							
Consolidated Fund revenue received from agencies	2,895,091	3,162,340	3,468,055	3,989,218	3,811,645	3,705,541	3,749,198
Capital user charge	769,859	846,739	849,626	1,145,743	1,276,227	1,364,093	1,413,419
Interest	91,530	88,634	134,084	92,584	82,484	88,593	98,105
Pension recoups	13,930	15,501	13,573	13,606	13,834	14,069	14,308
Loan guarantee fees	13,707	15,426	16,027	18,139	18,985	19,556	19,802
Gold State superannuation reimbursement	130,415	118,570	118,570	113,921	105,899	101,633	100,000
Other revenue	16,459	11,397	19,371	17,420	17,805	18,190	18,590
Total other revenue	3,930,991	4,258,607	4,619,306	5,390,631	5,326,879	5,311,675	5,413,422
<i>Net assets transferred in</i>							
Net assets transferred in - Subiaco Redevelopment Authority wind-up	-	-	-	6,100	-	-	29,049
Total net assets transferred in	-	-	-	6,100	-	-	29,049
TOTAL	12,884,366	13,050,535	14,602,132	15,362,484	15,281,130	15,481,998	16,031,412

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Grants and subsidies from the Commonwealth	50	10	-	-	-	-	-
TOTAL	50	10	-	-	-	-	-

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	3,000	2,600	2,056	2,053
GST receipts on sales.....	440	484	485	485
Land Tax Liability Enquiry Fee	2,984	2,640	2,640	2,640
State Fleet revenues	620	750	900	900
Revenues from the Executive Vehicle Scheme.....	62	56	56	56
Procurement Service Fees.....	12,404	7,250	3,573	3,334
Corporate Services to Office of Energy and Economic Regulation Authority.....	364	375	377	380
Other receipts	78	80	50	50
TOTAL	19,952	14,235	10,137	9,898

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

OFFICE OF NATIVE TITLE

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

DIVISION 10

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 44 Net amount appropriated to deliver services	43,941	27,952	-	44,173	11,796	11,516	9,151
Total appropriations provided to deliver services	43,941	27,952	-	44,173	11,796	11,516	9,151
GRAND TOTAL	43,941	27,952	-	44,173	11,796	11,516	9,151

MISSION

To provide effective leadership for the resolution of Native Title matters through negotiation and sustainable agreements.

SIGNIFICANT ISSUES AND TRENDS

- There is a significant policy shift, at the state and national level, to resolve Native Title matters by agreement rather than litigation.
- Pressure is increasing to develop alternative strategies for the resolution of Native Title Determination Applications (NTDA) that do not meet the legal requirements for Native Title.
- The Commonwealth Government has initiated a Native Title reform program focussing on the efficiency and effectiveness of the Native Title system and processes.
- Developing Native Title case law has a significant impact on the negotiation of NTDA.
- There is an increasing demand for access to land for the purpose of exploration and mining, in response to the state's resource boom.
- An increasing number of Native Title determinations have increased the pressure to clarify the rights and interests of Native Title holders under State Government policies and practices.
- There is a growing need for greater awareness within State Government agencies of the impact of the *Native Title Act 1993* on the doing of Government business.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Ord Final Agreement	5,020	4,645	4,365	2,000

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Native Title policy development, implementation and negotiation	6,255	28,682	8,949	55,016			
Total Cost of Services	6,255	28,682	8,949	55,016	22,607	22,327	9,962
<i>Less Income</i>	50	-	-	5	5	5	5
Net Cost of Services	6,205	28,682	8,949	55,011	22,602	22,322	9,957
Adjustments ^(a)	37,736	(730)	(8,949)	(10,838)	(10,806)	(10,806)	(806)
Appropriation provided to deliver Services.	43,941	27,952	-	44,173	11,796	11,516	9,151
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	43,941	27,952	-	44,173	11,796	11,516	9,151

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

RESOURCE AGREEMENT

The following outcome, service and financial information is the subject of a Resource Agreement signed by the Minister, 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.	Resolution of Native Title matters in accordance with Government Policy.	1. Native Title policy development, implementation and negotiation

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Resolution of Native Title matters in accordance with Government Policy.					
Percentage change in number of outstanding claims awaiting resolution	7.6%	-8%	-9.5%	-8.7%	
Ratio of consent agreements to litigated decisions.....	9:7	23:6	10:10	18:12	

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

Service 1: Native Title Policy Development, Implementation and Negotiation

The Office of Native Title (Office) implements Government's Native Title objectives through:

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	6,255	28,682	8,949	55,016	Variation due to repositioning grants monies.
Less Income	50	-	-	5	
Net Cost of Service	6,205	28,682	8,949	55,011	
Adjustments ^(a)	37,736	(730)	(8,949)	(10,838)	
Appropriation for delivery of Service	43,941	27,952	- ^(b)	44,173	

(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) 2005-06 estimated actual is related to the appropriation funding not being drawn down due to cash reserve being sufficient to meet service requirements.

Key Efficiency Indicators

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per Native Title determination ...	\$173,234	\$151,109	\$896,979	\$105,849	
Average cost per Native Title application managed	\$54,857	\$193,260	\$224,245	\$150,417	
Average time taken to achieve resolution of prioritised Native Title applications	1.6 yrs	7.5 yrs	3.0 yrs	3.0 yrs	
Full Time Equivalents (FTEs)	22	31	30	34	

Major Achievements For 2005-06

- Negotiations for the Ord Final Agreement paving the way for the release of land for agricultural, industrial and residential development and the creation of six new conservation parks in the East Kimberley were concluded.
- Reached in-principle agreement for a consent determination in the Miriuwung Gajerrong 4, Ngarla and Ngarla 2 NTDA.
- Finalised litigated determinations of Native Title in the Bardi Jawi, Rubibi (resolving Rubibi 1, Rubibi 17 and Walman Yawuru applications), and Wongatha NTDA.
- Published 'Preparing Connection Material: A Practical Guide' to assist the development of skills for Native Title parties involved in the production and assessment of connection reports.
- The first scheduled review of Western Australia's Regional Standard Heritage Agreements was undertaken to assess the impact of the Goldfield's Agreement in reducing the backlog of low impact mineral tenement applications.
- Established a dedicated Future Acts Unit to develop whole of government policies and strategies to ensure that future acts are valid and granted expeditiously.

Major Initiatives For 2006-07

- Continue to pursue opportunities for the determination of Native Title in accordance with Government policy favouring negotiation rather than litigation, where possible.
- Will lead the negotiations to settle compensation and facilitate future development in the Broome area.
- Will lead the implementation of the Ord Final Agreement.
- Continue its program of reviewing the impact of Regional Standard Heritage Protection Agreements in reducing the backlog of mineral exploration applications within the *Native Title Act 1993 (Cth)* processes.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^{(a) (d)} \$'000	2005-06 Budget ^{(a) (d)} \$'000	2005-06 Estimated Actual ^{(a) (d)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,816	1,782	2,145	2,540	2,509	2,509	2,509
Superannuation	208	190	256	187	187	187	187
Grants and subsidies ^(c)	2,198	21,916	4,463	49,445	16,995	16,715	4,350
Supplies and services	1,843	4,466	1,808	2,403	2,475	2,475	2,475
Accommodation	154	314	242	363	363	363	363
Capital user charge	36	14	35	14	14	14	14
Depreciation and amortisation	-	-	-	64	64	64	64
TOTAL COST OF SERVICES	6,255	28,682	8,949	55,016	22,607	22,327	9,962
Income							
Grants and subsidies	50	-	-	-	-	-	-
Other revenue	-	-	-	5	5	5	5
Total Income	50	-	-	5	5	5	5
NET COST OF SERVICES	6,205	28,682	8,949	55,011	22,602	22,322	9,957
INCOME FROM STATE GOVERNMENT							
Service appropriations	43,941	27,952	-	44,173	11,796	11,516	9,151
Resources received free of charge	503	719	702	722	722	722	722
Liabilities assumed by the Treasurer	24	11	24	25	25	25	25
TOTAL INCOME FROM STATE GOVERNMENT	44,468	28,682	726	44,920	12,543	12,263	9,898
SURPLUS (DEFICIENCY) FOR THE PERIOD	38,263	-	(8,223)	(10,091)	(10,059)	(10,059)	(59)

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 22, 30 and 34 respectively. Refer Details of Controlled Grants and Subsidies table for further information.
- (c) The financial statement has been back cast for comparative purposes for 2004-05 through to 2005-06. Prior administration of the Office was through Service 8 in the Department of Premier and Cabinet.

**BALANCE SHEET
(Controlled)**

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	2,207	-	5,607	1,225	1,500	1,507	1,615
Restricted cash	40,000	30,000	30,000	23,958	13,958	3,958	3,958
Receivables	-	-	-	429	159	157	54
Total current assets	42,207	30,000	35,607	25,612	15,617	5,622	5,627
NON-CURRENT ASSETS							
Plant and equipment.....	264	268	574	17	-	-	-
Other.....	-	-	-	177	130	66	2
Total non-current assets	264	268	574	194	130	66	2
TOTAL ASSETS.....	42,471	30,268	36,181	25,806	15,747	5,688	5,629
CURRENT LIABILITIES							
Provision for employee entitlements	229	301	301	262	262	262	262
Accrued salaries	-	9	9	32	32	32	32
Total current liabilities	229	310	310	294	294	294	294
NON-CURRENT LIABILITIES							
Provision for employee entitlements	154	142	142	186	186	186	186
Other.....	-	-	-	3,958	3,958	3,958	3,958
Total non-current liabilities	154	142	142	4,144	4,144	4,144	4,144
TOTAL LIABILITIES.....	383	452	452	4,438	4,438	4,438	4,438
EQUITY							
Contributed equity	3,825	-224	5,689	31,459	31,459	31,459	31,459
Accumulated surplus / (deficit)	38,263	30,040	30,040	(10,091)	(20,150)	(30,209)	(30,268)
Total equity	42,088	29,816	35,729	21,368	11,309	1,250	1,191
TOTAL LIABILITIES AND EQUITY	42,471	30,268	36,181	25,806	15,747	5,688	5,629

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The financial statement has been back cast for comparative purposes for 2004-05 through to 2005-06. Prior administration of the Office was through Service 8 in the Department of Premier and Cabinet.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (b)} \$'000	2005-06 Estimated Actual ^{(a) (b)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	43,727	-	-	44,173	11,796	11,516	9,151
Net cash provided by State government	43,727	-	-	44,173	11,796	11,516	9,151
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,678)	(2,076)	(2,076)	(2,508)	(2,509)	(2,509)	(2,509)
Superannuation	(137)	(168)	(168)	(162)	(162)	(162)	(162)
Grants and subsidies	(2,237)	(4,463)	(4,463)	(49,445)	(16,995)	(16,715)	(4,350)
Supplies and services	(1,127)	(1,106)	(1,106)	(1,681)	(1,753)	(1,753)	(1,753)
Accommodation.....	(165)	(242)	(242)	(363)	(363)	(363)	(363)
Capital user charge.....	(36)	(35)	(35)	(14)	(14)	(14)	(14)
Goods and Services Tax	-	-	-	(5,149)	(1,911)	(1,883)	(647)
Receipts							
Goods and Services Tax	-	-	-	4,720	2,181	1,885	750
Other receipts	43	-	-	5	5	5	5
Net cash from operating activities.....	(5,337)	(8,090)	(8,090)	(54,597)	(21,521)	(21,509)	(9,043)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(37)	(68)	(68)	-	-	-	-
Net cash from investing activities.....	(37)	(68)	(68)	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	38,353	(8,158)	(8,158)	(10,424)	(9,725)	(9,993)	108
Cash assets at the beginning of the reporting period	3,854	42,207	42,207	-	25,183	15,458	5,465
Net cash transferred to / from other agencies.....	-	(4,049)	1,558	35,607	-	-	-
Cash assets at the end of the reporting period.....	42,207	30,000	35,607	25,183	15,458	5,465	5,573

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) The financial statement has been back cast for comparative purposes for 2004-05 through to 2005-06. Prior administration of the Office was through Service 8 in the Department of Premier and Cabinet.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Native Title Agreements.....	2,198	21,916	4,463	49,445	16,995	16,715	4,350
TOTAL.....	2,198	21,916	4,463	49,445	16,995	16,715	4,350

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Executive Vehicle Scheme	-	-	-	5
GST input credits	-	-	-	4,720
TOTAL.....	-	-	-	4,725

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

OFFICE OF THE AUDITOR GENERAL

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

DIVISION 11

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 45 Net amount appropriated to deliver services	12,183	12,826	13,936	13,939	14,055	14,300	14,531
Amount Authorised by Other Statutes - Financial Administration and Audit Act 1985 ^(a)	222	237	242	249	256	264	267
Total appropriations provided to deliver services	12,405	13,063	14,178	14,188	14,311	14,564	14,798
CAPITAL							
Capital Contribution	72	27	27	-	108	145	255
GRAND TOTAL	12,477	13,090	14,205	14,188	14,419	14,709	15,053

- (a) The recommendation by the *Salaries and Allowance Tribunal* on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

To enable the Auditor General to meet Parliament's need for independent and impartial information regarding public sector accountability and performance.

SIGNIFICANT ISSUES AND TRENDS

- A combination of factors is placing mounting pressure on the assurance audit function of the Office of the Auditor General (Office). The impact of revised Australian Accounting and Auditing Standards has added to the complexity of the audit task, whilst new Western Australian financial management legislation has reduced available time for finalisation of attest audit. This is taking place in the context of a shrinking labour market of audit and finance professionals, and escalating difficulty in attracting and retaining qualified assurance audit staff. These pressures combine to drive up audit costs across both in-house and contracted services, and highlight the importance of the Office's human resource and knowledge management functions in coming years.
- Our 2005-06 audit experience indicates that many agencies will need to better prioritise the timeliness and quality of their financial statements and performance indicators in the coming year to meet the earlier legislative tabling requirements. The submission of good quality statements will be a particular challenge for agencies, with the potential to impact on audit costs and timing if significant additional work is required by the Office.

- The implementation of shared corporate service centres will preclude reliance on previous audit work and require comprehensive evaluation of controls in the shared service centres and individual agencies. Substantial audit effort will be required to re-establish appropriate levels of assurance regarding the new systems and accountability relationships. There is however potential in the longer term for audit efficiencies to be gained through the standardisation of public sector corporate services and a reduction in the diversity and number of corporate information systems.
- The introduction of the Australian Equivalents of the International Financial Reporting Standards (AIFRS) has impacted upon around two thirds of existing Australian Accounting Standards, with a potential for further impact as review and implementation continues. The Office will continue to monitor and assist agencies in addressing the wide ranging implications of these changes for public sector entities and, as such, anticipates continuing increases to the scope and complexity of the Office's assurance workload over several years.
- There is increased community expectation for a broader accountability role for the Office. 2005-06 has seen continued growth from previous year in the requests for advice, consultation and investigations from both public sector agencies and members of the public. Further, there has been an increase in formal Public Interest Disclosures (PIDs), with five potential PIDs assessed and three registered in 2005-06.
- The ever increasing importance and complexity of information technology systems in government continues to require more audit effort. Parliamentary reports and audit findings arising from examination of these systems continue to grow in importance as a major product of this Office. Some common themes arising from audit work across the sector relate to the need to improve business continuity planning, security and disaster recovery.
- Public Accounts Committee of the Legislative Assembly (PAC) has established a new approach to following up reports tabled by the Auditor General. Agencies are required to report to the PAC on their progress with implementing Auditor General recommendations within 12 months of tabling. The PAC will table, in their annual report, their findings in relation to agencies' progress. This process is expected to make a valuable contribution to accountability. The Office has discontinued its approach of routinely following up reports, though it will assist the PAC with its process whenever requested to do so.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Disaggregation costs associated with Western Power	400	400	400	400
Introduction of the new International Auditing Standards.....	442	442	442	442
New Executive Structure	208	208	208	208

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Performance Auditing.....	12,693	13,043	14,158	14,176			
Total Cost of Services	12,693	13,043	14,158	14,176	14,202	14,471	14,596
<i>Less Income</i>	66	20	20	20	20	20	20
Net Cost of Services	12,627	13,023	14,138	14,156	14,182	14,451	14,576
Adjustments ^(a)	(222)	40	40	32	129	113	222
Appropriation provided to deliver Services.	12,405	13,063	14,178	14,188	14,311	14,564	14,798
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	72	27	27	-	108	145	255
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	12,477	13,090	14,205	14,188	14,419	14,709	15,053

(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.	An informed Parliament on public sector accountability and performance.	1. Performance Auditing

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: An informed Parliament on public sector accountability and performance.					
Agreement in Parliamentary census that the Office of the Auditor General is effective in achieving its desired outcome of informing Parliament on public sector accountability and performance of the public sector	80%	85%	85%	85%	
Agreement in Parliamentary census that reports dealt with matters of significance to Parliament ...	90%	85%	85%	90%	Achievement of target in 2004-05 has encouraged OAG to set higher goals in forward years
Agreement in Parliamentary census that services and reports of the Office of the Auditor General are useful to Parliament	78%	80%	80%	80%	

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

Service 1: Performance Auditing

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	12,693	13,043	14,158	14,176	
Less Income	66	20	20	20	
Net Cost of Service	12,627	13,023	14,138	14,156	
Adjustments ^(a)	(222)	40	40	32	
Appropriation for delivery of Service	12,405	13,063	14,178	14,188	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per matter of significance (a)	\$50,781	\$43,726	\$34,226	\$33,927	
Average cost per major audit	\$128,293	\$111,593	\$137,901	\$140,634	
Average cost per other audit	\$17,265	\$19,220	\$20,032	\$20,057	
Full Time Equivalents (FTEs)	101	97	97	97	

(a) 2005-06 Budget targets for Cost per Matters of Significance were based on 2003-04 actual costs for this area of expenditure. 2004-05 actual costs for this activity, available after Budget Papers were finalised in 2005, were lower than estimates and as such both Estimated Actuals 2005-06 and 2006-07 Targets have now been revised to reflect this downwards trend. This is largely due to a change in internal costing systems and allocation of overheads, not due to a decrease in direct costs to the production of matters of significance.

Major Achievements For 2005-06

- Tabled in Parliament five single topic reports in the period to 14 April 2006 covering:
 - Administration of Protection of Old Growth Forest Policy Funding Programs;
 - Protection of Critical Infrastructure Control Systems;
 - Contract Management of the City Rail Project;
 - Progress with Implementing the Response to the Gordon Inquiry; and
 - Financial Management of Schools.
- Five further single topic reports and one follow-up report are scheduled for tabling before 30 June 2006 covering:
 - Department of Planning and Infrastructure Licensing System –TRELIS;
 - Public Service Workforce;
 - Forensic Services;
 - Health Reform;
 - Procurement Reform; and
 - Follow-up to Setting Fees – The Extent of Cost Recovery.
- Tabled two public sector performance reports in period to 14 April 2006, incorporating the results of examinations on:
 - Management of the Light Vehicle Fleet;
 - Unauthorised Driving: Unlicensed Drivers and Unregistered Vehicles in Western Australia;
 - Redeployment and Redundancy;
 - Follow-up to Level Pegging – Managing Mineral Titles in Western Australia;
 - Management of Payroll at the Department of Education and Training;
 - Controlled Waste;
 - Regulation of Childcare Services; and
 - Follow-up to Life Matters.
- One further public sector performance report is scheduled for tabling by 30 June 2006 incorporating the results of three further audits.
- It is expected that across the full financial year approximately 99 matters of significance will be reported to Parliament.
- Issued audit opinions for the financial statements, controls and, where applicable, the performance indicators of:
 - 34 government departments;
 - 105 statutory authorities and 11 corporatised bodies;
 - Four universities, four of their subsidiaries and 10 TAFE colleges, with additional six universities' subsidiaries scheduled prior to 30 April 2006;
 - 32 certifications;
 - 14 requests, 11 subsidiaries, eight cemetery boards and four final audits;
 - the Treasurer's Annual Statements and the Consolidated Financial Statements for whole of government with reporting date of 30 June 2005; and
 - provided qualified opinions on the financial statements, controls or performance indicators of three statutory authorities.
- Issued all opinions within statutory deadlines for 30 June and 31 July 2005 reporting entities. Opinions on entities with 31 December 2005 reporting date (tertiary education entities) were provided in time for the Minister to comply with the 90 day annual reporting requirement.
- Completed the audit of 56 per cent of agencies representing 91 per cent of the State's assets within three months of their year-end.
- Tabled a report on attest audit results on 23 November 2005. The report primarily summarised the results of financial statements, controls and performance indicator audits for departments, statutory authorities and other bodies under the *Financial Administration and Audit Act 1985* with 30 June 2005 and 31 July 2005 reporting dates. It highlighted 21 agencies that were examples of better practice for timeliness and quality of their financial statements and performance indicators and the supporting working papers.

- Tabled a report on 12 April 2006 on the attest audit results for Universities and TAFE Colleges, focusing on 14 tertiary education entities with 31 December 2005 reporting dates and residual agencies with 30 June 2005 reporting dates.
- Assessed five potential Public Interest Disclosures (PIDs) and registered and undertook three PIDs.
- 2005-06 has seen an increase in the scope and significance of reports to Parliament on critical public sector information systems. By 30 June 2006 it is anticipated that two of the 11 stand-alone reports to be tabled will be on key IT systems.
- Commenced review of 169 comparative financial statements prepared using the AIFRS in preparation for 2005-06 reporting regime.
- Finalised drafting of Auditor General Bill 2005 and provided evidence to the Public Accounts Committee Inquiry into the Auditor General and Financial Management Bills 2005.
- Implemented expanded stakeholder consultation program to inform them of planning and business improvements. This included introduction of independent surveys of all agencies subject to attest and performance examination audits, and the expansion of the Parliamentary Survey to include benchmarking with five other public sector audit offices in Australian jurisdictions.
- Worked closely with the PAC to support their new approach to following up reports tabled by the Auditor General.

Major Initiatives For 2006-07

- Table in Parliament six single topic reports on various compliance and performance examinations that have identified matters of significance in various areas of public sector performance and accountability.
- Table in Parliament three public sector performance reports during the year. These reports will contain the results of smaller examinations that address compliance and performance issues.
- Table in Parliament two reports on the results of financial statement, controls and performance indicator audits undertaken during the year. The first volume will focus on agencies with a 30 June reporting date, while the second will focus on agencies from the tertiary education sector which have a 31 December reporting date.
- With an emphasis on earlier completion, audit the financial statements, controls and performance indicators of:
 - 37 government agencies;
 - 107 statutory authorities and 14 corporate bodies;
 - four universities, their 10 subsidiaries and 10 TAFE colleges;
 - 13 requests, nine subsidiaries and eight cemetery boards; and
 - the Annual Report on State Finances for whole of government with reporting date of 30 June 2006.
- Legislation now requires all agency annual reports to be tabled within 90 days of their balance date. Compliance will depend on the capacity within agencies to deliver the necessary material to audit in a timely manner. The Office will work closely with agencies in an endeavour to enable tabling of annual reports within 90 days of their year-end.
- Continue to invest in professional and technical development of audit staff. Implement an enhanced programme of in-house development for attest audit staff and plan a revised development program for performance examination staff.
- Continue implementation of human resource and knowledge management strategies to address the attrition of audit staff through the ageing of the office workforce and increased demand from across the public and private sector.
- Develop terms of reference in consultation with the PAC and arrange for an Independent Peer Review of the Office.
- Assess impact of potential new Financial Management and Auditor General legislation and implement changes in Office practice accordingly.

CAPITAL WORKS PROGRAM

The Office's 2006-07 capital works program provides for the ongoing replacement of computers and office equipment, and for the maintenance of network hardware and software at a level appropriate to the technology currently in use in the public sector.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Computer Hardware and Software				
2004-05 Program	507	507	213	-
2005-06 Program	446	446	446	-
NEW WORKS				
Computer Hardware and Software				
2006-07 Program	479	-	-	479
	1,432	953	659	479

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	540	446	659	479	471	497	548
	540	446	659	479	471	497	548
LESS							
Asset Sales	85	-	-	50	-	50	-
Drawdowns from the Holding Account	350	419	419	429	363	302	293
Internal Funds and Balances	33	-	213	-	-	-	-
Capital Contribution	72	27	27	-	108	145	255

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	6,580	7,066	6,908	7,199	7,410	7,627	7,799
Superannuation	739	746	754	783	783	796	805
Supplies and services	4,112	3,731	5,112	4,730	4,675	4,700	4,745
Accommodation	712	762	772	828	828	829	837
Capital user charge	114	186	60	76	87	101	101
Depreciation and amortisation	398	446	446	346	302	293	293
Loss on disposal of non-current assets	-	-	90	198	101	109	-
Costs of disposal of non-current assets	111	90	-	-	-	-	-
Other expenses	12	16	16	16	16	16	16
TOTAL COST OF SERVICES	12,778	13,043	14,158	14,176	14,202	14,471	14,596
Income							
Proceeds from disposal of non-current assets ..	85	-	-	-	-	-	-
Other revenue	66	20	20	20	20	20	20
Total Income	151	20	20	20	20	20	20
NET COST OF SERVICES	12,627	13,023	14,138	14,156	14,182	14,451	14,576
INCOME FROM STATE GOVERNMENT							
Service appropriations	12,405	13,063	14,178	14,188	14,311	14,564	14,798
Resources received free of charge	37	16	16	16	16	16	16
Liabilities assumed by the Treasurer	110	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	12,552	13,079	14,194	14,204	14,327	14,580	14,814
SURPLUS (DEFICIENCY) FOR THE PERIOD	(75)	56	56	48	145	129	238

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 101, 97 and 97 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	982	725	936	1,203	1,470	1,729	1,988
Receivables	217	180	219	219	219	221	223
Amounts receivable for services	419	446	429	363	302	293	-
Prepayments	107	215	107	107	107	107	107
Total current assets	1,725	1,566	1,691	1,892	2,098	2,350	2,318
NON-CURRENT ASSETS							
Amounts receivable for services	-	-	17	-	-	-	293
Plant and equipment	685	925	809	714	802	847	1,102
Other	191	157	190	170	150	150	150
Total non-current assets	876	1,082	1,016	884	952	997	1,545
TOTAL ASSETS	2,601	2,648	2,707	2,776	3,050	3,347	3,863
CURRENT LIABILITIES							
Payables	114	65	114	114	114	114	114
Provision for employee entitlements	682	656	1,236	1,236	1,236	1,236	1,254
Accrued salaries	-	98	23	44	65	88	88
Other	289	97	289	289	289	289	289
Total current liabilities	1,085	916	1,662	1,683	1,704	1,727	1,745
NON-CURRENT LIABILITIES							
Provision for employee entitlements	941	812	387	387	387	387	392
Total non-current liabilities	941	812	387	387	387	387	392
TOTAL LIABILITIES	2,026	1,728	2,049	2,070	2,091	2,114	2,137
EQUITY							
Contributed equity	602	670	629	629	737	882	1,137
Accumulated surplus / (deficit)	(27)	250	29	77	222	351	589
Total equity	575	920	658	706	959	1,233	1,726
TOTAL LIABILITIES AND EQUITY	2,601	2,648	2,707	2,776	3,050	3,347	3,863

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	11,986	12,617	13,732	13,842	14,009	14,271	14,505
Capital contribution	72	27	27	-	108	145	255
Holding account drawdowns	350	419	419	429	363	302	293
Net cash provided by State government	12,408	13,063	14,178	14,271	14,480	14,718	15,053
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,779)	(7,043)	(6,885)	(7,176)	(7,387)	(7,604)	(7,776)
Superannuation	(634)	(746)	(754)	(783)	(783)	(796)	(805)
Supplies and services	(3,717)	(3,706)	(5,087)	(4,705)	(4,650)	(4,675)	(4,720)
Accommodation.....	(716)	(770)	(780)	(836)	(836)	(837)	(845)
Capital user charge.....	(80)	(186)	(60)	(76)	(87)	(101)	(101)
Goods and services tax	(460)	(414)	(414)	(414)	(414)	(414)	(414)
Other.....	(12)	(17)	(17)	(17)	(17)	(17)	(17)
Receipts							
User charges and fees.....	83	-	-	-	-	-	-
Goods and services tax	403	412	412	412	412	412	412
Other receipts	32	20	20	20	20	20	20
Net cash from operating activities.....	(11,880)	(12,450)	(13,565)	(13,575)	(13,742)	(14,012)	(14,246)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(540)	(446)	(659)	(479)	(471)	(497)	(548)
Proceeds from sale of non-current assets	85	-	-	50	-	50	-
Net cash from investing activities.....	(455)	(446)	(659)	(429)	(471)	(447)	(548)
NET INCREASE/(DECREASE) IN CASH HELD	73	167	(46)	267	267	259	259
Cash assets at the beginning of the reporting period	909	559	982	936	1,203	1,470	1,729
Cash assets at the end of the reporting period.....	982	726	936	1,203	1,470	1,729	1,988

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Receipts paid into consolidated fund.....	8,924	9,584	9,981	11,412	10,717	10,885	11,169
TOTAL ADMINISTERED EXPENSES ^(b)..	8,924	9,584	9,981	11,412	10,717	10,885	11,169
INCOME							
User charges and fees.....	13,157	9,584	9,981	11,412	10,717	10,885	11,169
TOTAL ADMINISTERED INCOME ^(c)	13,157	9,584	9,981	11,412	10,717	10,885	11,169

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(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

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	107	-	107	107	107	107	107
Receivables	4,252	-	4,252	4,252	4,252	4,252	4,252
Total Administered Current Assets	4,359	-	4,359	4,359	4,359	4,359	4,359
TOTAL ADMINISTERED ASSETS.....	4,359	-	4,359	4,359	4,359	4,359	4,359
ADMINISTERED CURRENT LIABILITIES							
Payables	126	-	126	126	126	126	126
Total Administered Current Liabilities.....	126	-	126	126	126	126	126
TOTAL ADMINISTERED LIABILITIES..	126	-	126	126	126	126	126

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Goods and Services Tax	(788)	-	-	-	-	-	-
Receipts paid into consolidated fund.....	(8,924)	(9,584)	(9,981)	(11,412)	(10,717)	(10,885)	(11,169)
TOTAL ADMINISTERED CASH OUTFLOWS	(9,712)	(9,584)	(9,981)	(11,412)	(10,717)	(10,885)	(11,169)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
User charges and fees.....	8,905	9,584	9,981	11,412	10,717	10,885	11,169
Goods and Services Tax	913	-	-	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	9,818	9,584	9,981	11,412	10,717	10,885	11,169
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	106	-	-	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER STATE SERVICES							
Receipts paid into consolidated fund.....	8,924	9,584	9,981	11,412	10,717	10,885	11,169
TOTAL.....	8,924	9,584	9,981	11,412	10,717	10,885	11,169

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER							
User charges and fees - Audit fees	13,157	9,584	9,981	11,412	10,717	10,885	11,169
TOTAL.....	13,157	9,584	9,981	11,412	10,717	10,885	11,169

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	398	412	110	110
GST receipts on sales	5	-	302	302
Other Revenue	32	20	20	20
TOTAL	435	432	432	432

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

ECONOMIC REGULATION AUTHORITY

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

DIVISION 12

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 46 Net amount appropriated to deliver services	4,353	5,610	6,733	5,249	4,797	5,113	5,089
Total appropriations provided to deliver services	4,353	5,610	6,733	5,249	4,797	5,113	5,089
CAPITAL							
Capital Contribution	-	17	141	-	-	-	-
GRAND TOTAL	4,353	5,627	6,874	5,249	4,797	5,113	5,089

MISSION

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

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

SIGNIFICANT ISSUES AND TRENDS

- Section 64 of the *Economic Regulation Authority Act 2003* sets out that a Joint Standing Committee of both Houses of Parliament must carry out a review of the operation and effectiveness of the Act as soon as is practicable after the expiry of two years from the commencement of section 64. In the course of that review, the Joint Standing Committee must consider and have regard to:
 - the effectiveness of the operations of the Economic Regulation Authority (Authority);
 - the need for the continuation of the functions of the Authority; and
 - any other matters that appear to the Joint Standing Committee to be relevant to the operation and effectiveness of the Act.
- The Ministerial Council on Energy is currently considering its response to the Productivity Commission's report on its review of the national gas access regime. The outcomes of this review will impact on the Authority's functions and workload.
- A proposed merger between the Retail Energy Market Company (administrator of the gas retail market in Western Australia and South Australia) and the Gas Market Company Limited (operator of the gas retail market in New South Wales and the Australian Capital Territory) is being considered. If this proposal proceeds, the Authority will have a key role in the granting of jurisdictional approval of the merger and the establishment of a new gas retail market scheme.
- The Western Australian Minister for Energy made a decision to revoke coverage of the Tubridgi Pipeline System effective from 1 May 2006. As coverage has been revoked, the review of the Access Arrangement for the Tubridgi Pipeline System, due to commence on 19 July 2006, and action regarding the ring fencing waiver granted to the previous owner of the pipeline system will not be required.
- The Western Australian Wholesale Electricity Market is expected to commence operation on 1 July 2006. This will significantly impact on the Authority's workload, as the Authority will acquire responsibility for a number of functions in relation to the market.

- The Council of Australian Governments is currently considering national consistency of rail access regimes in Australia. This could result in changes to the Western Australian rail access regime and impact upon the Authority's economic regulatory responsibilities for rail infrastructure.
- The Authority anticipates a significant workload in the area of inquiries referred by Government.
- In 2005, the Commonwealth Government requested the Authority to provide services in relation to licensing requirements of electricity and water providers on Christmas and the Cocos (Keeling) Islands. If this request is accepted, the Authority, in conjunction with the Western Australian Government, will be required to provide regulatory services for utilities on the Islands.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Submissions to the ERA Governing Body	6,664	7,519	8,774	6,913			
Total Cost of Services	6,664	7,519	8,774	6,913	6,296	7,002	6,987
<i>Less Income</i>	2,382	1,909	2,044	1,693	1,503	1,893	1,905
Net Cost of Services	4,282	5,610	6,730	5,220	4,793	5,109	5,082
Adjustments ^(a)	71	-	3	29	4	4	7
Appropriation provided to deliver Services.	4,353	5,610	6,733	5,249	4,797	5,113	5,089
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	17	141	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	4,353	5,627	6,874	5,249	4,797	5,113	5,089

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

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

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.	The efficient, safe and equitable provision of utility services in Western Australia.	1. Submissions to the ERA Governing Body

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: The efficient, safe and equitable provision of utility services in Western Australia.					
Number of submissions made to the Authority's Governing Body.	258	240	200	150	Reduced number of submissions due to work related to the assessment of electricity licence applications and gas and electricity Access Arrangements having been completed.
Rating by the Authority's Governing Body as to the content, accuracy and presentation of these submissions. ^(b)	4.1	4.0	4.0	4.0	
Number (percentage) of submissions provided by the required deadline.	83.3%	85%	77.3%	85%	
Rating by the Authority's Governing Body as to their perception of the timeliness of submissions. ^(b)	3.8	4.2	3.9	4.2	

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

(b) Performance is rated as follows by the Governing Body:

- 1 = Well below expectations.
- 2 = Below expectations.
- 3 = Satisfactory.
- 4 = Above expectations.
- 5 = Well above expectations.

Service 1: Submissions to the ERA Governing Body

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	6,664	7,519	8,774	6,913	The reduction is predominantly due to new electricity access and licensing regimes having been implemented in 2005-06. Also there is no provision for References in 2006-07 whereas in previous years provision was made
Less Income	2,382	1,909	2,044	1,693	
Net Cost of Service	4,282	5,610	6,730	5,220	
Adjustments ^(a)	71	-	3	29	
Appropriation for delivery of Service	4,353	5,610	6,733	5,249	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost per submission made to the ERA Governing Body.....	\$25,853	\$31,329	\$43,870	\$46,087	
Full Time Equivalents (FTEs)	26	38	38	40	

Major Achievements For 2005-06

- One of the Authority's principal functions is to regulate third party access to natural monopoly assets such as natural gas pipelines, electricity transmission and distribution networks and railway lines. This involves the assessment of Access Arrangements (namely terms and conditions of access, including tariffs) proposed by the owners of regulated assets. The following major achievements were accomplished in the area of third party access to industry infrastructure:
 - the further final decision and final approval was issued on 15 December 2005 on the revisions proposed to the Access Arrangement for the Dampier to Bunbury Natural Gas Pipeline (DBNGP). The further final decision of the Authority was to not approve the proposed revised Access Arrangement submitted by DBNGP (WA) Transmission Pty Limited. Subsequently, the Authority drafted and approved its own Access Arrangement for the DBNGP, which came into effect on 30 December 2005;
 - significant progress has been made toward finalising the assessment of a Section 8.21 application on the proposed capital expenditure for the stage five expansion of the DBNGP and a final decision is anticipated by the end of the financial year;
 - the further final decision and final approval of the revised proposed Access Arrangement for the Goldfields Gas Pipeline was published on 14 July 2005. The further final decision of the Authority was to approve the revised proposed Access Arrangement submitted by Goldfields Gas Transmission Pty Ltd on 17 June 2005. The Access Arrangement commenced on 1 August 2005;
 - the further final decision and final approval for the AlintaGas Networks Pty Ltd revised Access Arrangement for the Mid West and South West Gas Distribution Systems was issued on 10 August 2005. The further final decision of the Authority was to approve the proposed revised Access Arrangement, which came into operation on 25 August 2005;
 - significant progress has been made toward finalising a review of the Gas Marketing Code of Conduct 2004, which is expected to be completed by the end of the financial year;
 - a number of rule changes associated with the administration of the Retail Energy Market Company Retail Market Scheme have been considered and approved by the Authority;
 - gas market participants' compliance with the obligations set out under the gas Retail Market Scheme has been monitored;
 - a draft decision was issued on 21 March 2006 on Western Power's proposed Access Arrangement for its network in the South West Interconnected System. The Authority's draft decision was to not approve the proposed Access Arrangement. A final decision is anticipated by the end of the financial year;
 - draft Technical Rules for Western Power's South West Interconnected Network in the South West Interconnected System were published on 11 April 2006. Significant progress has been made towards finalising the Technical Rules;
 - Communication Rules applying to the transfer of contestable electricity customers were approved on 16 December 2005 for Western Power's South West Interconnected Network;
 - Communication Rules governing the format and protocols through which the communication of information and data relating to customer meters is to occur between Western Power and retailers were approved on 16 February 2006;
 - a Model Service Level Agreement proposed by Western Power was approved by the Authority. The Model Service Level Agreement specifies the metering services provided by Western Power under the Electricity Industry Metering Code 2005;
 - a revised maximum Reserve Capacity Price proposed by the Independent Market Operator for the 2008-09 capacity year was approved by the Authority on 23 January 2006;
 - a registration process for meter installation providers is expected to be approved by the end of the financial year;
 - a review of WestNet Rail's Part 5 instruments under the Railways (Access) Code 2000 is well progressed and is expected to be completed by the end of the financial year; and
 - a review of the Railways (Access) Code 2000 was completed. The final report on the review was published on 23 September 2005.

- A function of the Authority is to administer the licensing regimes for each of the electricity, gas and water industries and monitor compliance in the rail industry. Another function of the Authority is to safeguard the interests of small use customers in the electricity and gas transmission and distribution industries. The following major achievements were accomplished in the area of licensing, monitoring and customer protection:
 - a standard audit scope document for the purposes of operational audits and asset management reviews across all regulated utilities was developed;
 - performance reporting manuals were developed for the electricity industry in association with the newly established electricity licensing scheme;
 - a set of guidelines were produced for the electricity, gas and water industry licensees to assist them in the preparation of financial plans for asset management systems;
 - application forms and guidelines were developed for prospective electricity licensees. This was for the purposes of both existing operators and new entrants into the electricity generation, transmission, distribution and retail markets;
 - thirty five electricity licences are expected to be issued by the end of the financial year;
 - twenty operational audits and asset management reviews are anticipated to be completed by the Authority and reported to the relevant Minister by the end of the financial year;
 - public consultation guidelines were established for the purposes of licensing, standard form contracts and customer service charters;
 - the Water Performance Report for 2006 on operators within the water industry was published;
 - a new licensing and monitoring database was established for the administration and monitoring of licensees;
 - two customer charters were reviewed by the Authority;
 - the implementation of the new Western Australian Energy Ombudsman Scheme was approved by the Authority under the Energy Coordination Act 1994 and the Electricity Industry Act 2004. The Energy Ombudsman Scheme was implemented on 22 September 2005; and
 - a Memorandum of Understanding was signed between the Energy Ombudsman and the Authority in September 2005 to share statistical non-identifying information to assist with identifying systemic industry issues or emerging issues; monitoring of the relevance of legislative codes that govern industry; and, where appropriate, the suggested amendment and subsequent publishing of any required amendments.
- The Authority has a function to undertake inquiries referred to it by Government. The following major achievements were accomplished in the area of references:
 - the final report on the Urban Water and Wastewater Pricing Inquiry was delivered to the Treasurer on 4 November 2005 and subsequently published on 30 November 2005. The final report presents the Authority's recommendations on the pricing structures and tariff levels of the Water Corporation's urban water and wastewater services and the Bunbury and Busselton Water Boards' water services;
 - the final report on the Inquiry into the Cost of Supplying Bulk Potable Water to Kalgoorlie-Boulder was delivered to the Treasurer on 14 October 2005 and subsequently tabled in Parliament on 9 November 2005. The final report compares the cost of transporting water from Perth to Kalgoorlie-Boulder to the cost of the proposal by United Utilities Australia to transport desalinated seawater by pipeline from Esperance to Kalgoorlie-Boulder; and
 - the draft report on the Country Water and Wastewater Pricing Inquiry was published on 31 January 2006. The final report, which will represent the Authority's recommendation on the pricing structures and tariff levels of the Water Corporation's country potable water and wastewater services, is expected to be delivered to Government by the end of the financial year.
- The Authority made submissions to national forums to further the debate on economic regulation, including submissions to the:
 - Senate Economics Legislation Committee in relation to its inquiry on the proposed Trade Practices Amendment (National Access Regime) Bill 2005, which implements the Australian Government's legislative response to the Productivity Commission's review of the national access regime; and
 - Australian Energy Market Commission with regard to its proposed review of electricity transmission revenue and pricing rules.
- The Authority chaired the following committees:
 - the Economic Regulation Authority Consumer Consultative Committee, which was established by the Authority in 2005 to facilitate the exchange of information between the Authority and consumers on regulatory issues in the gas, electricity, rail and water industries; and
 - the Gas Marketing Code Consultative Committee, which is currently undertaking the review of the Gas Marketing Code of Conduct 2004.
- The Authority oversaw the provision of administrative support to the Western Australian Gas Disputes Arbitrator.
- The Authority established a revised corporate structure, which enables it to deal with functional commonalities and ensures that resources are allocated efficiently.

Major Initiatives For 2006-07

- Major initiatives in the area of third party access to industry infrastructure include the:
 - review of the associate contract of AlintaGas Networks Pty Ltd with Alinta Retail Pty Ltd;
 - verification of ring fencing requirements being adhered to for the DBNGP under the National Third Party Access Code for Natural Gas Pipeline Systems;
 - establishment of accounting guidelines for gas transmission and distribution pipelines;
 - development of an arbitration process for disputes which may arise between electricity network operators and retailers under the Electricity Industry Metering Code 2005 and the Electricity Industry Customer Transfer Code 2004;
 - approval of Western Power's mandatory link criteria and metrology procedures under the Electricity Industry Metering Code 2005;
 - establishment of regulatory accounting guidelines for Western Power;
 - establishment of a service standards monitoring regime for Western Power;
 - consideration of the need for ring fencing rules following the disaggregation of Western Power Corporation;
 - review of floor and ceiling costs for principal rail lines; and
 - determination of the weighted average cost of capital for freight railway and urban rail passenger infrastructure.
- Specific key initiatives in the licensing, monitoring and customer protection area include the:
 - review of trading and distribution gas licences and issuing of new licences to all existing gas licensees;
 - production of performance reporting manuals for the gas industry;
 - assessment of approximately ten new licence applications across the gas, water and electricity industries;
 - review of the Code of Conduct for the Supply of Electricity to Small Use Customers;
 - development of guidelines for the review of customer charters across the water, gas and electricity industries;
 - review and establishment of new water and gas licence application guidelines consistent with the existing electricity application guidelines with a view to establishing a single application form and guidelines for all three utilities;
 - review of current water licences;
 - development of an internal control procedures manual to deal with licensing, monitoring and customer protection matters; and
 - review of performance reporting in the Licensing, Monitoring and Customer Protection Division.
- The Authority intends to develop a work program for references to be received during the 2006-07 financial year in consultation with the Department of Treasury and Finance.
- Significant effort will be directed toward monitoring the operation of the Wholesale Electricity Market which will commence on 1 July 2006. Specific key initiatives include the:
 - monitoring of the effectiveness of the market in meeting the wholesale market objectives and investigation of any market behaviour if the Authority considers that the behaviour has resulted in the market not functioning effectively;
 - review of the effectiveness of:
 - the Market Rule change process and Procedure change process;
 - the compliance monitoring and enforcement measures in the Wholesale Electricity Market Rules and the Electricity Industry (Wholesale Electricity Market) Regulations 2004;
 - the Independent Market Operator in carrying out its functions under the Electricity Industry (Wholesale Electricity Market) Regulations 2004, the Wholesale Electricity Market Rules and Market Procedures; and
 - System Management in carrying out its functions under the Electricity Industry (Wholesale Electricity Market) Regulations 2004, the Wholesale Electricity Market Rules and Market Procedures.
 - approval of the Independent Market Operator's allowable revenue;
 - approval of System Management's allowable revenue; and
 - making of a decision as to whether or not to approve the revised value for the Reserve Capacity Price or any value comprising Energy Price Limits, where the Independent Market Operator proposes a revised value for the maximum Reserve Capacity Price or one or more Energy Price Limits. The Authority will continue to use its operational experience in regulation to further the debate on economic regulation nationally.
- The Authority will continue to use its operational experience in regulation to further the debate on economic regulation nationally.

CAPITAL WORKS PROGRAM

The Authority's capital works program consists of the replacement of computing equipment, office equipment and furniture.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Computer Hardware and Software Replacement				
2005-06 Program	132	132	132	-
Office Equipment Replacement				
2005-06 Program	39	39	39	-
NEW WORKS				
Computer Hardware and Software Replacement				
2006-07 Program	35	-	-	35
Office Equipment Replacement				
2006-07 Program	5	-	-	5
	211	171	171	40

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	67	66	171	40	71	81	46
	67	66	171	40	71	81	46
LESS							
Drawdowns from the Holding Account	20	19	19	28	59	69	34
Internal Funds and Balances	47	30	11	12	12	12	12
Capital Contribution	-	17	141	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	2,296	3,613	3,613	3,726	3,840	3,990	4,110
Superannuation	174	324	298	333	343	353	363
Consultancies expense	1,796	1,409	3,380	1,065	504	481	361
Supplies and services	1,598	930	842	721	502	998	1,003
Accommodation	443	352	378	362	373	384	384
Capital user charge	103	98	98	101	104	107	107
Depreciation and amortisation	62	102	102	105	108	111	111
Other expenses	192	691	63	500	522	578	548
TOTAL COST OF SERVICES	6,664	7,519	8,774	6,913	6,296	7,002	6,987
Income							
User charges and fees	2,269	1,810	1,945	1,590	1,400	1,790	1,802
Interest revenue	69	36	36	36	36	36	36
Other revenue	44	63	63	67	67	67	67
Total Income	2,382	1,909	2,044	1,693	1,503	1,893	1,905
NET COST OF SERVICES	4,282	5,610	6,730	5,220	4,793	5,109	5,082
INCOME FROM STATE GOVERNMENT							
Service appropriations	4,353	5,610	6,733	5,249	4,797	5,113	5,089
Resources received free of charge	16	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	4,369	5,610	6,733	5,249	4,797	5,113	5,089
SURPLUS (DEFICIENCY) FOR THE PERIOD	87	-	3	29	4	4	7

(a) 2004-05 and 2005-06 amounts are presented on the basis of previous Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 26, 38 and 40 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,212	122	1,139	1,089	1,111	1,148	1,158
Restricted cash	-	200	-	-	-	-	-
Receivables	823	1,570	904	983	980	979	978
Amounts receivable for services	19	-	28	59	69	34	-
Prepayments	8	7	8	8	8	8	8
Total current assets	2,062	1,899	2,079	2,139	2,168	2,169	2,144
NON-CURRENT ASSETS							
Amounts receivable for services	12	122	74	108	135	200	299
Plant and equipment	139	123	169	129	92	8	8
Other	522	52	561	536	536	590	525
Total non-current assets	673	297	804	773	763	798	832
TOTAL ASSETS	2,735	2,196	2,883	2,912	2,931	2,967	2,976
CURRENT LIABILITIES							
Payables	574	18	574	574	589	619	619
Provision for employee entitlements	354	239	354	354	354	354	354
Accrued salaries	32	8	36	36	36	38	40
Amounts due to the Treasurer	-	200	-	-	-	-	-
Other	-	331	-	-	-	-	-
Total current liabilities	960	796	964	964	979	1,011	1,013
NON-CURRENT LIABILITIES							
Provision for employee entitlements	249	84	249	249	249	249	249
Total non-current liabilities	249	84	249	249	249	249	249
TOTAL LIABILITIES	1,209	880	1,213	1,213	1,228	1,260	1,262
EQUITY							
Contributed equity	632	773	773	773	773	773	773
Accumulated surplus / (deficit)	894	543	897	926	930	934	941
Total equity	1,526	1,316	1,670	1,699	1,703	1,707	1,714
TOTAL LIABILITIES AND EQUITY	2,735	2,196	2,883	2,912	2,931	2,967	2,976

(a) 2004-05 and 2005-06 amounts are presented on the basis of previous Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	4,333	5,523	6,643	5,156	4,701	5,014	4,990
Capital contribution	-	17	141	-	-	-	-
Holding account drawdowns	20	19	19	28	59	69	34
Net cash provided by State government	4,353	5,559	6,803	5,184	4,760	5,083	5,024
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,196)	(3,603)	(3,603)	(3,724)	(3,838)	(3,988)	(4,108)
Superannuation	(178)	(324)	(298)	(332)	(342)	(352)	(362)
Consultancies payments.....	(1,725)	(1,409)	(3,380)	(1,065)	(504)	(481)	(361)
Supplies and services	(1,350)	(895)	(807)	(818)	(519)	(1,015)	(1,020)
Accommodation.....	(426)	(352)	(378)	(362)	(373)	(384)	(384)
Capital user charge.....	(103)	(98)	(98)	(101)	(104)	(107)	(107)
Goods and Services Tax	(429)	(255)	(255)	(254)	(252)	(252)	(252)
Other.....	(151)	(808)	(180)	(484)	(491)	(532)	(532)
Receipts							
User charges and fees.....	2,889	1,283	1,418	1,284	1,284	1,284	1,296
Regulatory fees and fines.....	-	521	521	300	110	500	500
Interest received.....	72	36	36	37	37	37	37
Goods and Services Tax	440	251	251	253	253	253	253
Other receipts	41	68	68	72	72	72	72
Net cash from operating activities	(3,116)	(5,585)	(6,705)	(5,194)	(4,667)	(4,965)	(4,968)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(590)	(66)	(171)	(40)	(71)	(81)	(46)
Net cash from investing activities	(590)	(66)	(171)	(40)	(71)	(81)	(46)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(200)	-	-	-	-	-	-
Net cash from financing activities	(200)	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	447	(92)	(73)	(50)	22	37	10
Cash assets at the beginning of the reporting period	765	414	1,212	1,139	1,089	1,111	1,148
Cash assets at the end of the reporting period.....	1,212	322	1,139	1,089	1,111	1,148	1,158

(a) 2004-05 and 2005-06 amounts are presented on the basis of previous Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

NET APPROPRIATION DETERMINATION

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Recoups from Industry	2,889	1,804	1,939	1,584
Goods and Services Tax	440	251	251	253
Revenue from the Government Vehicle Scheme	44	7	14	13
Other Revenue	69	97	90	96
TOTAL.....	3,442	2,159	2,294	1,946

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

WESTERN AUSTRALIAN TREASURY CORPORATION

CAPITAL WORKS PROGRAM

The Western Australian Treasury Corporation's capital works program for 2006-07 is \$0.8 million, this will be used to fund upgrades to information technology hardware and software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Computer Hardware / Software				
2004-05 Program	404	404	233	-
2005-06 Program	362	362	362	-
NEW WORKS				
Computer Hardware / Software				
2006-07 Program	823	-	-	823
	1,589	766	595	823

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	480	518	595	823	565	535	590
	480	518	595	823	565	535	590
LESS							
Internal Funds and Balances	480	518	595	823	565	535	590
Capital Contribution	-	-	-	-	-	-	-

STATE SUPPLY COMMISSION

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

DIVISION 13

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 47 Net amount appropriated to deliver services	1,494	1,562	1,562	1,642	1,676	1,714	1,740
Total appropriations provided to deliver services	1,494	1,562	1,562	1,642	1,676	1,714	1,740
CAPITAL							
Capital Contribution	19	42	42	-	-	-	-
GRAND TOTAL	1,513	1,604	1,604	1,642	1,676	1,714	1,740

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The Government spent approximately \$7.3 billion on goods and services, construction and related services in 2004-05. Services represented some 84 per cent of that spend. This level of expenditure is expected to continue in 2005-06 and 2006-07.
- The Commonwealth Government's negotiation of Free Trade Agreements will continue to have an impact on Western Australian Government procurement.
- There is a continuing requirement for public authority procurement practitioners to be suitably skilled in order to undertake complex procurement activities.
- Public authorities' accountable officers are required to assume responsibility for their authority's procurement.
- State Fleet's financial performance delivers returns to the Government through the implementation of an improved leasing model.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Administration of goods and services procurement policies for public authorities...	5,717	3,048	1,784	1,651			
<i>Service 2:</i>							
Management of the funding and leasing of the State's vehicle fleet.....	114,923	61,708	62,447	60,518			
Total Cost of Services	120,640	64,756	64,231	62,169	63,100	65,443	65,851
<i>Less Income</i>	<i>126,438</i>	<i>65,084</i>	<i>65,771</i>	<i>66,947</i>	<i>70,144</i>	<i>73,239</i>	<i>73,655</i>
Net Cost of Services	(5,798)	(328)	(1,540)	(4,778)	(7,044)	(7,796)	(7,804)
Adjustments ^(a)	7,292	1,890	3,102	6,420	8,720	9,510	9,544
Appropriation provided to deliver Services.	1,494	1,562	1,562	1,642	1,676	1,714	1,740
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	19	42	42	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	1,513	1,604	1,604	1,642	1,676	1,714	1,740

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

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

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcomes	Services
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	All public authorities use State Supply Commission procurement and disposal processes.	1. Administration of goods and services procurement policies for public authorities.
	Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.	2. Management of the funding and leasing of the State's vehicle fleet.

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: All public authorities use State Supply Commission procurement and disposal processes.					
All public authorities use State Supply Commission procurement and disposal processes	96%	96%	96%	96%	
Outcome: Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.					
Extent to which State fleet operations are economically sustainable (surplus in \$,000)	7,327	1,896	3,121	6,426	In 2006-07, State Fleet expects to receive greater proceeds from leasing revenue due to greater number of vehicles in the fleet as well as higher lease rates. Savings are also expected in 2006-07 from administration of State Fleet when outsourced administrative functions are brought in-house.

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

Service 1: Administration of Goods and Services Procurement Policies for Public Authorities.

Public Authorities' satisfaction with State Supply Commission's timeliness in responding to their requests.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	5,717	3,048	1,784	1,651	Variance as a result of receipts and recoup of fees from Common Use Contracts being abolished.
Less Income	4,188	1,480	203	3	
Net Cost of Service	1,529	1,568	1,581	1,648	
Adjustments ^(a)	(35)	(6)	(19)	(6)	
Appropriation for delivery of Service	1,494	1,562	1,562	1,642	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Public Authorities' satisfaction with State Supply Commission's timeliness in responding to their requests ^(a)	n/a	n/a	80%	80%	
Full Time Equivalents (FTEs)	12	13	13	13	

(a) Public Authority defined in Section three of the *State Supply Commission Act 1991* is defined as a department of the Public Service established or deemed to have been established under the *Public Sector Management Act 1994*, and an agency, authority or instrumentality of the Crown in right of State. A new indicator approved by the Outcome Review Group in 2006.

Major Achievements For 2005-06

- Undertook a review of the State Supply Commission policies and guidelines.
- Published a Procurement Users' Guide for goods and services procurement.
- Introduced a procurement officers' awareness program for newly appointed procurement officers from across government. This program provides a sound understanding of the role, functions and policies of the State Supply Commission.
- In conjunction with the Department of Treasury and Finance:
 - introduced a better buying program on key processes to follow prior to making a purchase for the whole-of-government; and
 - revised the classification system to report on the annual supply statistics.
- Developed and implemented a Western Australian Government procurement policy to reflect the requirements of the Australia-United States Free Trade Agreement government procurement chapter.
- Provided executive support to the State Tenders Committee.

Major Initiatives For 2006-07

- Develop and implement policy in relation to the government procurement chapters of negotiated Free Trade Agreements.
- Monitor public authorities' compliance with goods and services procurement policy.
- Assist public authorities to introduce a new classification system for the preparation of annual supply statistics.
- In conjunction with the Department of Treasury and Finance, ensure public authorities' procurement practitioners are suitably skilled.

Service 2: Management of the Funding and Leasing of the State's Vehicle Fleet.

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	114,923	61,708	62,447	60,518	In 2006-07, State Fleet will improve their performance in part by savings in administration costs. These savings can be attributed to bringing in-house part of State Fleet's administration function, which is currently outsourced.
Less Income	122,250	63,604	65,568	66,944	
Net Cost of Service	(7,327)	(1,896)	(3,121)	(6,426)	
Adjustments ^(a)	7,327	1,896	3,121	6,426	
Appropriation for delivery of Service	-	-	-	-	

- (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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average Cost of Leased Vehicle ^(a)	\$12,664	\$6,707	\$6,573	\$6,304	
Full Time Equivalents (FTEs)	5	7	5	8	

(a) In compliance with International Financial Reporting Standards, the 2005-06 and 2006-07 budget, estimated, and target revenues and expenses arising from the sale of vehicles are reported on a net basis. The 2004-05 Average Cost of Leased Vehicle is reported on a gross basis. On a net basis, the 2004-05 average cost of leased vehicle is \$7,026.

Major Achievements For 2005-06

- Implemented, in conjunction with:
 - the Office of Road Safety and WorkSafe, an enhanced safety policy for the government's light vehicle fleet; and
 - the Department of Environment, an emissions offset program to make the government's light vehicle fleet 'carbon neutral'.

Major Initiatives For 2006-07

- Restructure of outsourced vehicle facility management arrangements to further streamline State Fleet operations and reduce administration costs.

CAPITAL WORKS PROGRAM

State Fleet will continue with the ongoing vehicle purchases in accordance with its client's need.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
State Fleet - Vehicle Acquisitions				
2005-06 Program	126,832	126,832	126,832	-
Computer Hardware and Software				
2005-06 Program	29	29	29	-
Office Equipment				
2005-06 Program	23	23	23	-
NEW WORKS				
State Fleet - Vehicle Acquisitions				
2006-07 Program	121,907	-	-	121,907
	248,791	126,884	126,884	121,907

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	111,875	119,744	126,884	121,907	122,605	125,065	127,429
	111,875	119,744	126,884	121,907	122,605	125,065	127,429
LESS							
Asset Sales ^(a)	57,327	76,824	77,876	75,467	75,684	76,538	77,773
Drawdowns from the Holding Account	12	10	10	-	18	57	-
Internal Funds and Balances	54,517	42,868	48,956	46,440	46,903	48,470	49,656
Capital Contribution	19	42	42	-	-	-	-

- (a) Asset sales are vehicles sales. State Fleet fund the purchase of new vehicles using a combination of equity and new borrowings. State Fleet's borrowings are funded by lease revenue and the proceeds received from the sales of vehicles.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	964	991	991	954	943	963	964
Superannuation	-	81	81	93	93	93	93
Consultancies expense	25	70	70	69	69	70	70
Supplies and services	6,817	3,830	2,553	1,623	1,460	1,462	1,463
Accommodation	139	132	132	135	135	135	135
Finance Costs	11,363	11,600	12,000	11,800	11,200	10,600	9,600
Capital user charge	29	27	27	29	29	29	29
Depreciation and amortisation	40,413	45,277	45,220	45,107	46,378	48,266	51,109
Loss on disposal of non-current assets	-	2,633	3,028	2,213	2,641	3,655	2,198
Costs of disposal of non-current assets	60,718	-	-	-	-	-	-
Other expenses	172	115	129	146	152	170	190
TOTAL COST OF SERVICES	120,640	64,756	64,231	62,169	63,100	65,443	65,851
Income							
User charges and fees	63,975	64,864	64,772	66,607	69,804	72,899	73,315
Interest revenue	324	210	310	300	300	300	300
Proceeds from disposal of non-current assets	58,488	-	-	-	-	-	-
Other revenue	3,651	10	689	40	40	40	40
Total Income	126,438	65,084	65,771	66,947	70,144	73,239	73,655
NET COST OF SERVICES	(5,798)	(328)	(1,540)	(4,778)	(7,044)	(7,796)	(7,804)
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,494	1,562	1,562	1,642	1,676	1,714	1,740
Resources received free of charge	14	6	6	6	5	5	5
TOTAL INCOME FROM STATE GOVERNMENT	1,508	1,568	1,568	1,648	1,681	1,719	1,745
SURPLUS (DEFICIENCY) FOR THE PERIOD	7,306	1,896	3,108	6,426	8,725	9,515	9,549

(a) 2004-05 and 2005-06 amounts are presented on the basis of current Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

(b) The Full Time Equivalents for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 17, 18 and 21 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	8,604	6,319	8,582	8,577	8,572	8,572	8,572
Receivables	3,291	3,981	3,291	3,291	3,291	3,291	3,291
Interest receivable	26	18	26	26	26	26	26
Amounts receivable for services	30	-	-	18	57	-	-
Prepayments	642	20	19	24	29	29	29
Total current assets	12,593	10,338	11,918	11,936	11,975	11,918	11,918
NON-CURRENT ASSETS							
Amounts receivable for services	-	42	42	46	11	33	55
Plant and equipment	218,348	200,799	219,733	218,853	216,754	213,377	209,749
Total non-current assets	218,348	200,841	219,775	218,899	216,765	213,410	209,804
TOTAL ASSETS	230,941	211,179	231,693	230,835	228,740	225,328	221,722
CURRENT LIABILITIES							
Payables	1,856	1,651	1,849	1,849	1,849	1,867	1,889
Provision for employee entitlements	226	239	226	226	226	226	226
Interest payable	527	481	527	527	527	527	527
Borrowings	106,424	94,561	92,152	88,874	84,005	78,180	72,250
Other	2,583	2,390	2,583	2,583	2,583	2,583	2,583
Total current liabilities	111,616	99,322	97,337	94,059	89,190	83,383	77,475
NON-CURRENT LIABILITIES							
Provision for employee entitlements	56	56	56	56	56	56	56
Borrowings	100,749	94,561	112,630	108,624	102,673	95,553	88,306
Total non-current liabilities	100,805	94,617	112,686	108,680	102,729	95,609	88,362
TOTAL LIABILITIES	212,421	193,939	210,023	202,739	191,919	178,992	165,837
EQUITY							
Contributed equity	20,087	20,130	20,129	20,129	20,129	20,129	20,129
Accumulated surplus / (deficit)	(1,567)	(2,890)	1,541	7,967	16,692	26,207	35,756
Total equity	18,520	17,240	21,670	28,096	36,821	46,336	55,885
TOTAL LIABILITIES AND EQUITY	230,941	211,179	231,693	230,835	228,740	225,328	221,722

(a) 2004-05 and 2005-06 amounts are presented on the basis of current Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	1,473	1,540	1,540	1,620	1,654	1,692	1,718
Capital contribution	19	42	42	-	-	-	-
Holding account drawdowns	12	10	10	-	18	57	-
Net cash provided by State government	1,504	1,592	1,592	1,620	1,672	1,749	1,718
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(924)	(991)	(991)	(954)	(943)	(963)	(964)
Superannuation	(76)	(81)	(81)	(99)	(99)	(99)	(99)
Consultancies payments.....	(25)	(70)	(70)	(69)	(69)	(70)	(70)
Supplies and services	(6,859)	(3,831)	(2,554)	(1,626)	(1,463)	(1,465)	(1,466)
Finance Costs	(11,316)	(11,600)	(12,000)	(11,800)	(11,200)	(10,600)	(9,600)
Accommodation	(139)	(124)	(124)	(135)	(135)	(135)	(135)
Capital user charge.....	(29)	(27)	(27)	(29)	(29)	(29)	(29)
Goods and Services Tax	(13,224)	(12,195)	(12,195)	(12,212)	(12,212)	(12,212)	(12,212)
Other.....	(83)	(128)	(141)	(136)	(143)	(154)	(178)
Receipts							
User charges and fees.....	65,087	64,864	64,772	66,607	69,804	72,899	73,315
Interest received	317	210	310	300	300	300	300
Goods and Services Tax	13,286	12,198	12,198	12,212	12,212	12,212	12,212
Other Receipts	41	9	40	40	40	40	40
Net cash from operating activities	(46,056)	(48,234)	(49,137)	(52,099)	(56,063)	(59,724)	(61,114)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(115,623)	(119,744)	(126,884)	(121,907)	(122,605)	(125,065)	(127,429)
Proceeds from sale of non-current assets	57,327	76,824	77,876	75,467	75,684	76,538	77,773
Proceeds from sale of investments	3,499	-	649	-	-	-	-
Net cash from investing activities	(54,797)	(42,920)	(48,359)	(46,440)	(46,921)	(48,527)	(49,656)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	(4,526)	(6,915)	(2,391)	(7,284)	(10,819)	(12,946)	(13,176)
Proceeds from borrowings	13,990	-	-	-	-	-	-
Net cash from financing activities	9,464	(6,915)	(2,391)	(7,284)	(10,819)	(12,946)	(13,176)
NET INCREASE / (DECREASE) IN CASH HELD	2,227	(9)	(21)	(5)	(5)	-	-
Cash assets at the beginning of the reporting period	6,377	6,327	8,604	8,583	8,573	8,573	8,573
Cash assets at the end of the reporting period.....	8,604	6,318	8,583	8,573	8,573	8,573	8,573

(a) 2004-05 and 2005-06 amounts are presented on the basis of current Australian Accounting Standards. 2006-07 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 2004-05 and 2005-06.

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Common Use Arrangements fees	4,179	1,477	291	-
GST input credits	486	148	30	40
GST receipts on sales	416	148	30	40
TOTAL.....	5,081	1,773	351	80

- (a) The amount shown only reflects receipts and recoup of fees from Common Use Arrangements and associated GST transactions that are administered on behalf of the Department of Treasury and Finance via the State Supply Commission's bank account. These transactions have no relationship to the operations of the Commission.
- (b) The variation between the 2005-06 budget and the 2005-06 estimated actual is mainly due to the removal of the suppliers fees from all Common Use Arrangements contracts from 1 July 2005. Residual fees from prior years were collected in 2005-06.

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

GOLD CORPORATION

CAPITAL WORKS PROGRAM

The capital works program of \$3.0 million in 2006-07 relates to expenditure on plant and equipment for coining operations, refurbishment of the Perth Mint Shop and Exhibition areas and completion of the installation of a modern and integrated Enterprise Resource Planning (ERP) information system.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Plant and Equipment Program	31,098	5,752	2,690	3,004
	31,098	5,752	2,690	3,004

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	3,062	2,045	2,690	3,004	2,331	2,293	2,951
	3,062	2,045	2,690	3,004	2,331	2,293	2,951
LESS							
Internal Funds and Balances	3,062	2,045	2,690	3,004	2,331	2,293	2,951
Capital Contribution	-	-	-	-	-	-	-

INSURANCE COMMISSION OF WESTERN AUSTRALIA

CAPITAL WORKS PROGRAM

The Insurance Commission of Western Australia's capital budget for 2006-07 is \$3.6 million. The major projects to be funded are:

- Information Technology hardware for network infrastructure and the replacement of printers, servers and personal computers at a cost of \$2.0 million;
- Information Technology software for the replacement of the financial management information system and upgrades to the computer systems environment at a cost of \$1.1 million; and
- motor vehicles, net of sale proceeds, at a cost of \$0.2 million.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
IT Hardware	25,086	2,391	1,720	1,985
IT Software	13,325	2,445	2,028	1,100
Leasehold Improvement	2,957	2,757	440	100
Motor Vehicles	2,902	902	185	200
Other Minor Works.....	604	204	40	200
	44,874	8,699	4,413	3,585

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,993	3,235	4,413	3,585	2,985	1,605	4,000
	1,993	3,235	4,413	3,585	2,985	1,605	4,000
LESS							
Internal Funds and Balances	1,993	3,235	4,413	3,585	2,985	1,605	4,000
Capital Contribution	-	-	-	-	-	-	-

LOTTERIES COMMISSION

CAPITAL WORKS PROGRAM

Lotterywest's approved capital works program for the 2006-07 financial year is \$30.9 million. The majority of these funds, \$29.7 million, relate to the Lotterywest's Business Transformation Project. This project will provide the future technology platform and infrastructure requirements to position Lotterywest to meet the challenge of a rapidly changing lottery industry, while continuing to meet the ever increasing needs of our stakeholders and beneficiaries.

The remaining capital works program costs largely relate to leasehold and building improvements and product development.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Business Transformation Project	45,498	2,527	2,527	29,715
COMPLETED WORKS				
Furniture and Fittings - 2005-06 Program	280	280	280	-
Land and Buildings - 2005-06 Program	350	350	350	-
Lotteries History - 2003-04 Program	71	71	40	-
Management Information System - 2005-06 Program	1,403	1,403	1,403	-
New Gaming / Lotto Games - 2004-05 Project	970	970	750	-
Other Computer Equipment				
2004-05 Program	1,057	1,057	917	-
2005-06 Program	1,500	1,500	1,500	-
Plant and Equipment - 2005-06 Program	140	140	140	-
Point of Sale - 2005-06 Program	250	250	250	-
NEW WORKS				
Furniture and Fittings -2006-07 Program	200	-	-	200
New Gaming / Lotto Games - 2006-07 Program	513	-	-	513
Plant and Equipment - 2006-07 Program	200	-	-	200
Point of Sale - 2006-07 Program	250	-	-	250
	52,682	8,548	8,157	30,878

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,315	3,223	8,157	30,878	11,986	1,503	380
	1,315	3,223	8,157	30,878	11,986	1,503	380
LESS							
Internal Funds and Balances	1,315	3,223	8,157	30,878	11,986	1,503	380
Capital Contribution	-	-	-	-	-	-	-

Part 4

Minister for Agriculture and Food; Forestry; the Mid West and Wheatbelt

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
259	Agriculture and Food			
	– Delivery of Services	140,045	157,844	161,812
	– Capital Contribution	3,531	3,531	5,200
	Total	143,576	161,375	167,012
295	Agriculture Protection Board of Western Australia			
	– Delivery of Services	3,091	2,938	2,892
	Total	3,091	2,938	2,892
303	Western Australian Meat Industry Authority	-	-	-
304	Perth Market Authority	-	-	-
305	Rural Business Development Corporation			
	– Delivery of Services	182	1,782	1,687
	Total	182	1,782	1,687
312	Forest Products Commission	-	-	-
313	Mid West Development Commission			
	– Delivery of Services	4,001	6,110	3,501
	– Capital Contribution	-	-	229
	Total	4,001	6,110	3,730
329	Wheatbelt Development Commission			
	– Delivery of Services	1,431	1,421	1,448
	Total	1,431	1,421	1,448

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
	GRAND TOTAL			
	– Delivery of Services	148,750	170,095	171,340
	– Capital Contribution	3,531	3,531	5,429
	Total	152,281	173,626	176,769

AGRICULTURE AND FOOD

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

DIVISION 14

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 48 Net amount appropriated to deliver services	126,695	139,890	157,689	161,653	167,341	128,843	133,449
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	150	155	155	159	164	169	174
Total appropriations provided to deliver services	126,845	140,045	157,844	161,812	167,505	129,012	133,623
ADMINISTERED TRANSACTIONS							
Amount provided for Administered Grants, Subsidies and Other Transfer Payments ..	7,129	-	-	-	-	-	-
CAPITAL							
Item 143 Capital Contribution	2,158	3,531	3,531	5,200	17,000	57,000	-
GRAND TOTAL	136,132	143,576	161,375	167,012	184,505	186,012	133,623

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

Food and Fibre Industry Development

- Primary agricultural production represents the largest renewable resource-based industry in Western Australia. The agri-food industries, including retailing and food service sector, represent more than 9 per cent of the state's economy. The sector creates employment for more than 11 per cent of the state's workforce and is the largest employer in the rural regions.
- Gross State Product (GSP) contribution 2000-2005**

	2000-01	2001-02	2002-03	2003-04	2004-05
Proportion of GSP attributed to agriculture (%) ^(a)	9.3%	9.2%	8.8%	9.0%	8.9%
Total GSP (\$ million)	\$68,089	\$77,495	\$81,107	\$87,190	\$94,827

- (a) The direct contribution of the agriculture, forestry and fishing sector to the state's GSP in 2004-05 was 3.9 per cent. The indirect contribution to GSP of related industries within other sectors is estimated to be an additional 5.0 per cent. The contribution in 2004-05 was marginally lower due to the growth in the mining sector.

- The Western Australian food-processing sector has an annual turnover of approximately \$3.5 billion and has grown at an average of 4.5 per cent per annum over the last ten years. Much of the growth is directed to exports, and local processors supply a decreasing percentage of the national food intake. A study indicated an economic multiplier of 6:1 for every dollar created by the food sector and an employment multiplier of 12:1 for every person employed. The agri-food industry represents the second largest export sector with more than 82 per cent of the total value of production being exported.
- The agri-food industry has undergone many changes in recent years that need to be considered when looking at the various demands for policy intervention and government activities:
 - the industry has shifted towards being more market driven and conscious of consumer needs;
 - healthy food is now the new paradigm in many of our export markets;
 - there has been a radical shift in the supply chain from manufacturers to major retailer and food service companies dictating trends for products and innovation;
 - the industry increasingly needs to integrate production and distribution chains;
 - increasing demand for intellectual property protection, management and commercialisation; and
 - increasing awareness of the need for environmentally friendly production methods.
- World food industry trends predict increased growth in three major areas:
 - health and wellbeing foods;
 - convenience foods; and
 - indulgence foods.

In general, Western Australian companies do not have the economies of scale to enable them to compete globally in food commodities, and therefore need support to focus on these more technologically complex product areas.

- Western Australia currently exports (\$4.4 billion) approximately 75 per cent of production (\$5.9 billion) and represents:
 - 40 per cent of Australia's grain exports;
 - 25 per cent of Australia's wool clip and supplies 6 per cent of the world's apparel wool;
 - 31 per cent of Australia's vegetable exports;
 - more than 60 per cent of Australia's strawberry exports; and
 - 60 per cent of live animal exports.
- Of the \$4.4 billion in agricultural and food exports, only 19 per cent represents processed food exports.
- The application of modern information management, communication, global positioning, remote sensing, auto-detection and identification and tracing technology will be increasingly important to the assurance of product quality and safety, maintenance of animal and plant health and protection of the natural environment.
- Adoption of new food and fibre production technologies, including the use of biotechnology coupled with more intensive production techniques will become a major driver for change.
- More mechanised industries, such as grains and wine are up-scaling and farm sizes are increasing. These industries are attracting new capital investments because of good returns, and are having a strong positive impact on regional economies. However, labour supply is an increasing issue in agricultural areas, and availability of seasonal labour appears to be trending downward. There will be continued drive toward more labour efficient and flexible farm operations, placing further downward pressure on rural communities.
- Supermarket consolidation and penetration into Western Australia's traditional markets in Asia is continuing. However, disaggregation of food retailing is becoming evident in mature markets like the United States of America, particularly in areas of higher incomes, where retailers offer an up-market shopping experience. These contrasting trends may offer new opportunities for high quality Australian produce.
- There has been a trend towards intensification of animal industries in Western Australia with increases in lot-feeding in the beef and lamb industries, development of intensive feeding systems in the dairy industry and the concentration of sheep on fewer pasture hectares as the cropping area has expanded. This is leading to a need for research and development into new fodder and feeding systems, management of the nutrient impact and development of new production systems.

- Increasing diversity in product type will lead to an increased need to manage on-farm storage and handling, an increased requirement to segregate material based on crop variety, development of improved crop production techniques and an ability to track Quality Assured (QA) grain. On farm changes will be complemented by changes in bulk storage being able to segregate grain without contamination, develop a QA supply chain and to deliver grain to the market with the best quality.
- Pressure is building within rangeland industries as a result of increasing costs of production and a declining human resource base. Traditional European-grazing systems (set stocking regimes, square paddock with corner waters) are being replaced by more sustainable management systems that are predicated on total grazing control, decision point management, pasture rest and strategic utilisation, which more adequately reflect Western Australia's arid pastoral estate.
- Segregation and legal liability issues and the lack of clear market signals about consumer acceptance of genetically modified (GM) foods in domestic and overseas markets have resulted in the government adopting a cautious approach to the commercialisation of GM food crops in Western Australia.
- Western Australian producers have a high reliance on export markets and are affected significantly by changes to World Trade Organisation (WTO) agreements, regional free trade agreements (FTA) and subsidisation regimes of the European Union and United States of America. The introduction of FTAs will provide both opportunities and challenges to Western Australian agriculture.
- The horticulture industries are facing increasing competition. The major Western Australian vegetable export industries, carrots and cauliflowers, are facing strong competition from China and the export plum industry is facing increased competition from other Southern hemisphere producers including Chile and South Africa.
- The importance of food safety and the implementation of quality assurance systems to protect both the health of the Western Australian community, the health of our environment and markets will increase.
- There will be increasing opportunities to develop markets for new or value added products (e.g. new types of oil products, biofuels) or products better suited to the market (e.g. steamed bread). The opportunity to develop value-adding opportunities is reliant on industry participants understanding market development, identifying niches and competitors, targeting the investment needed and optimising implementation.

Agriculture Resource Management

- Managing salinity in the South West and maintaining or improving rangeland condition in the pastoral areas will continue to be high priority land degradation issues.
- Coordinating the National Action Plan for Salinity and Water Quality (NAP) program, which is a significant initiative for the state with the State and Commonwealth Governments equally investing in a three year \$316.0 million program, which commenced in 2005-06.
- The reality of the environmental harm being caused by inappropriate use of fertilisers is becoming clearer and will drive more formal restrictions on the use of fertilisers and the development of more sustainable management options for growers.
- Herbicide resistance in weeds and land degradation including wind and water erosion, soil acidification, soil compaction, water repellence and waterlogging are land management issues impacting on agricultural production with additional implications for the environment. Stubble burning to control herbicide resistant weeds is estimated to have increased to 50 per cent in some districts resulting in an increased erosion risk.
- The increasing adoption by farmers of drainage as a viable salinity management option is placing pressure on Government to fund drain construction and develop governance arrangements for arterial drainage in the Wheatbelt. Wider consideration will be required in both government and the community of the need for large scale drainage to be developed and regulated within a water management and catchment planning framework.
- Climate change has become a more important issue, with potential adverse impacts on all industries in terms of reducing greenhouse gas emissions and adapting farming systems.

- There are emerging opportunities to diversify into the provision of environmental services through carbon trading schemes and increasing the area of revegetation. The Kyoto Protocol has come into effect and emissions trading has officially commenced in the European Union. In Australia, a national emissions trading system will be needed to link to international carbon markets.
- Due to increased pressure on water resources agriculture will be required to account for the efficiency of its water use. Growth in agricultural industries will be highly dependent on access to water resources.
- Surface water management and drought proofing of farms is increasingly of concern to farmers in the mid and low rainfall parts of the region. Moreover, managing surface water to reduce the risk of erosion, waterlogging and increased salinity is a priority. With several recent drought years, followed by high rainfall episodic and damaging events, managing seasonal rainfall variability is a high priority for many farmers.
- The demand for environmental monitoring and reporting is growing. The NAP has established a monitoring and evaluation framework for agricultural and pastoral lands that Western Australia is a signatory to. Monitoring and evaluation of both resource condition trends and management actions, against targets set in regional strategies, will enable compliance with requirements for both the NAP and State of Environment reporting.
- International commitments to the Conservation of Biodiversity (1993), WTO (2001) and the intent of the Kyoto Agreement impact on agriculture in Western Australia and how it manages its natural resources. Though the recent WTO Doha Round finished in disarray, it is highly likely that linking agricultural sustainability to trade arrangements will remain a priority for future negotiations.
- Increased community expectations regarding environmental impacts underpin a trend nationally towards greater regulation. Legislation is increasingly being tightened and framed to require compliance with Codes of Practice. There is a stronger push by stakeholders for land retirement/structural adjustment to meet sustainability outcomes.
- In the short term, the market is unlikely to be a major driver for environmental sustainability being limited to a relatively small number of producers supplying niche or specialised markets. However, the industry must be positioned to meet the likelihood of increased export market pressures in this area.
- Farmers, industry and community are becoming more aware of the need to demonstrate Good Agricultural Practice in farm and food production systems. Support for this is evident in catchment plans and farmers need clear advice and industry direction on environmental standards that need to be met in their production systems. There is now a national agricultural industry driven move towards a whole of property or business approach to farm business planning, rather than the current sectional approach that tends to deal with natural resource management and environmental planning separately from business planning. This has implications for the emergence of 'sustainable development' as a market and government driven concept.
- There are growing restrictions/directions on which practices can be done where. Competition for the agricultural resource base arises from urbanisation and other development pressures. Planning to deal with these issues creates a requirement for resource data, spatial data analysis, codes of practice and effective relationships with land use planners.
- Devolvement of Natural Resource Management (NRM) funding to the regional community groups is a significant shift. Regional NRM groups are therefore now a major 'client'. They are charged with identifying priorities, developing strategies and investment plans, and reporting on progress against targets in terms of both resource condition and management actions.
- Land Conservation District Committees (LCDCs) are struggling to find a relevant future within the emerging regional natural resource management delivery arrangements. Increasing numbers of LCDCs are moving to be abolished in favour of regional NRM groups.

Biosecurity

- Growth of the global trading environment and technological progress in the transport of people, cargo and mail has greatly reduced the effectiveness of Western Australia's natural geographical protection against the entry of pests.
- Interstate border quarantine operations are under increasing pressures from marked increases in travel and trade. Last year over 100,000 vehicles were searched at road checkpoints (at Eucla and Kununurra) with 22,000kg of seizures, passengers from 11,500 flights were inspected at airports with 2,000kg of seizures and 98 passenger trains inspected with 650 kg of seizures. Over the last 4 years there has been:
 - 24 per cent increase in flights into Western Australia (Perth 25 per cent, Kununurra 4 per cent, Broome 59 per cent);
 - 52 per cent increase in passengers on flights (Perth 52 per cent, Kununurra -23 per cent, Broome 172 per cent);
 - 31 per cent increase in freight trains and 34 per cent increase of rail containers;
 - 98 per cent increase in items imported (currently 7.2 million) from 30 per cent increase in imported consignments (currently 32,000) that must be inspected; and
 - 2 per cent increase in the number of vehicles entering the state through road checkpoints (currently 102,000 vehicles). Checkpoints currently operate 24 hours per day 7 days per week.
- The planned introduction to Parliament of the new biosecurity legislation through the Biosecurity and Agriculture Management Bill to replace 17 existing Acts signifies a new era in regulation for the management of biosecurity risks.
- The national Emergency Plant Pest Response Deed and the Emergency Animal Diseases Response Deed Agreement to which all Australian governments have committed, establish binding government-industry cost-sharing arrangements for major pests and diseases. The Deeds require each jurisdiction to have in place an appropriate capacity to respond to emergency pest and disease incidents. The Deeds also require each state to have capacity to assist other states should an exotic disease outbreak occur, requiring the Department to enhance its overall capacity to respond to emergencies.
- There is growing international pressure for exporting countries and regions to demonstrate freedom from diseases and pests. Overseas markets are requiring Australia to provide increasing levels of evidence of its high biosecurity status and freedom from specific diseases and chemical residues. Effective livestock and produce traceability is a key component of providing this assurance.
- Increasing demands from prospective international and interstate trading partners for access to Western Australian markets place significant demands on agencies to provide world-class risk analysis expertise, and demonstrate freedom from quarantine pests.
- Information and communication technology is rapidly changing the way business is done along with community expectations for information delivery and accessibility.
- Increasingly, animal and plant biosecurity issues are nationally significant and relate to trade and market access, food safety and public health. Dealing with these matters will involve partnerships between National and State Governments and industry, under nationally agreed biosecurity programs.
- The reduction in disease reporting by livestock producers and the reduced utilisation of veterinary services in rural areas present major challenges for disease surveillance. There is a need to develop a more efficient and effective animal disease surveillance capability in light of the declining animal health networks.
- Livestock industries are facing increasing pressure from the community and markets to adopt and demonstrate the use of best practice in relation to animal welfare. The Department will have an increasing role in developing and implementing national strategies for animal welfare as a partner in the recently adopted Australian Animal Welfare Strategy.

- Industry QA programs will become more important for production, food safety and trade. This trend provides an opportunity to incorporate biosecurity modules as part of these QA programs.
- There is a world-wide consumer demand for greater levels of food safety which will require a greater involvement of public agencies, such as the Department, in customer-assurance processes for these issues.
- An ageing workforce and difficulties in retaining younger professional staff, particularly in rural areas, in a highly competitive employment market is a key risk. The loss of significant corporate knowledge in the next 5-10 years is a significant risk issue.
- The detection of the exotic pest European House Borer (EHB), regarded as one of the most important insect pests of softwood, has highlighted the need for regular review of measures for importation of items at risk of carrying cryptic pests and greater emphasis on the 'shared responsibility' for quarantine, and biosecurity generally.
- Biosecurity science has emerged as an important growth area within the domain of biosecurity risk management for various sectors such as agriculture, environment, trade and community amenity. Active participation in the research programs of national Cooperative Research Centres will be increasingly important.
- There is increasing community pressure for Government to do more about the management of serious environmental weeds that are causing potentially irreparable damage to Western Australia's unique biodiversity, particularly on public land.
- Pests that impact on environmental and social values will be increasingly important and this will require increased collaboration between the Department's biosecurity programs, and other authorities and stakeholders if cost-effective prevention and control is to be achieved.
- There is an ever increasing number of small rural landholders as a result of new subdivisions. These properties will continue to have an increasing impact on the management of biosecurity risks in the state.
- There is increasing pressure nationally and internationally to stop nurseries and private dealers from propagating and trading in plants that are considered to be serious environmental weeds.
- There is increasing pressure on state-funded biosecurity services for eradication programs for new incursions. Other new pest eradication programs are expected to follow current responses to the EHB, starlings and bedstraw, which are important pest threats for Western Australia's environment, economy and lifestyle.
- Major gaps in biosecurity arrangements at the state and national level will be tackled via the AusBIOSEC national biosecurity planning initiative, which is expected to have an increasing influence on planning and funding for major biosecurity programs.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Biosecurity and Agriculture Management Bill	500	600	600	600
Emergency Pest and Disease Diagnostic and Operational Response Capacity	150	150	150	150
European House Borer	2,815	1,890	-	-
Indigenous Landholder Service	500	500	600	600
National Action Plan (Salinity) - Tree Planting Program	3,200	7,700	-	-

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Food and Fibre Industry Development	86,973	95,752	93,019	88,353			
<i>Service 2:</i>							
Agricultural Resource Management	74,975	107,277	138,507	146,929			
<i>Service 3:</i>							
Biosecurity	61,546	53,953	67,100	60,071			
<i>Service 4:</i>							
Services provided to Rural Business Development Corporation	7,518	3,837	8,863	3,123			
Total Cost of Services	231,012	260,819	307,489	298,476	295,202	175,048	175,160
<i>Less Income</i>	<i>119,453</i>	<i>131,610</i>	<i>159,831</i>	<i>133,612</i>	<i>133,892</i>	<i>46,181</i>	<i>42,189</i>
Net Cost of Services	111,559	129,209	147,658	164,864	161,310	128,867	132,971
Adjustments ^(a)	15,286	10,836	10,186	(3,052)	6,195	145	652
Appropriation provided to deliver Services.	126,845	140,045	157,844	161,812	167,505	129,012	133,623
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	7,129	-	-	-	-	-	-
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	2,158	3,531	3,531	5,200	17,000	57,000	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	136,132	143,576	161,375	167,012	184,505	186,012	133,623

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

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goals	Desired Outcomes	Services
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	Increased competitiveness and profitability of Agriculture, food and fibre industries.	1. Food and Fibre Industry Development 4. Services provided to Rural Business Development Corporation
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Improved ecological sustainable development of agri-industry.	2. Agricultural Resource Management
To ensure that regional Western Australia is strong and vibrant.	Effective management of biosecurity.	3. Biosecurity

Outcome 1: Increased Competitiveness and Profitability of Agriculture, Food and Fibre Industries

Effectiveness Indicator – Uptake of Department Varieties

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

Variety	2004		2005	
	Percentage of Western Australian crop area sown to crop varieties developed by the Department of Agriculture and Food	Estimated season hectares planted	Estimated percentage of Western Australian crop area sown to crop varieties developed by the Department of Agriculture and Food	Target season hectares planted
Wheat	84.2	4,403,269	80.7	3,931,167
Barley	93.6	1,090,318	95.4	874,423
Oats	95.8	149,821	97.1	75,859
Lupins	99.9	544,026	96.0	399,195
Field Peas	7.4	68,002	8.4	58,155
Chickpeas	87.0	1,931	84.0	2,056
Total	86.7	6,257,367	83.7	5,340,855

Effectiveness Indicator – Exports to Select Markets from Trade and Development

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

Commodity	Destination	2004-05 (\$'000)	2005-06 Target (\$'000)	2005-06 Estimated (\$'000)	2006-07 Target (\$'000)
Pork	Total exports	34,029	38,700	31,000	32,500
	Singapore	29,607	34,100	28,600	30,000
Beef	Japan	51,950	54,000	30,000	35,000
	Taiwan	4,857	5,720	7,600	8,000
	South Korea	26,038	25,600	29,000	32,000
	Kuwait	3,783	4,580	3,500	3,500
Lamb	Japan	6,267	5,900	12,100	16,000
Milk	Singapore	12,292	13,600	11,500	12,000
	Taiwan	2,827	3,400	2,300	3,200
	Malaysia	2,199	2,300	2,200	4,000
	Hong Kong	7,484	7,500	2,000 ^(a)	3,000
Hay	Japan	69,394	75,000	88,500	86,000
	South Korea	7,385	6,300	3,700	3,800
Cereal Straw	Japan	2,381	2,500	3,800	3,600

(a) Western Australian milk products going into Hong Kong lost a major share of the market in 2005-06 but are expected to recover somewhat in 2006-07.

Effectiveness Indicator – Department's Contribution to Increasing Producer's Profitability

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

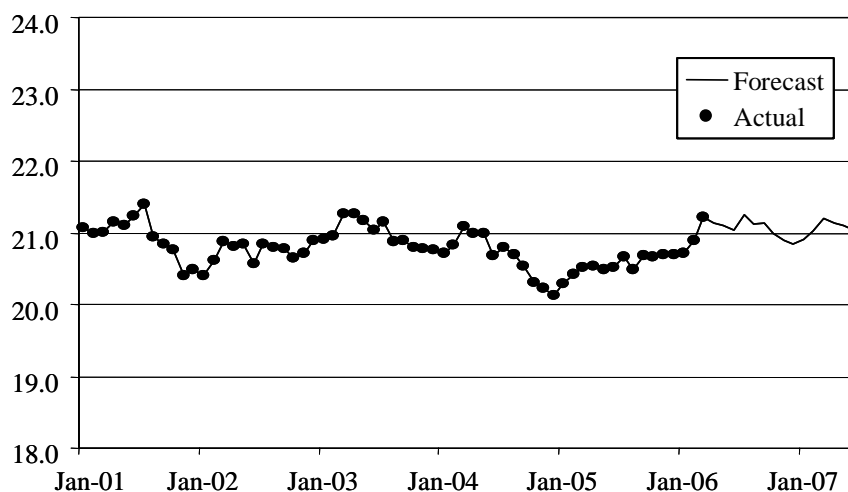
- Select horticulture exports

Product	2004-05	2005-06 Target	2005-06 Estimated	2006-07 Target
Carrot Exports (volume) Tonnes.....	54,494	50,000	50,000	52,000
Carrot Exports (value).....	\$32,300,000	\$27,000,000	\$33,000,000	\$34,000,000
Potato Exports (volume) Tonnes.....	1,149	2,500	1,710	2,000
Potato Exports (value).....	\$1,100,000	\$2,200,000	\$1,500,000	\$1,400,000
Strawberry Exports (volume) Tonnes.....	1,787	1,900	1,800	1,900
Strawberry Exports (value).....	\$8,400,000	\$9,500,000	\$8,400,000	\$9,500,000

Seed potato exports were below target for a number of reasons in 2005-06 including an increase in the Australian dollar, Indonesian quarantine problems which have been addressed and product loss through flooding of Albany production area in late 2005 affecting amount available for export. The market is, however, expected to rebound from these issues.

- Average diameter of wool sold at auction in Western Australia

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



The projected fibre diameter profile prepared last year was based on expectations of an average season. However, the 2005 pasture growing season in much of the wool belt was remarkable for the early start in April, follow up rain throughout the season, apart from July, and continued pasture growth for about three weeks after the normal end of season. As a result sheep and wool growing conditions were better than they have been for many years. This resulted in heavier fleece cuts, but also higher than expected fibre diameters. Economically at the farm scale, these responses tend to largely cancel one another-extra wool produced makes up for the reduced price due to higher diameter.

Outcome 2: Improved Ecological Sustainable Development of Agri-industry

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

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

The Natural Resource Management (NRM) service contributes to all these areas. A major emphasis of the NRM output has been on the management of Wheatbelt salinity with about one million hectares severely affected and about another million affected to the extent that the yield of normal crops and pastures is reduced by at least 50 per cent. In total, roughly 10 per cent of the agricultural area is affected by salinity.

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

The Department of Agriculture and Food promotes a range of land management practices that are considered important for salinity management. It is expected, with continued extension efforts that the increase in adoption of these practices will continue, given favourable seasonal and economic conditions.

Western Australian Primary Producers in the Sheep/Wheat Agricultural Areas Who Used Selected Sustainable Land Management Practices

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

	2004-05 Actual %	2005-06 Target %	2005-06 Estimated %	2006-07 Target %
Agronomy practices				
Planted non-irrigated perennial pasture species	36	40	40	40
Planted saltland pasture species	17	25	25	30
Stubble retention or mulching practices	60	76	76	65
Farmed to soil type	66	74	74	75
Land Conservation Management				
Tree/shrub planting	63	60	60	65
Preserve or enhanced areas of conservation value	61	66	66	70
Excluded stock from areas impacted by land degradation	68	75	70	75
Protected river or creek frontages from grazing animals	50	50	50	55
Resource Monitoring				
Regular soil testing for nutrient levels	69	76	76	75
Regular soil testing for pH	69	75	75	75
Regular monitoring of pasture/vegetation cover on sandy/light soils	55		50	55
Surface water management				
Water on sloping land (eg grade banks)	53	63	55	55
Water on the valley floors using surface drains	31	44	44	30
Water on the valley floors using deep drains	13	18	18	15

Outcome 3: Effective Management of Biosecurity

Effectiveness Indicator – Animal and Pest Intercepts and Releases from Quarantine

Service Measures	2004-05	2005-06 Target	2005-06 Estimate	2006-07 Target
1 Identifications of notifiable animal diseases	23	23	24	23
2 Number of animal diseases	5	5	5	6
3 Interceptions of significant pests, diseases and weeds	297	310	300	305
4 Number of pests, diseases and weeds	78	71	73	72
5 Removal of properties from quarantine	106	105	102	103

Animal Diseases

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

Interception of Significant Pests, Diseases and Weeds

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

Quarantine

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

Service 1: Food and Fibre Industry Development

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

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	86,973	95,752	93,019	88,353	Reduction in expenditure on miscellaneous research grant funded projects.
Less Income	30,456	31,145	31,164	30,841	
Net Cost of Service	56,517	64,607	61,855	57,512	
Adjustments ^(a)	7,299	(629)	(3,895)	1,028	
Appropriation for delivery of Service	63,816	63,978	57,960	58,540	

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

Efficiency Indicator – Average Cost per unit of Knowledge

Units of knowledge include outputs of new varieties, books, journal articles, information kits, etc weighted to reflect the different levels of difficulty and time involved in their preparation. Marginal increases in efficiency are forecast for 2005-06 and 2006-07.

	2004-05	2005-06 Target	2005-06 Estimate	2006-07 Target
Total number of units of knowledge	3,116	3,100	3,150	3,100
Total cost	\$86,985,000	\$95,752,000	\$93,027,000	\$88,375,000
Average cost per unit of knowledge	\$27,912	\$30,888	\$29,532	\$28,508

Full Time Equivalents for Service 1

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Full Time Equivalents (FTEs)	790	668	708	640	

Major Achievements For 2005-06

- The Department continued to support the development of the Agricultural Research Western Australian research alliance with Murdoch University, Curtin University of Technology and the University of Western Australia.
- Prototype lupin milk and dairy substitute products of superior taste and appearance to many commercial soy-based equivalents have been developed. The Department is close to finalising a commercialisation agreement with an Australian company. Interest has been shown by a number of other food companies in this and related lupin food products.
- Tramline farming systems are rapidly developing in parts of the Wheatbelt. Modelling of potential efficiencies of tramline farming systems have shown two types of economic benefits, reduced fuel use and increased production and income through improved moisture conservation and root exploration of the 0-30cm depth of soil. An analysis of these two areas shows that fuel cost reductions can be as large as 30 per cent.
- Expanding pulse cropping by targeted extension of improved varieties and management packages continues to meet and exceed milestones. Departmental officers ran the PulseWA funded media campaign 'Focus on Field Pea'. In addition, a series of agronomist and producer training days provided key players in the industry with training on the best management practices for pea growing. The pea industry had a record year, and the pea industry of Western Australia exceeded Victoria in 2005-06 with Western Australia becoming the second largest pea production state.
- Two new kabuli chickpea varieties, Almaz and Nafice, were released in 2005. The varieties have significantly improved ascochyta blight resistance compared to the current standard kabuli varieties such as Kaniva and Bumper. Seed yields have been greater than Kaniva in trials across chickpea growing regions of Australia. Almaz and Nafice will offer good opportunities for growers in the medium to high rainfall regions of Western Australia and other areas across southern Australia.
- The barley breeding program became a key player in the National Barley Breeding Australia initiative in 2005. Barley Breeding Australia consists of three major nodes. The Western Australian Program will be responsible for producing malting and feed varieties for the Western Region and the 'neutral to acid' soils of southern New South Wales, Victoria and Tasmania.
- The barley breeding program released a new malting barley Vlamingh. Vlamingh is a high yielding, medium to late maturing superior quality malting barley, with improved disease resistance for scald and net type of net blotch. This variety has broad adaptation and is set to become a dominant variety in Western Australia and interstate where it will be competitive with Gairdner and Baudin.
- New seed potato import conditions for Thailand were established following a visit to Western Australia in 2005 by the Thai Department of Agriculture. The conditions ensure that Western Australia has ready access to this market.
- Aided by the Department's production technology, the table grape industry in Carnarvon continues to expand at a steady rate. 1,753 tonnes of table grapes were harvested from November to January valued at \$8.8 million. Carnarvon now produces at least 25 per cent of total table grape production and 40-45 per cent of the total value of the table grape industry in Western Australia. Carnarvon growers exported overseas or to other states 90 per cent of the state's table grape production in 2005-06.
- A number of sites have been developed in the Ord River Irrigation Area to demonstrate best practice farming systems for growers on Kununurra clay soils. Findings from the NAP, Sugar Research and Development Corporation and Cotton Research and Development Corporation funded projects have been integrated and used to develop best practice management strategies. The recently launched Ord soilPAK, a soil management package developed in collaboration with growers, has also been used to assist in developing best practice guidelines.
- A major dairy farming systems project, Greener Pastures, has been established at the Vasse Research Centre to determine the economic and environmental consequences of increasing nitrogen fertiliser use in intensive pasture systems. This includes the establishment of a centre pivot irrigation system to significantly upgrade the dairy research facilities at Vasse. The Greener Pastures project forms part of the national dairy farming systems network and has attracted co-investment from industry and resource management funding bodies during the 2005-06 financial year.

- As part of the National Annual Legume Improvement program, contributed information supporting the release of an early maturing Persian clover (cv. SARDI Persian) in 2005. Persian clovers are suited to higher rainfall partially waterlogging sites, and offer improved pasture productivity over sub clover in these environments. Two varieties of pasture legume will be released by the Department to licensed seed growers in 2006. The first is a late season purple clover variety for fodder production in high rainfall regions of southern Australia.
- An elite variety of eastern star clover has been advanced to the release stage but commercialisation has been delayed until 2007 pending the results of further pathology studies. An elite variety of bladder clover has also been advanced and is undergoing Duty of Care grazing studies in 2006 with a view to commercialisation in 2007, assuming there are no negative impacts on animal health or animal production. An elite group of rose clover accessions are currently being evaluated for their performance in low to medium rainfall mixed farming systems, but a release decision will not be made now until at least 2007.
- The Wool Market Specifications group evaluated a series of fabric and yarn products from high end Italian retailers and delivered fibre recommendations based on the evaluation outcomes to increase the value of the Western Australian wool clip.
- The Lifetime Wool and Pastures from Space groups combined resources of staff and cooperating farmers to 'road-test' the marriage of the two technologies on 20 farms in Western Australia.
- A collection of fabrics was developed using the Department's Shemia Seiki knitting machine for Western Australian fashion designers to develop garments using a 'comfort' theme to expand the premium quality fine wool niche market.
- The Department of Agriculture and Food has been supporting the Western Australian Meat Industry Authority in the relocation of the Midland Saleyard to the new Muchea Saleyard. Developments to date have included:
 - in December 2005, the Shire of Chittering approved the development application for the new saleyard. The associated traffic study and acid sulphate soil and odour and noise contracts have been awarded;
 - the Plan has the full support from the State's meat and livestock industry;
 - the Midland land is being sold. This will enable the Muchea block to be purchased outright; and
 - the new Muchea Saleyard is due to commence operation in early 2007.
- Recent climate research in the Climate and Weather Project has delivered a range of map products relating to seasonal rainfall forecasts, maps of frost risks and a study of trends in frost events, a series of frost alert bulletins for management of frost events, and prototype software called 'STIN-XL' which can be used by growers and consultants to calculate the potential yield of crops.

Major Initiatives For 2006-07

- Establishment of a Western Australian food policy strategy and a whole-of-government approach to be executed and led by a newly renamed Department of Agriculture and Food.
- The processed food industry will continue to be a focus in 2006-07, with activities targeted under the following five strategic imperatives:
 - customer and consumer focus;
 - innovation capability;
 - policy and regulatory support;
 - industry capacity building; and
 - internationally competitive.
- With increasing pressure from globalised trade in food products, Western Australian producers are finding it more difficult to gain the attention of their customers and consumers with their products. A communication strategy with the local processing sector will be developed. This strategy will bring knowledge to the state using national and international guest speakers and trainers.
- Local food companies are a large distance from any substantial markets, yet compete against well resourced companies with economies of scale and strong brand recognition. Differentiated product offers need to be developed by industry, and the capability will be supported through an active Innovation strategy.

- Food businesses have an increasingly difficult task of managing their regulatory responsibilities. Government has a key role to play in reducing this burden on businesses, through the following initiatives:
 - the Food Quality and Sustainability scheme will see accreditation standards implemented for sustainable farming practices;
 - the Labelling and Food Regulation group will work on reducing the burden of the food regulatory environment; and
 - a Foods for Health initiative will consider options to promote a more healthy food value chain.
- Local food businesses often do not access appropriate mechanisms for capital formation and associated investment. These include the aggregation of capital across the sector and the influx of capital from outside the sector. Initiatives will be developed that will enhance the capacity of the local industry.
- Local businesses face a small domestic market, where the population is too small to support world standard size food production methods, yet they are not protected from imported products. A number of initiatives will be developed to encourage the industry to be internationally competitive.
- Further develop the wheat breeding corporate model and establish clear research plans/collaboration models for interstate breeding targets and a national commercialisation model that provides for a competitive market presence in all major wheat growing states.
- Implement the 'Western Node' plans for the National Barley Breeding Program, including developing breeding targets in other states thus ensuring that collaborative arrangements with the interstate partners deliver improved outcomes in research and breeding.
- Initiate new areas of wheat agronomy research in partnership with the Grains Research and Development Cooperation. Variety specific agronomy will focus on characterising phenological and other adaptive traits that result in optimisation of yield and risk in relation to wheat production. This is expected to result in more precise information for time of sowing recommendations and subsequently quantification of risk associated with seasonal factors such as frost.
- Long lead forecasting of seasonal conditions will remain a priority for Western Australian agriculture. Further investigation as to how the ENSO[1] forecasting system developed can be improved with regional factors such as the Indian Ocean temperatures will be undertaken. Frost analysis and frost research will be further developed including the role of variety selection, planting time and the use of chemicals to reduce frost incidence at flowering time.
- The Department will continue to work pro-actively with the private sector to increase returns from the Western Australian lupin industry through the value chain. Our breeding program will have a three pronged approach to increase grain quality required by higher valued food and feed markets:
 - lifting the protein content of the widely grown narrow-leafed lupin;
 - developing an agronomically suitable variety of the high protein yellow lupin currently grown in Europe; and
 - developing a low alkaloid, high protein and high oil pearl lupin, a species native to South America.
- Workshops for growers will focus on getting new annual pasture legumes into the farming system. This will involve designing the modules for a series of workshops that help growers evaluate the role of these pasture species in their farming system and design transitional strategies to incorporate these technologies into their programs for the future.
- Research will be conducted to further reduce nutrient losses to groundwater associated with growing leafy and heading vegetable crops by refining application techniques and rates beyond the first 14 days after planting. The results of work conducted over the last two years will be extended to industry to ensure adoption. Best practice production manuals for a range of crops will be produced which incorporate these new techniques.
- A project has been implemented to develop post-harvest anti-ethylene treatments for waxflower particularly for the main new waxflower releases. Several anti-ethylene methods have been identified and are being tested. These will be refined and protocols developed and introduced to the industry, enabling them to better postharvest manage their cut flowers and present a quality product to the market.
- Verification trials will be conducted with quarantine scientists from Japan to enable exports of citrus to Japan at higher temperatures for improved quality at outturn. Work will commence for red flesh grapefruit from the Ord River for market access to Japan. New fumigation methods will be developed for export of table grapes to Canada and New Zealand.

- Three new sugarcane varieties are to be released during the 2006 season, resulting from a program in the Ord River Irrigation Area for introduction and assessment of varieties from Queensland and overseas. The varieties will replace or complement existing varieties to improve management of the sugarcane smut disease and to increase genetic diversity as a way of reducing risk associated with potential, future loss of some varieties from further disease incursion.
- The 'New Opportunities in Tropical and Pastoral Agriculture' project will consider and develop proposals to assist in the diversification of pastoral businesses. Options for native plants, trees and specialist crops will be assessed for the West Kimberley and the Pilbara.
- The Department will bring to the Pilbara and Southern Agricultural region learning outcomes, appropriate experience and mentoring support from the successful Indigenous cattle focussed projects currently operating in the Kimberley, known as the Kimberley Indigenous Management Support Service. The new project will improve production and managerial capacity of Indigenous pastoral producers through training in herd management.
- Further loans made by the Western Australian State Government under the *Loans (Cooperative Companies) Act 2004* will be delivered during 2006-07. Additional resources will be allocated to work with cooperatives to encourage expansion of the cooperatives industry in the state.
- Working with the Sustainable Grazing for Saltland Program and Saltland Pastures Association to radically increase adoption of productive saltland pastures. This initiative will develop a pilot program and then a full program after evaluation of pilot success.
- To overcome one of the barriers of adoption of perennial pastures, an agronomic package for establishing annual-perennial pasture mixes in the grain growing areas of the Southern Agricultural Region will be developed by 2009.
- Programs will address issues raised by the export market to improve carcass yield, carcass quality and pork eating quality and further development of sea freight transport of chilled fresh pork to Singapore.
- Training packages will be developed to equip livestock producers with the skills and information necessary to utilise pastures from space technology to make strategic and tactical pasture management decisions on farm.
- A new five year reproduction project to investigate the genetic impacts on maternal productivity in cattle in variable temperate environments will be commenced. Female fertility has been identified as a key profit driver in the beef industry with potential to increase profit margins by around 20 per cent. As the breeding cow is the single largest expense in cattle breeding enterprises (using 70 per cent of feed) understanding performance under variable nutrition and environments is critical.
- Evaluation of the Werribee farrowing pen system in low cost housing will be conducted as an animal welfare friendly alternative to conventional farrowing crates.
- Host study tours from China, Malaysia, Korea, Iraq and Iran will be conducted aimed at building relationships in agri-industry support services.
- A range of markets will be targeted to promote and develop market opportunities for Western Australian Agriculture and Food, including markets in India, Europe, Thailand, China, Malaysia, Taiwan, South Korea, Japan and countries in the Middle East region.
- The planned relocation of the Headquarters and Biosecurity facilities to an appropriate location, at a cost of \$74.0 million. Detailed planning has commenced with completion scheduled for 2009. This will run in parallel with a project that will oversee planning for the distribution of the Department's research staff to the Agricultural Research Western Australia (ARWA) research centres located on various university sites.

Service 2: Agricultural Resource Management

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

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

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	74,975	107,277	138,507	146,929	Increased expenditure in respect to Salinity projects funded by Industry and Commonwealth.
Less Income	65,499	82,436	98,543	80,808	
Net Cost of Service	9,476	24,841	39,964	66,121	
Adjustments ^(a)	9,504	10,401	16,085	(4,440)	
Appropriation for delivery of Service	18,980	35,242	56,049	61,681	

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

The total value for grants approved and advanced to community members is \$107.2 million. While contributing to the cost of the service, these figures do not form part of the efficiency determinations.

Efficiency Indicator – Average Cost per Information Product

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

	2004-05 Actual	2005-06 Target	2005-06 Estimated	2006-07 Target	Reasons for Significant variation between 2005-06 Estimated and 2006-07 Target
Total number of information products.....	786	680	700	720	
Total cost.....	\$21,676,530	\$15,474,969	\$16,596,015	\$17,429,528	
Average cost per information product	\$27,578	\$22,757	\$23,709	\$24,208	

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

Under the Western Australian Government's State Salinity Strategy (2000), the Department of Agriculture and Food has obligations to provide all landholders in the agricultural areas with an assessment of current salinity, options for managing those risks and their likely impacts.

	2004-05 Actual	2005-06 Target	2005-06 Estimated	2006-07 Target	Reason for Significant variation between 2005-06 Estimated and 2006-07 Target
Total number of hectares assessed for risks, options and impacts	3,000,000	4,000,000	6,178,000	5,000,000	Planned catchments to be assessed in 2006-07 cover a reduced area.
Total cost.....	\$6,831,783	\$4,311,269	\$5,779,258	\$6,034,796	
Average cost per hectare assessed for risks, options and impacts	\$2.28	\$1.08	\$0.94	\$1.21	

Efficiency Indicator – Average cost per Regulatory Activity Processed

The Department of Agriculture and Food manages the regulatory process under the *Soil and Land Conservation Act 1995*. This involves processing a number of regulatory instruments including Notice of Intent to drain and requests for land degradation advice and compliance. In addition, under the *Environmental Protection Act 1986* land degradation advice is provided to the Department of Environment on Clearing Permit Applications.

	2004-05 Actual	2005-06 Target	2005-06 Estimated	2006-07 Target	Reason for Significant variation between 2005-06 Estimated and 2006-07 Target
Total number of regulatory actions processed	370	300	290	300	
Total cost.....	\$2,156,242	\$5,185,699	\$6,546,058	\$6,827,419	
Average cost per regulatory action processed	\$22,044	\$17,286	\$22,573	\$22,758	

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

This measure 'Average cost per participant in farm business and rural community development activities' is no longer relevant as for the 2005-06 financial year, the management of the FarmBis Program was devolved to the Rural Business Development Corporation.

However, the Natural Resource Management (NRM) program still plays an administration function. Therefore, the 'average administration cost per participant' is a more appropriate measure of Department's performance in the provision of this service.

	2004-05 Actual	2005-06 Target	2005-06 Estimated	2006-07 Target	Reason for Significant variation between 2005-06 Estimated and 2006-07 Target
Total number of participants in Farm Business Development and Rural Community development activities	3,999	4,100	2,600	4,000 ^(b)	The employment of Networkers to promote FarmBis should see increased participation in the program in the 2006-07 year.
Total cost.....	\$1,907,097	\$3,641,762	\$1,083,265	\$1,155,193	
Average administration cost per participant in Farm Business Development and Rural Community development activities ^(a)	\$477	\$888	\$417	\$289	

- (a) This is a new measure that more accurately reflects the Department's role in the administration training schemes. The costs associated with this output are the administration costs, not the total program costs as in the previous measure. The 2005-06 target figure has been amended to reflect this change.
- (b) The difference between the 2005-06 number of participant target and the estimated number for 2006-07 is due to a slow uptake of the new FarmBis Program. The delayed introduction of the new program, the new criteria and reduced subsidy all had an impact on the uptake levels.

Full Time Equivalents for Service 2

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Full Time Equivalents (FTEs)	379	309	331	303	

Major Achievements For 2005-06

- Delivery of the Sustainable Grazing of Saline Land project continued with a focus on assisting farmer groups interpret the results of their trials and hence increase adoption of best practice. The project is being evaluated to determine effectiveness and future investment directions.
- On-going implementation of the 'Farming for the Future' farm management system for showing that Western Australia's agricultural production systems are becoming more sustainable. Practice standards across a range of agricultural industries have been identified. Environmental Protection Authority endorsement has been gained for 'Farming for the Future' as a policy framework that leads to sustainability certification of farm businesses.
- Training and ongoing support has been provided to agribusiness companies to improve their ability to provide natural resource management advice to their customers.
- Undertook a lead role in coordinating and managing the National Action Plan for Salinity and Water Quality (NAP) program and the Natural Heritage Trust (NHT). These programs are delivering up to \$100.0 million of NRM projects in Western Australia every year.
- Specific achievements include:
 - technical support to the six regional NRM Groups with the development of their regional strategies and investment plans. These form the basis of investment in NRM projects. All regional strategies have been accredited by the States and Commonwealth Ministers, and all investment plans except the rangelands, which will be finalised in July;
 - contracts which specify governance and accountability requirements have been developed and are in use with all regions; and
 - land salinity targets have been developed for the South West region as part of the regional strategies and monitoring and evaluation.
- In a program to accelerate rangeland mapping, a survey was completed and a draft map prepared showing soil landscape regions, provinces, zones and systems across the whole of Western Australia. This map and existing mapping of the agricultural and rangeland areas has been placed into the Department's soil-landscape database. This mapping was also placed in the national Australian Soil Resource Information System (ASRIS). Western Australia is now recognized as leading the way in providing this data towards ASRIS. To date, no other State has managed to produce complete and consistent coverage. A report has been prepared as a national model detailing the process of producing these maps and describing the regions, province and zones.
- The Harvey Water irrigation systems project was completed. It was implemented through a strong partnership with the water provider, the dairy industry and the National Program for Sustainable Irrigation. An outcome of the project was demonstration of significantly increased water use efficiency coupled with farm profit improvements that lead to infrastructure investment on-farm and by a cooperative that supplies water to farmers. The project was recognised nationally through inclusion as a national case study for irrigation research, and won the 2005 WA Environment Award for Water Conservation and Management.
- The Peel-Harvey Coastal Catchments Initiative (CCI) Projects were completed under a cost sharing arrangement which saw the Commonwealth Department of Environment and Heritage funding 90 per cent of the \$2.1 million program. The Department managed two of the seven Western Australian based CCI projects and was involved in all five others.

Program outcomes were:

- comprehensive catchment scenario modelling which markedly increased the knowledge base related point and non-point source pollution of estuaries and led to better informed policies for management; and
- a process for industry practices and management action assessment in relation to regional natural resource management targets which now forms the basis for the next generation of similar projects in other vulnerable coastal catchments.
- Implementation of all key components of the Carnarvon 2020 projects for which the Department has responsibilities for is continuing. Delays have occurred due to planning delays in other departments and access to drilling rigs as a result of the resource boom. However, solid progress has still been made with respect to:
 - Quobba Coast Tourism Precinct – master plans for the Blowholes, Quobba Homestead and Red Bluff nodes. Once completed infrastructure works will commence;
 - Brickhouse and Meedo Horticulture Precinct – drilling and testing is complete and this information will be the basis of a water allocation plan. Once the plan is agreed commercial expressions of interest will be sought;
 - Mt Augustus Development Precinct – preliminary analysis demonstrated the implementation of the preferred scenario is warranted. A project officer has been appointed to progress this under the oversight of an implementation taskforce; and

- Carnarvon Artesian Basin Rehabilitation Program – a water allocation model is currently being developed to provide management information about sustainable yields and a project manager has been appointed to oversee drilling contracts. In conjunction with these works an expression-of-interest process has been let to undertake research and development on potential value-add uses for this resource.
- Significant progress has been made in implementing the Department's Sustainability Action Plan. Waste and water audits have been conducted in head office and regional locations. Wind and solar power installed at the Eucla checkpoint has reduced greenhouse gas emissions by 30 tonnes of carbon dioxide (CO₂) per annum. This won a national award for excellence from the National Electrical and Communication Association for a project incorporating environmental and energy efficiency. The Department won the State Government Innovation Award category of the 2005 Sustainable Transport Awards for the Green Transport Program.
- Environmental management systems were established for five Research Stations.
- The Wheatbelt Regional Drainage Evaluation project has developed a model to examine intervention strategies and options for disposal of drainage waters in the Yenyenning sub-catchment. The model is being calibrated and will be applied to the Blackwood and YarraYarra. Initial analysis shows that the Yenyenning Lakes do not have sufficient storage capacity to contain the potential volume of drained waters from the Upper Avon system.
- Funding for the Healthy Hectares initiative was received and the first phase launched in February 2006. The second phase, which is targeted at small landholders, will be launched later this year in partnership with the regional NRM group, South Coast Regional Initiative Planning Team. This will build on the state-wide collaboration achieved by hosting the Southern Soils Workshop in March 2006.
- The Land Potential Initiative (LPI) was funded and begun in 2006. The LPI is to focus in priority sub catchments of the South Coast area to enable better matching of land use with land capability. Investigations have begun to provide upgraded information on land potential for use at paddock scale level. A sub contract was let to prepare an AGMAPS (CD based) information compendium for two strategic catchments in the South Coast region. This will contain maps and technical reports on land capability, land degradation risks, and area specific management options. These are targeted at landholders, agricultural industries, local government and community natural resource management groups.
- The Rural Towns project has secured a use for 500kL/day of saline water pumped from under the Merredin townsite. The water is being used to suppress dust during reconstruction of the Great Eastern Highway east of Merredin. The water will be supplied until May 2007.
- Assistance was provided to the Office of Water Strategy to implement water reform recommendations from the 2005 Irrigation Review. This included specific support to recommend measures for improving water use efficiency in irrigation and other industries, integration of land and water planning and approaches for increased self-management of water resources by self supply irrigators.

Major Initiatives For 2006-07

- Achievement of the state's NRM outcomes through community partnerships will continue under the regional strategic delivery model. An independent review of NRM delivery has recommended a state framework which will be considered along with reforms to NRM governance, accountability processes and the implementation of a monitoring and evaluation framework.
- Land Conservation Districts Committees are evolving as part of the regional delivery model. Their role and structure will be reviewed to ensure they will continue to be effective in delivering NRM outcomes.
- The 'Farming for the Future' sustainability management system will be tested for functionality and made available.
- In partnership with the Department of Water, develop a state policy and strategic plan for wheatbelt drainage. Implement new governance arrangements that will facilitate construction of large scale drainage works and minimise the adverse environmental and social impacts. Under the guidance of these policy and governance arrangements, continue research and monitoring related to the effectiveness of drainage, standards development and safe disposal of effluent.
- Implement planned actions from earlier work in the Peel-Harvey coastal catchment. Development of regulation, promotion and installation of Best Management Practices and water quality improvement plans.

- Development of additional coastal catchment management projects for other sensitive Western Australian estuarine regions - Geographe, Vasse-Wonnerup, Leschenault and Swan-Canning. The work will provide significant and meaningful input to policy makers and catchment managers from the agricultural perspective.
- Acid sulphate soil amelioration trials investigating, defining and developing amelioration strategies for affected agricultural regions.
- Establish the Ecohydrology Research Group in partnership with the School of Environmental Systems Engineering at the University of Western Australia. This is an initiative under Agriculture Research Western Australia (ARWA) and will involve the relocation of some members of the Department's Integrated Nutrient and Water Management project to the University.
- Initiate the development of catchment water management plans across the agricultural areas. This is a follow on from the Rapid Catchment Appraisal project and will provide regional and catchment groups with an assessment of the water balance of catchments and the relative effectiveness of options to manage surface and groundwaters, and an evaluation of the potential for water conservation.
- Develop a surface management project which will develop methodologies to benchmark surface water management structures in the landscape.
- Identify and analyse the barriers and benefits to adoption of surface water management structures in order to improve adoption strategies and tools.
- Under the state-wide Resource Condition Monitoring project, fill in the gaps in the groundwater and surface water monitoring network in the agricultural areas. Completion of this project will enable more comprehensive reporting on the status and trends of groundwaters responsible for land and stream salinity.
- Implementation of surface water management earthworks and monitoring equipment at Lake Bryde and Toolibin Lake biodiversity recovery catchments.
- Develop a major integrated study to analyse the vulnerability of agriculture and other sectors to projected climate change and develop strategies for informed adaptation. The study area is the South West Land Division and the program is a whole-of-government response to the Western Australian Greenhouse Strategy. A set of strategies will be developed for recommendation to government and industry.
- Continued support for the implementation of the NAP and the NHT programs including:
 - technical support provided to regional NRM Groups to accredit regional NRM strategies and prepare regional investment plans to guide investment;
 - continue to support community empowerment to make informed decisions on priority actions and evaluate efficiency and effectiveness of investment; and
 - prepare land salinity targets for the South West, working with inland communities and agricultural industries to identify targets for land affected by salinity in medium and low rainfall zones.

Service 3: Biosecurity

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

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	61,546	53,953	67,100	60,071	Reduction in expenditure on the European House Borer and the Natural Resource Management projects.
Less Income	15,980	14,192	21,261	18,840	
Net Cost of Service	45,566	39,761	45,839	41,231	
Adjustments ^(a)	(1,517)	1,064	(2,004)	360	
Appropriation for delivery of Service	44,049	40,825	43,835	41,591	

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

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

Average cost per service	2004-05	2005-06 Target	2005-06 Estimate	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost per freight consignment cleared or certified	\$354	\$650	\$605	\$635	
Passenger quarantine checking cost (per passenger)	\$5.60	\$7.00	\$5.90	\$6.29	
Cost per property management plan for animal disease.....	\$9,177	\$8,500	\$10,311	\$10,426	
Cost per diagnostic sample processed ...	\$384	\$425	\$468	\$503 ^(a)	

(a) The cost per diagnostic sample processed indicator does show an upward trend, but it is an important capability for the Department to maintain. However, while input costs remain steady, the demand for the service does fluctuate from year to year.

Full Time Equivalents for Service 3

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Full Time Equivalents (FTEs)	494	453	486	444	

Major Achievements For 2005-06

- Continued to operate effective quarantine checkpoints at entry points into Western Australia, such as the Eucla and Kununurra road checkpoints, Perth domestic and regional airports, disembarkation points for interstate rail and shipping, freight surveillance program at road, rail and sea cargo depots, development of freight declaration system, surveillance of import of personal effects, surveillance of freight and cargo depots including post and parcel freight.
- Development and administration of quality assurance arrangements to facilitate import and export through co-regulation schemes was expanded, including administration of Registered Premises accredited to receive and handle quarantine risk materials.
- Drafting of the Biosecurity and Agriculture Management (BAM) Bill, the BAM (Repeal and Consequential Provisions) Bill and the BAM (Rates and Charges) Bill was completed. In December 2005, the Government agreed to print these Bills as Green Bills with a public comment period ending on 31 March 2006. Proposals for regulations to be established under the Bill were made available to interested stakeholders and members of the Regulations Reference Groups and the Overarching Reference Group.

- The Pest and Disease Information Service (PaDIS) responded effectively and efficiently to 16,700 community enquiries on animal and plant pests, diseases and weeds. Of these enquiries, 10 were positively identified as pests of biosecurity concern. The PaDIS identified 1,473 pest specimens with 22 being referred to AgWEST Plant Laboratories for further analysis.
- Implemented a community recognition and public support campaign that acknowledges the importance of community surveillance and reporting of potentially serious pests and diseases.
- Western Australia's high livestock health status was maintained. Market access for animals and animal products from Western Australia was enhanced through the demonstration of freedom from specific diseases and other threats.
- Effective development and promotion of animal health policies at State and National levels continued, including inputs on the future of the National Johne's Disease Program, the National Newcastle Disease Program, National Animal Health Performance Standards, developing a National Animal Health Information System, inputs to a Animal Health Committee and the Consultative Committee on Exotic Animal Diseases and Animal Health Australia.
- Legislation was introduced for the control of the use of registered veterinary preparations and animal feeding stuffs, the identification of cattle and sheep under the National Livestock Identification Scheme (NLIS), vaccination for Newcastle disease and amendments to the *Veterinary Surgeons Act*.
- Effective disease surveillance was maintained by:
 - disease reports investigated and/or exotic diseases excluded;
 - surveillance for major diseases such as Bovine Spongiform Encephalopathy, bluetongue, foot and mouth disease and avian influenza undertaken with negative results; and
 - animal disease status reported formally through the National Animal Health Information System.
- Animal welfare outcomes in Western Australia were enhanced by:
 - clarifying the Department's role in animal welfare with policies agreed with other agencies and collaborating in service delivery;
 - contributing to national policy and plans for the welfare of farmed animals, including review of national codes of practice; and
 - improved understanding by many producers of growing community expectations to adopt and demonstrate best animal welfare practices.
- The Department's preparedness for emergency animal diseases (EAD) was enhanced through:
 - specific training and competency accreditation for staff, private veterinarians and industry representatives;
 - EAD preparedness plans developed or updated according to national policy/agreements;
 - participation in national whole-of-government training exercise for simulated outbreak of influenza in birds and people; and
 - participation in training exercise for simulated outbreak of foot and mouth disease in Western Australia.
- The Animal Health Laboratories (AHL) provided world class disease investigation and diagnostic services to underpin the state's continued freedom from exotic diseases. The AHL continued to be the national reference laboratory for tuberculosis and footrot and was re-accredited by The National Association of Testing Authorities (Australia).
- The NLIS (Cattle) was implemented successfully in Western Australia and national funding was secured for the on-going implementation of this program. Implementation of NLIS (sheep) commenced, with Western Australia continuing to lead other states in effective traceability for sheep.
- Around 200 producers conducting grazing on land with organochlorine residues have implemented industry-based quality assurance with industry auditing programs.
- Rapid action has been taken to determine the extent and limit the spread of the European House Borer (EHB), including door knocking of more than 45,000 homes and surveys of over 100,000 hectares of pine plantations. 79 sites (of 97 infested sites) have been cleaned, susceptible material has been treated, removed or destroyed around infested sites (more than 4,500 properties have had action taken as part of this process), and over 8,639m² timber from both the infested sites and buffer zones has been removed or destroyed. New regulations were implemented under the *Agriculture and Related Resources Protection Act 1976* to restrict movement of EHB infested material and facilitate containment to protect Australia from EHB. An EHB Response Plan was submitted for consideration for national cost sharing eradication.

- To enhance effectiveness of surveillance and monitoring for exotic plant pests, a new spatial modeling project was initiated and a new project on hazard surveillance was commenced.
- The development of a new semi-quantitative model to determine pest introduction frequency as a key tool for managing trade and minimising the introduction of pests into the state has been completed. This is a key development in ensuring that the state's regional differences in pest status and risk are identified and assessed in an open and transparent manner utilising the latest developments in risk analysis.
- The Department's scientists have played key roles in the development of the draft Australian Pest Animal Strategy, the revised National Weed Strategy, the Western Australian Biosecurity Review and the development of the National Biosecurity System (AusBIOSEC). Our personnel have also played key roles in the development and implementation of national management strategies for pest species including camels, deer, rubbervine, siam weed, branched broomrape, prickly acacia, mesquite, aquatic weeds, blackberry, gorse, wild dogs and wild horses.

Major Initiatives For 2006-07

- The state's border biosecurity services will be improved via:
 - more effective road checkpoints by strengthening the shift coverage;
 - better use of detector dog services and increased public awareness from better flight coverage at the Perth Domestic Airport; and
 - more efficient processing of commercial vehicles at the Kununurra Checkpoint through the implementation of the freight declaration system that has already been implemented with success at Eucla.
- Interstate trade will be enhanced via further expansion of the Interstate Certification Assurance (ICA) scheme, by development of new ICA arrangements for the export of seed potatoes, and development of a national ICA website to enable better access to audit reports, non-conformance and incident reports by auditors in other states.
- Coordinate and support the drafting of the regulations to be established under the proposed *Biosecurity and Agriculture Management Act*, and oversee the development of the lists of declared pests, prohibited organisms and permitted organisms to be established upon commencement of the Act.
- The holistic Biosecurity Review and Biosecurity Strategy will be completed, plus consultation with rural stakeholders on the future management and funding arrangements for regional biosecurity. The State Biosecurity Review and Strategy will contribute to the development of the AusBIOSEC National Biosecurity System.
- A major biosecurity training project will unify training across operational regulatory areas. This will focus on regulatory and emergency management training and ensure that authorised officers are fully trained under the proposed *Biosecurity and Agriculture Management Act* and its regulations, and ensure that the Department is able to satisfy commitments documented in national emergency response deeds.
- Animal disease surveillance capacity will be enhanced through the appointment of new District Veterinary Officers, improved liaison with private veterinary practices in regions, and training for rural veterinary practitioners and veterinary students.
- Participate in the development and implementation of national animal and plant health information systems, and continue its role in the national Cooperative Research Centre to provide improved disease surveillance technology.
- Continued implementation of livestock industry biosecurity plans through engagement of industry and promotion of individual farm biosecurity measures with a view to incorporating biosecurity protocols in industry Quality Assured programs. Implement a coordinated communications program to raise levels of awareness and adoption of improved farm biosecurity practices.

- EAD preparedness will be enhanced by updating protocols, staff training, industry training, encouraging and assisting industry organisations to enhance their own EAD response plans.
- Subject to national commitments to funding, will implement regulations to prevent the spread of the EHB via movement of infested material. Targeted research will be conducted on ecology and biology of the EHB as a part of the containment and eradication program.
- Further develop with Biosecurity Australia a process that ensures that regional differences in pest status and risk are satisfactorily addressed in national biosecurity risk analysis, and quarantine policy decision making.
- Additional investment will be made in five key animal biosecurity initiatives with particular emphasis on enhancing EAD preparedness, surveillance, farm level biosecurity, laboratory capability and animal welfare outcomes.
- Continue to partner with the Murdoch University toward development of a world class biosecurity centre of excellence based at the university campus.
- Continue to strengthen its generic emergency management capacity toward more efficient, effective responses to biosecurity pest outbreaks, fires, floods and other rural emergencies.

Service 4: Services Provided to Rural Business Development Corporation

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	7,518	3,837	8,863	3,123	Once-off payment in 2005-06 for the Marketing of Eggs Adjustment Assistance Scheme.
Less Income	7,518	3,837	8,863	3,123	
Net Cost of Service	-	-	-	-	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	-	-	-	-	

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

CAPITAL WORKS PROGRAM

The Capital Works Program includes:

- \$74.0 million for the relocation of the Department of Agriculture and Food's headquarters and biosecurity facilities to an appropriate location;
- \$28.0 million for the new Integrated Agricultural Research Institute, a collaborative joint venture involving the Department and the university sector;
- \$1.0 million for a new dairy at the Vasse Research Station;
- \$3.3 million for the replacement of core capital equipment; and
- the completion of the previously funded Kimberley Regional Office refurbishment (\$2.5 million) and the new South Boulder Quarantine Inspection Yard (\$1.0 million).

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Capital Equipment Replacement Program				
2005-06 Program	1,290	1,290	1,290	-
Capital Works Planning - 2002-03	250	250	106	-
Externally Funded Replacement Program	7,824	7,824	1,374	-
Information Technology Network Upgrade - Stage 2	1,100	1,100	6	-
Initial Planning for new Headquarter Facility	1,000	1,000	825	-
Kimberley Regional Office Redevelopment (Frank Wise Institute)	2,500	2,500	2,428	-
Regional Accommodation	4,783	4,783	117	-
Regional Accommodation - Phase 2	4,163	4,163	751	-
SLIP (Shared Land Information Platform) Capital Project	2,539	2,539	2,469	-
South Boulder Quarantine Inspection Yard	1,000	1,000	755	-
NEW WORKS				
Capital Equipment Replacement Program				
2006-07 Program	3,300	-	-	3,300
Integrated Agriculture Research Institute - Phase 1	25,000	-	-	2,000
New Dairy at Vasse Research Station	1,015	-	-	1,015
New Headquarters and Biosecurity Relocation Project	25,000	-	-	5,000
	80,764	26,449	10,121	11,315

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	8,442	8,454	10,121	11,315	40,300	60,600	3,600
	8,442	8,454	10,121	11,315	40,300	60,600	3,600
LESS							
Asset Sales	532	-	-	-	-	-	-
Drawdowns from the Holding Account	2,771	1,471	1,471	6,115	23,300	3,600	3,600
Internal Funds and Balances	1,468	3,452	4,772	-	-	-	-
Other	1,513	-	347	-	-	-	-
Capital Contribution	2,158	3,531	3,531	5,200	17,000	57,000	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	88,354	80,978	91,521	84,560	84,480	78,494	78,531
Superannuation	8,853	8,575	8,575	7,727	7,840	7,842	7,842
Grants and subsidies ^(c)	42,740	102,924	131,138	131,669	127,439	16,329	13,351
Consultancies expense	10,462	6,354	9,697	8,397	8,397	8,310	8,296
Supplies and services	46,994	37,013	42,816	42,443	42,334	36,854	37,124
Accommodation	2,009	668	1,791	1,861	1,871	1,895	1,895
Capital user charge	14,723	14,010	12,606	12,492	13,442	16,464	18,807
Depreciation and amortisation	7,867	6,882	6,646	6,972	7,051	6,456	6,802
Costs of disposal of non-current assets	4,034	-	-	-	-	-	-
Other expenses	4,976	3,415	2,699	2,355	2,348	2,404	2,512
TOTAL COST OF SERVICES	231,012	260,819	307,489	298,476	295,202	175,048	175,160
Income							
User charges and fees	8,956	6,384	6,802	7,421	7,429	7,451	7,440
Regulatory fees and fines	1,830	1,668	1,780	1,841	1,788	1,765	1,797
Grants and subsidies	81,841	109,229	132,203	110,603	112,373	23,853	21,370
Interest revenue	972	1,012	1,250	1,250	1,250	1,250	1,250
Service delivery agreement	15,807	12,639	17,303	12,004	10,559	11,369	9,839
Proceeds from disposal of non-current assets ..	285	-	-	-	-	-	-
Other revenue	9,762	678	493	493	493	493	493
Total Income	119,453	131,610	159,831	133,612	133,892	46,181	42,189
NET COST OF SERVICES	111,559	129,209	147,658	164,864	161,310	128,867	132,971
INCOME FROM STATE GOVERNMENT							
Service appropriations	126,845	140,045	157,844	161,812	167,505	129,012	133,623
Resources received free of charge	492	788	788	788	788	788	788
Liabilities assumed by the Treasurer	1,089	-	-	-	-	-	-
Change in equity arising from transfer of assets/liabilities	30	(922)	(922)	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	128,456	139,911	157,710	162,600	168,293	129,800	134,411
SURPLUS (DEFICIENCY) FOR THE PERIOD	16,897	10,702	10,052	(2,264)	6,983	933	1,440
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	16,897	10,702	10,052	(2,264)	6,983	933	1,440

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 1,663, 1,525 and 1,387 respectively.

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

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	2,956	2,636	12	133	254	375	375
Restricted cash	34,679	27,826	64,449	61,408	67,612	67,766	68,427
Receivables	27,135	5,705	4,858	5,830	6,804	7,778	8,873
Inventories	3,525	1,589	1,476	1,476	1,476	1,476	1,476
Amounts receivable for services	1,471	5,100	6,115	23,300	3,600	3,600	-
Prepayments	1,652	2,675	1,652	1,652	1,652	1,652	1,652
Total current assets	71,418	45,531	78,562	93,799	81,398	82,647	80,803
NON-CURRENT ASSETS							
Amounts receivable for services	23,736	26,218	24,967	8,639	12,090	14,946	21,748
Land and buildings	124,233	119,206	125,449	124,624	122,741	120,857	118,974
Investments	667	540	667	667	667	667	667
Plant and equipment	17,582	17,950	18,216	16,384	14,516	13,544	12,225
Biological assets	-	2,656	2,656	2,656	2,656	2,656	2,656
Other	1,208	2,851	2,833	9,833	46,833	103,833	103,833
Total non-current assets	167,426	169,421	174,788	162,803	199,503	256,503	260,103
TOTAL ASSETS	238,844	214,952	253,350	256,602	280,901	339,150	340,906
CURRENT LIABILITIES							
Payables	5,589	9,189	5,589	5,589	5,589	5,589	5,589
Provision for employee entitlements	19,289	16,814	19,401	19,401	19,401	19,401	19,401
Accrued salaries	-	316	316	632	948	1,264	1,580
Total current liabilities	24,878	26,319	25,306	25,622	25,938	26,254	26,570
NON-CURRENT LIABILITIES							
Provision for employee entitlements	10,548	7,262	10,436	10,436	10,436	10,436	10,436
Total non-current liabilities	10,548	7,262	10,436	10,436	10,436	10,436	10,436
TOTAL LIABILITIES	35,426	33,581	35,742	36,058	36,374	36,690	37,006
EQUITY							
Contributed equity	851	1,062	4,382	9,582	26,582	83,582	83,582
Accumulated surplus/(deficit)	68,330	52,831	78,989	76,725	83,708	84,641	86,081
Reserves	134,237	127,478	134,237	134,237	134,237	134,237	134,237
Total equity	203,418	181,371	217,608	220,544	244,527	302,460	303,900
TOTAL LIABILITIES AND EQUITY	238,844	214,952	253,350	256,602	280,901	339,150	340,906

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	120,452	132,463	150,498	154,840	160,454	122,556	126,821
Capital contribution	2,158	3,531	3,531	5,200	17,000	57,000	-
Holding account drawdowns	2,771	1,471	1,471	6,115	23,300	3,600	3,600
Net cash provided by State government	125,381	137,465	155,500	166,155	200,754	183,156	130,421
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(86,082)	(79,962)	(91,205)	(83,818)	(83,738)	(77,752)	(77,789)
Superannuation	(8,877)	(8,575)	(8,575)	(8,153)	(8,266)	(8,268)	(8,268)
Grants and subsidies	(42,019)	(102,950)	(131,138)	(131,669)	(127,439)	(16,329)	(13,351)
Consultancies payments.....	(10,642)	(5,854)	(9,697)	(8,397)	(8,397)	(8,310)	(8,296)
Supplies and services	(45,367)	(35,634)	(43,132)	(42,759)	(42,650)	(37,170)	(37,440)
Accommodation.....	(1,644)	(668)	(1,791)	(1,861)	(1,871)	(1,895)	(1,895)
Capital user charge.....	(14,723)	(14,010)	(12,606)	(12,492)	(13,442)	(16,464)	(18,807)
Goods and Services Tax	(9,978)	(9,369)	(11,073)	(11,073)	(11,073)	(11,073)	(11,073)
Other.....	(2,515)	(4,589)	(2,699)	(2,355)	(2,348)	(2,404)	(2,512)
Receipts							
User charges and fees.....	8,926	6,507	6,802	7,421	7,429	7,451	7,440
Regulatory fees and fines.....	1,927	1,680	1,780	1,841	1,788	1,765	1,797
Grants and subsidies	62,235	109,229	155,584	110,735	112,503	23,983	21,379
Interest received.....	884	978	1,250	1,250	1,250	1,250	1,250
Goods and Services Tax	11,073	9,369	11,073	11,073	11,073	11,073	11,073
Service delivery agreement.....	15,807	12,639	17,303	12,004	10,559	11,369	9,839
Other receipts	5,007	686	493	493	493	493	493
Net cash from operating activities.....	(115,988)	(120,523)	(117,631)	(157,760)	(154,129)	(122,281)	(126,160)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(8,442)	(8,454)	(10,121)	(11,315)	(40,300)	(60,600)	(3,600)
Proceeds from sale of non-current assets	532	-	-	-	-	-	-
Net cash from investing activities.....	(7,910)	(8,454)	(10,121)	(11,315)	(40,300)	(60,600)	(3,600)
NET INCREASE/(DECREASE) IN CASH HELD	1,483	8,488	27,748	(2,920)	6,325	275	661
Cash assets at the beginning of the reporting period	38,113	22,896	37,635	64,461	61,541	67,866	68,141
Net cash transferred to/from other agencies.....	(1,961)	(922)	(922)	-	-	-	-
Cash assets at the end of the reporting period.....	37,635	30,462	64,461	61,541	67,866	68,141	68,802

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Employee benefits expenses	-	60	10	40	40	40	40
Supplies and services	-	31	-	10	8	6	2
Finance costs	114	-	820	785	746	705	659
Other expenses	148	-	-	-	-	-	-
Receipts paid into consolidated fund.....	233	120	-	-	-	-	-
TOTAL ADMINISTERED EXPENSES ^(b)..	495	211	830	835	794	751	701
INCOME							
Interest revenue	-	1,205	820	785	746	705	659
Other revenue	-	104	60	48	46	42	40
Administered appropriations.....	7,129	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME ^(c)	7,129	1,309	880	833	792	747	699

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(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

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Receivables	-	126	50	48	46	42	40
Interest receivable	-	1,290	820	785	746	705	659
Total Administered Current Assets	-	1,416	870	833	792	747	699
ADMINISTERED NON-CURRENT ASSETS							
Loans and advances	-	10,000	10,000	9,570	9,140	8,710	8,280
Total Administered Non-Current Assets	-	10,000	10,000	9,570	9,140	8,710	8,280
TOTAL ADMINISTERED ASSETS.....	-	11,416	10,870	10,403	9,932	9,457	8,979
ADMINISTERED CURRENT LIABILITIES							
Payables	-	154	-	-	-	-	-
Borrowings.....	-	-	10,000	9,570	9,140	8,710	8,280
Interest payable	-	-	820	785	746	705	659
Total Administered Current Liabilities.....	-	154	10,820	10,355	9,886	9,415	8,939
TOTAL ADMINISTERED LIABILITIES..	-	154	10,820	10,355	9,886	9,415	8,939

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Employee benefits.....	-	-	(10)	(40)	(40)	(40)	(40)
Supplies and services.....	-	-	-	(10)	(8)	(6)	(2)
Finance costs.....	(94)	-	-	(820)	(785)	(746)	(705)
Other.....	(148)	-	-	-	-	-	-
Receipts paid into consolidated fund.....	(233)	(120)	-	-	-	-	-
Financing Activities							
Repayment of borrowings.....	(7,129)	-	(1,710)	(430)	(430)	(430)	(430)
Other payments for financing activities.....	-	(5,000)	(11,710)	-	-	-	-
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(7,604)	(5,120)	(13,430)	(1,300)	(1,263)	(1,222)	(1,177)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Interest received.....	-	120	-	820	785	746	705
Other receipts.....	-	-	10	50	48	46	42
Administered appropriations.....	7,129	-	-	-	-	-	-
Capital contribution	-	5,000	-	-	-	-	-
Financing Activities							
Proceeds from borrowings.....	-	-	1,710	-	-	-	-
Other proceeds from financing activities.....	-	-	11,710	430	430	430	430
Investing Activities							
TOTAL ADMINISTERED CASH INFLOWS.....	7,129	5,120	13,430	1,300	1,263	1,222	1,177
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(475)	-	-	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Research grant allocations	36,515	89,544	114,090	115,020	112,354	14,206	11,615
Compensations	124	150	150	150	150	150	150
Subsidies	3,189	8,234	10,491	10,246	9,283	1,306	1,068
Scholarships	93	200	200	200	200	200	200
Other	2,819	4,796	6,207	6,053	5,452	467	318
TOTAL	42,740	102,924	131,138	131,669	127,439	16,329	13,351

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER STATE SERVICES							
Interest and Instalments (Debt Servicing Costs of the Western Australian Meat Commission which was wound up with effect from 3 March 1995)	495	-	-	-	-	-	-
Western Australian Cooperatives Loan Scheme	-	211	830	835	794	751	701
TOTAL	495	211	830	835	794	751	701

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER							
Interest revenue	-	1,205	820	785	746	705	659
Western Australian Cooperatives Loan Scheme	-	104	60	48	46	42	40
Repayment of Western Australian Meat Commission Loan	7,129	-	-	-	-	-	-
TOTAL	7,129	1,309	880	833	792	747	699

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST Input Tax Credits.....	11,073	9,369	11,073	11,073
Miscellaneous	882	2,043	1,986	2,278
Proceeds from:				
- Animal Health Services.....	2,568	1,539	1,539	1,849
- Consultancy Services	95	-	-	-
- Direct Mail Services	24	24	24	8
- Program Revenue	784	-	-	-
- Research Support Unit Operations.....	3,824	3,655	4,185	4,185
- Sale of Intellectual or Genetic Property	3,978	1,798	1,799	1,818
- Seed Quality Services.....	771	792	792	867
Services Contracted by:				
- Agricultural Produce Commission	2,250	1,658	1,658	1,680
- Agriculture Protection Board	5,325	7,144	6,782	7,201
- Rural Business Development Corporation.....	7,412	3,837	8,863	3,123
Services to Industry and Commonwealth:				
- Australian Quarantine Inspection Services	15	-	-	-
- FarmBis	1,294	-	-	-
- Industry Research and Development	30,502	32,216	53,952	46,072
- National Action Plan for Salinity	10,549	53,923	53,943	41,753
- National Landcare Program	4,004	-	-	-
- Natural Heritage Trust	17,895	22,840	23,197	22,880
- Natural Resource Management Grants	-	-	24,433	-
- Tuberculosis Freedom Assurance Program	120	250	59	30
TOTAL.....	103,365	141,088	194,285	144,817

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

AGRICULTURE PROTECTION BOARD OF WESTERN AUSTRALIA

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

DIVISION 15

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 49 Net amount appropriated to deliver services	1,933	2,129	2,062	1,901	1,447	1,451	1,455
Amount Authorised by Other Statutes - Agriculture and Related Resources Protection Act 1976	789	962	876	991	1,021	1,052	1,052
Total appropriations provided to deliver services	2,722	3,091	2,938	2,892	2,468	2,503	2,507

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Growth in the global trading environment and technological progress in the transport of people, cargo and mail have greatly reduced the effectiveness of Western Australia's natural geographical protection against the entry of pests.
- Information and communication technology is rapidly changing the way business is able to be done along with community expectations for information delivery and accessibility.
- Animal diseases that can also affect humans (zoonotic diseases) will continue to emerge and evolve and this will require increasing collaboration between agricultural biosecurity and human health authorities.
- The planned introduction to Parliament of new biosecurity legislation to replace 17 existing Acts signifies a new era in regulation for the management of biosecurity risks. It is intended the Agriculture Protection Board's enabling and administered legislation be repealed as part of these changes, with the Board itself to be replaced by an (advisory) Biosecurity Council.
- There is increasing pressure from the community for the effective management of pests on public land throughout Western Australia.
- Too many producers still do not accept adequate responsibility for implementing biosecurity practices aimed at protecting their own enterprise/s. There is a need to continue to strengthen relationships between government agencies and the agricultural industries and for there to be greater industry involvement / ownership in funding and delivering key biosecurity outcomes.
- There is increasing community pressure for Government to do more about the management of serious environmental weeds that are having a significant detrimental effect on the environment and causing irreparable damage to Western Australia's unique biodiversity.

- Pests that impact on environmental and social values will be increasingly important and this will require increased collaboration between the biosecurity programs, and other authorities and stakeholders if cost-effective prevention and control is to be achieved.
- The number of declared species and infested properties continues to increase due to inadequate compliance with pest control regulations by private landholders.
- There is increasing pressure on State-funded biosecurity services from eradication programs for new incursions. Other pest eradication programs are expected to follow current responses to the European House Borer, starlings and bedstraw, which are important pest threats for Western Australia's environment, economy and lifestyle.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Agriculture Resource Protection	19,948	20,320	19,890	20,150			
Total Cost of Services	19,948	20,320	19,890	20,150	19,756	19,822	19,826
<i>Less Income.....</i>	6,390	5,356	5,270	5,385	6,015	6,296	6,296
Net Cost of Services	13,558	14,964	14,620	14,765	13,741	13,526	13,530
Adjustments ^(a)	(10,836)	(11,873)	(11,682)	(11,873)	(11,273)	(11,023)	(11,023)
Appropriation provided to deliver Services.	2,722	3,091	2,938	2,892	2,468	2,503	2,507
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	2,722	3,091	2,938	2,892	2,468	2,503	2,507

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Protection of the productive resource base.					
Number of inspected properties.....	6,872	7,000	7,100	7,000	
Number of inspected properties with infestations:					
- Declared animals	1,065	1,000	1,050	1,000	
- Declared plants	3,441	3,500	3,600	3,550	
- Total	4,506	4,500	4,650	4,550	
Proportion of inspected properties with infestations:					
- Declared animals	15.5%	14.3%	15.5%	14.5%	
- Declared plants	50.1%	50.0%	51.0%	50.0%	
- Total	65.6%	64.3%	66.5%	64.5%	

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

Service 1: Agriculture Resource Protection

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

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	19,948	20,320	19,890	20,150	
Less Income	6,390	5,356	5,270	5,385	
Net Cost of Service	13,558	14,964	14,620	14,765	
Adjustments ^(a)	(10,836)	(11,873)	(11,682)	(11,873)	
Appropriation for delivery of Service	2,722	3,091	2,938	2,892	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Total cost of property contacts	\$15,939,000	\$16,956,000	\$16,509,000	\$16,724,000	
Number of property contacts	39,918	34,000	35,000	36,000	
Cost / property contact for Declared pests and diseases.....	\$399	\$499	\$472	\$465	

Major Achievements For 2005-06

- Effective quarantine checkpoints were maintained at entry points into Western Australia, such as the Eucla and Kununurra road checkpoints, Perth domestic and regional airports, disembarkation points for interstate rail and shipping, freight surveillance program at road, rail and sea cargo depots, development of freight declaration systems, surveillance of import of personal effects, surveillance of freight and cargo depots, including post and parcel freight.
- Drafting of the Biosecurity and Agriculture Management (BAM) Bill, the BAM (Repeal and Consequential Provisions) Bill and the BAM (Rates and Charges) Bill was completed. In December 2005, the Government agreed to print these Bills as Green Bills with a public comment period ending on 31 March 2006. Proposals for regulations to be established under the Bill were made available to interested stakeholders and members of the Regulations Reference Groups and the Overarching Reference Group.
- The pastoral rating provisions contained within the *Agriculture and Related Resources Protection Act 1976* were formally amended, to remove the previous requirement (a) that General Rate revenue raised within the Kimberley Zone be one-third that raised within the four Zones south of the Kimberley and (b), that the cents-in-the-\$ General Rate quantum applicable within each of the latter be identical. Each of the five pastoral Zones will henceforth be free to raise their own revenue requirements, independent of other Zones, whilst still qualifying for 'matching' funds from the State Government. These amendments had been keenly sought after by the pastoral industry for several years.
- The Department of Agriculture and Food, the Agriculture Protection Board, the Department of Conservation and Land Management and the Department of Fisheries commenced a holistic review of biosecurity in Western Australia with a view to developing a detailed biosecurity strategy during 2006-07.
- The Agriculture Protection Board supported collaborative research undertaken by the Department of Agriculture and Food with Cooperative Research Centres Invasive Animals, Commonwealth Scientific and Industrial Research Organisation, Curtin University, University of Western Australia, Australian Wool Innovation, Meat and Livestock Australia, Pilbara Mesquite Management Committee, the Commonwealth Government Zone Control Authorities and Natural Resource Management groups into integrated management of weeds and pest animals especially starlings, feral pigs, rabbits, Paterson's curse, cape tulip, blackberry, mesquite, parkinsonia and Noogoora burr.
- The State Wild Dog Management Strategy was developed by the State Wild Dog Management Advisory Committee in consultation with landholders and was launched by the Minister for Agriculture in October 2005.
- The early detection of an infestation of a serious environmental weed, rubber vine, in the Kimberley region initiated a surveillance and eradication program in collaboration with the Department of Conservation and Land Management.
- Increased surveillance efforts on the south coast, including a successful collaborative effort with Birds Australia (Inc.) have detected significant new populations of starlings in the area. An emergency response has been implemented to define the infested area and expand control programs to cover the new areas.
- Emergency responses occurred in response to the detection of serious exotic animal pests. A breeding flock of 15 house sparrows was detected and eradicated at North Quay. A red-eared slider turtle was removed from a lake in Perth after an extensive surveillance and trapping operation in collaboration with the Department of Conservation and Land Management and the City of Belmont. Several rainbow lorikeets were removed from areas outside of Perth. Sparrows were shot on three separate occasions in Port Hedland.

- The Kimberley / Pilbara donkey eradication project progressed well with 38 stations now declared to be donkey free.
- The Skeleton Weed Program was reviewed and an industry-based Skeleton Weed Committee approved a \$4.0 million industry-funded operational program for 2005-06. Surveillance and eradication activities were carried out on over 1,300 properties with over 460,000 hectares of paddock area searched for skeleton weed by landholders and departmental staff. There was full compliance by 865 landholders who were required to provide paddock search records. The total area infested with skeleton weed has decreased by 40 per cent since 2004-05.
- Twenty weeds of national significance were declared under the *Agriculture and Related Resources Protection Act 1976* to remove them from the nursery and garden trade in Western Australia.
- Matching funds have been provided through the Department of Agriculture and Food to nine regional community Declared Species Groups to facilitate the coordinated management of declared pests. Some of these groups have attracted extra funding from shires and natural resource management groups.
- The draft findings of the national review of the use of '1080' poison were successfully challenged. The Agricultural Pesticides and Veterinary Medicines Authority agreed to continued access to this poison to protect the State's flora and fauna and primary industries from introduced animal pests.
- Replacement of approximately 35 kilometres of the State Barrier Fence commenced following extensive damage by floods. The Agriculture Protection Board's State Barrier Fence Management Advisory Committee also met several times during the year to consider the feasibility of significant extensions, realignments and upgrades to the existing Fence network, with a view to completely enclosing the state's agricultural areas. A preliminary Benefit-Cost Analysis was completed in association with these considerations.

Major Initiatives For 2006-07

- The holistic Biosecurity Review and Biosecurity Strategy will be completed, plus consultation with rural stakeholders on the future management and funding arrangements for regional biosecurity. The State Biosecurity Review and Strategy will contribute to the development of the AusBIOSEC National Biosecurity System.
- The Department of Agriculture and Food will further develop with Biosecurity Australia a process that ensures that regional differences in pest status and risk are satisfactorily addressed in national biosecurity risk analysis and quarantine policy decision making.
- Capacity to carry out surveillance for new pest animal and weed incursions throughout Western Australia will be improved through improved networks and community education, as well as improving access to weed surveillance expertise in remote areas.
- Regional communities will be supported in efforts to develop coordinated management programs for priority regional pests through expansion of the Declared Species Group program. Further development opportunities will be explored to collaborate with natural resource management groups on management and monitoring of plant and animal pests.
- Repair to flood damage of 35 kilometres of the State Barrier Fence will be completed and investigations into the significant extension, realignment and upgrade of the existing Fence network continued.
- More emphasis will be given to eradication of serious pest infestations, such as the increasing starling infestation on the south coast, before the population becomes too well established for eradication to be considered practical.
- The current Australian Plague Locust infestation that could cause moderate to severe problems in some parts of the agricultural area in 2006-07 will be closely monitored and an appropriate response program implemented.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	222	179	179	179	-	-	-
Superannuation	22	36	36	36	-	-	-
Supplies and services	11,606	11,047	11,047	11,047	11,047	11,047	11,047
Capital user charge	1,410	1,185	1,118	1,136	1,138	1,141	1,144
Depreciation and amortisation	481	468	468	258	258	258	258
Loss on disposal of non-current assets	7	-	-	-	-	-	-
Service delivery agreement	6,181	7,144	6,780	7,202	7,262	7,324	7,325
Other expenses	19	261	262	292	51	52	52
TOTAL COST OF SERVICES	19,948	20,320	19,890	20,150	19,756	19,822	19,826
Income							
User charges and fees	810	-	828	828	828	828	828
Regulatory fees and fines	4,782	5,290	4,376	4,491	5,121	5,402	5,402
Grants and subsidies	61	-	-	-	-	-	-
Interest revenue	124	66	66	66	66	66	66
Proceeds from disposal of non-current assets ..	13	-	-	-	-	-	-
Other revenue	600	-	-	-	-	-	-
Total Income	6,390	5,356	5,270	5,385	6,015	6,296	6,296
NET COST OF SERVICES	13,558	14,964	14,620	14,765	13,741	13,526	13,530
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,722	3,091	2,938	2,892	2,468	2,503	2,507
Resources received free of charge	11,606	11,047	11,047	11,047	11,047	11,047	11,047
TOTAL INCOME FROM STATE GOVERNMENT	14,328	14,138	13,985	13,939	13,515	13,550	13,554
SURPLUS (DEFICIENCY) FOR THE PERIOD	770	(826)	(635)	(826)	(226)	24	24
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	770	(826)	(635)	(826)	(226)	24	24

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) Staffing resources are provided through the Department of Agriculture and Food.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	330	-	25	57	89	121	153
Restricted cash	3,718	1,555	3,045	2,187	1,929	1,921	1,913
Receivables	580	171	579	579	579	579	579
Inventories	1,122	1,066	1,122	1,122	1,122	1,122	1,122
Interest receivable	10	13	10	10	10	10	10
Non current assets held for sale	-	155	155	155	155	155	155
Total current assets	5,760	2,960	4,936	4,110	3,884	3,908	3,932
NON-CURRENT ASSETS							
Amounts receivable for services	2,029	2,497	2,497	2,755	3,013	3,271	3,529
Land and buildings	6,945	5,769	6,640	6,640	6,640	6,640	6,640
Plant and equipment	243	117	88	-	-	-	-
Other	3,260	3,174	3,097	2,927	2,669	2,411	2,153
Total non-current assets	12,477	11,557	12,322	12,322	12,322	12,322	12,322
TOTAL ASSETS	18,237	14,517	17,258	16,432	16,206	16,230	16,254
CURRENT LIABILITIES							
Payables	344	51	-	-	-	-	-
Provision for employee entitlements	30	26	30	30	30	30	30
Other	-	39	-	-	-	-	-
Total current liabilities	374	116	30	30	30	30	30
TOTAL LIABILITIES	374	116	30	30	30	30	30
EQUITY							
Contributed equity	(42)	-	(42)	(42)	(42)	(42)	(42)
Accumulated surplus / (deficit)	11,491	8,695	10,856	10,030	9,804	9,828	9,852
Reserves	6,414	5,706	6,414	6,414	6,414	6,414	6,414
Total equity	17,863	14,401	17,228	16,402	16,176	16,200	16,224
TOTAL LIABILITIES AND EQUITY	18,237	14,517	17,258	16,432	16,206	16,230	16,254

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	2,254	2,623	2,470	2,634	2,210	2,245	2,249
Net cash provided by State government	2,254	2,623	2,470	2,634	2,210	2,245	2,249
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(223)	(179)	(179)	(179)	-	-	-
Superannuation	-	(36)	(36)	(36)	-	-	-
Capital user charge.....	(1,410)	(1,185)	(1,118)	(1,136)	(1,138)	(1,141)	(1,144)
Service delivery agreement.....	(6,961)	(7,144)	(6,780)	(7,202)	(7,262)	(7,324)	(7,325)
Other.....	(19)	(524)	(605)	(292)	(51)	(52)	(52)
Receipts							
User charges and fees.....	887	-	828	828	828	828	828
Regulatory fees and fines.....	4,311	5,290	4,376	4,491	5,121	5,402	5,402
Grants and subsidies	425	-	-	-	-	-	-
Interest received	126	66	66	66	66	66	66
Other receipts	735	-	-	-	-	-	-
Net cash from operating activities.....	(2,129)	(3,712)	(3,448)	(3,460)	(2,436)	(2,221)	(2,225)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments.....	(127)	-	-	-	-	-	-
Proceeds from sale of non-current assets	13	-	-	-	-	-	-
Net cash from investing activities.....	(114)	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	11	(1,089)	(978)	(826)	(226)	24	24
Cash assets at the beginning of the reporting period	4,037	2,644	4,048	3,070	2,244	2,018	2,042
Cash assets at the end of the reporting period.....	4,048	1,555	3,070	2,244	2,018	2,042	2,066

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

CAPITAL WORKS PROGRAM

The last stage of the relocation of the Midland Saleyard to Muchea will be completed in late 2006-07. This will include the construction work and commissioning of the new facility at Muchea and cessation of sales at Midland. The sale of all freehold land holdings will also be completed. Remediation, decommissioning and sale of the current Midland reserve will be completed in early 2007-08.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Construction of New Buildings at Muchea	13,431	3,432	2,899	9,999
Purchase of Land				
Purchase of new land at Muchea	2,711	2,661	50	50
	16,142	6,093	2,949	10,049

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	3,185	2,949	2,949	10,049	-	-	-
	3,185	2,949	2,949	10,049	-	-	-
LESS							
Asset Sales	3,185	1,353	1,353	-	-	-	-
Funding included in Department of Treasury and Finance - Administered Item ^(a)	-	1,596	1,596	3,200	-	-	-
Internal Funds and Balances	-	-	-	6,849	-	-	-
Capital Contribution	-	-	-	-	-	-	-

- (a) Funding for the Western Australian Meat Industry Authority's capital works program has been appropriated as a Department of Treasury and Finance Administered item.

PERTH MARKET AUTHORITY

CAPITAL WORKS PROGRAM

The long term objective of the Perth Market Authority is to develop a world class facility that facilitates the marketing of a broad range of primary produce in Western Australia. To achieve this objective the Authority is expanding and improving facilities to achieve the optimum utilisation of the 51 hectare Market City site. Work has commenced to upgrade the Commercial Centre and to design and construct a new Cool Chain Warehouse.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
New Purpose Built Facilities				
Commercial Centre Refurbishment	7,263	6,901	5,702	362
Cool Chain Warehouse	5,353	5,028	4,980	325
Warehouse One Upgrade	7,895	630	630	7,265
	20,511	12,559	11,312	7,952

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,247	5,500	11,312	7,952	-	-	-
	1,247	5,500	11,312	7,952	-	-	-
LESS							
Borrowings	-	3,300	-	7,500	-	-	-
Internal Funds and Balances	1,247	2,200	11,312	452	-	-	-
Capital Contribution	-	-	-	-	-	-	-

RURAL BUSINESS DEVELOPMENT CORPORATION

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

DIVISION 16

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 50 Net amount appropriated to deliver services	8,931	182	1,782	1,687	1,690	194	196
Total appropriations provided to deliver services	8,931	182	1,782	1,687	1,690	194	196

MISSION

Develop and administer innovative and cost effective assistance measures to benefit Western Australian Rural Industries.

SIGNIFICANT ISSUES AND TRENDS

- The 2005 growing season across most agricultural areas was very good with the State recording the second largest grain harvest on record, though severe frost and hail damage affected a number of producers. Increasing costs of production have also placed ongoing pressure on the profitability of many farms. In response to the adverse seasons since 1998, there have been four specific State Assistance programs commenced in 2000, 2003, 2004 and 2005 and six separate Exceptional Circumstances declarations for the period, plus one extension into a third year.
- Following on from the 2004 review by the National Drought Review Panel and ongoing review of drought policy at all levels of government, there has been the development of the National Agricultural Monitoring System, which is a web based system to develop Exceptional Circumstance submissions, and better weather prediction models.
- The FarmBis 3 program which runs to June 2008 will build on the success of earlier programs (1997 – 2004) in lifting the business management skills of primary producers and land managers. The adoption of a continuous learning culture, innovation and improved business management skills are key drivers in building the self reliance, competitiveness and capacity of Australia's primary producers to meet the challenge of global change.
- The Rural Business Development Corporation has a service agreement with the Department of Agriculture and Food for the delivery of outputs.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Farm Business Development	7,568	3,902	17,534	5,568			
Total Cost of Services	7,568	3,902	17,534	5,568	4,956	765	196
<i>Less Income</i>	5,462	1,603	5,802	2,207	2,012	5	-
Net Cost of Services	2,106	2,299	11,732	3,361	2,944	760	196
Adjustments ^(a)	6,825	(2,117)	(9,950)	(1,674)	(1,254)	(566)	-
Appropriation provided to deliver Services.	8,931	182	1,782	1,687	1,690	194	196
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	8,931	182	1,782	1,687	1,690	194	196

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

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Service
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Improved ecologically sustainable development of agri-industry.	1. Farm Business Development

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Improved ecologically sustainable development of agri-industry.					
The extent to which recipients were satisfied with the way schemes are administered.....	91.2%	90.0%	91.0%	91.0%	

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

Service 1: Farm Business Development

Assist farmers to enhance their skills, leading to improved sustainable long term profitability and better capacity to deal with risks inherent in farming and to provide financial support to assist farmers significantly impacted by exceptional seasonal events which are outside the normal capacity of farmers to control.

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	7,568	3,902	17,534	5,568	Marketing of Eggs Adjustment Assistance Scheme and additional Exceptional Circumstances payments in 2005-06.
Less Income	5,462	1,603	5,802	2,207	
Net Cost of Service	2,106	2,299	11,732	3,361	
Adjustments ^(a)	6,825	(2,117)	(9,950)	(1,674)	
Appropriation for delivery of Service	8,931	182	1,782	1,687	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Proportion of expenditure as administrative expenditure.....	9.9%	18.3%	5.8%	22.5%	The new FarmBis scheme provides for up to 21per cent of total expenditure to be on coordination, communication and administration. The Marketing of Eggs Adjustment Assistance Scheme (\$8.55 million) in 2005-06 had large payments with minimal administration required.

Major Achievements For 2005-06

- The Exceptional Circumstances (EC) interest rate subsidy program continued to provide support to farmers in declared areas. There have been six EC declarations, and one extension to an existing declaration, since the commencement of adverse seasons in 1998. Year One of the Southern Rangelands (2 July 2003) declared area and for Year One of the Central Wheatbelt (24 July 2003) declared area concluded during early 2004-05. Year Two applications for these two areas commenced on 2 July 2004 and 24 July 2004 respectively. A new EC declaration commenced for the North Eastern Wheatbelt on 7 April 2005, and a further (third) year was granted for the Southern Rangelands (2 July 2003) declared area.
- During 2005-06, an estimated 170 applications for EC support were processed and it is anticipated that total interest rate subsidy expenditure for the year will be \$5.7 million with grants to 120 farm and pastoral businesses.
- During 2005-06, grants totalling \$142,000 were paid to 55 farm and pastoral businesses under both the Dry Season 2004 Assistance Scheme and 2005 Pastoral Dry Seasons Assistance Scheme.
- In the first full year of operation, \$1.2 million of training grants were provided to an estimated 3,000 participants under the FarmBis 3 skills training initiative. FarmBis aims to provide opportunities for primary producers to undertake training programs to better manage their business risks and improve their skills base.
- Training needs analyses are being conducted under the FarmBis 3 program. The results of these analyses are showing to production groups the need for increasing business skilling to help their industry to be sustainable in the turbulent external farming environment.
- As part of the transition to a deregulated egg industry in Western Australia, adjustment assistance totalling \$8.5 million was paid to 102 egg producers whose licences were cancelled as part of the industry deregulation. In addition to this 41 licence holders received grants totalling \$41,000 for reimbursement of expenditure to obtain business options advice.
- Following on from strategic planning workshops held by Directors, a scoping paper for Optimised Agricultural Land Use was commissioned. This is part of a project to explore possible Rural Business Development Corporation involvement in the promotion of optimum land use through land trading and/or aggregation.
- The Rural Business Development Corporation made a submission to the State Taxation Review, which proposes an exemption for stamp duty on net farmland purchased for consolidation.

Major Initiatives For 2006-07

- Interest Rate Subsidy Support under existing EC declarations (Southern Rangelands and North Eastern Wheatbelt) will continue.
- Continuing support under the new FarmBis program to provide grants to reimburse up to 50% of the cost of eligible learning activities focusing on enhancing the capability and skills of eligible primary producers/rural land managers to manage their business, natural and human resources.
- Following on from a scoping paper commissioned for Optimised Agricultural Land Use, further work will be undertaken to explore possible Rural Business Development Corporation involvement in the promotion of optimum land use through land trading and or aggregation.
- As required, develop and implement new schemes to support farmers and pastoralists affected by adverse conditions.
- Development of new initiatives for the Rural Business Development Corporation to get involved in following earlier strategic planning workshops.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	38	38	56	57	57	57	57
Superannuation	-	3	5	5	5	5	5
Doubtful debts	26	-	-	-	-	-	-
Service delivery agreement ^(c)	7,474	3,837	17,449	5,482	4,869	678	109
Other expenses	30	24	24	24	25	25	25
TOTAL COST OF SERVICES	7,568	3,902	17,534	5,568	4,956	765	196
Income							
Grants and subsidies	5,208	1,473	5,672	2,167	2,002	-	-
Interest revenue	252	130	130	40	10	5	-
Other revenue	2	-	-	-	-	-	-
Total Income	5,462	1,603	5,802	2,207	2,012	5	-
NET COST OF SERVICES	2,106	2,299	11,732	3,361	2,944	760	196
INCOME FROM STATE GOVERNMENT							
Service appropriations	8,931	182	1,782	1,687	1,690	194	196
TOTAL INCOME FROM STATE GOVERNMENT	8,931	182	1,782	1,687	1,690	194	196
SURPLUS (DEFICIENCY) FOR THE PERIOD	6,825	(2,117)	(9,950)	(1,674)	(1,254)	(566)	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	6,825	(2,117)	(9,950)	(1,674)	(1,254)	(566)	-

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) This represents payments in respect of Board members' fees. For comparability purposes the 2005-06 Budget information in respect of Board members' fees has been reported against this item.
- (c) Refer Details of Controlled Grants and Subsidies table for further information. Note that some of the Grants and Subsidies displayed in the Controlled Grants and Subsidies table are included under the Service Delivery Agreement amount as part of the Service delivery arrangement with the Department of Agriculture and Food.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	13,807	996	3,494	1,820	566	-	-
Investments	-	75	-	-	-	-	-
Receivables	19	27	-	-	-	-	-
Interest receivable	-	185	-	-	-	-	-
Total current assets	13,826	1,283	3,494	1,820	566	-	-
TOTAL ASSETS	13,826	1,283	3,494	1,820	566	-	-
CURRENT LIABILITIES							
Payables	382	163	-	-	-	-	-
Total current liabilities	382	163	-	-	-	-	-
TOTAL LIABILITIES	382	163	-	-	-	-	-
EQUITY							
Accumulated surplus/(deficit)	13,397	1,073	3,447	1,773	519	(47)	(47)
Reserves	47	47	47	47	47	47	47
Total equity	13,444	1,120	3,494	1,820	566	-	-
TOTAL LIABILITIES AND EQUITY	13,826	1,283	3,494	1,820	566	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	8,931	182	1,782	1,687	1,690	194	196
Net cash provided by State government	8,931	182	1,782	1,687	1,690	194	196
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	-	-	(56)	(57)	(57)	(57)	(57)
Superannuation	-	(3)	(5)	(5)	(5)	(5)	(5)
Service delivery agreement.....	(7,255)	(3,837)	(17,449)	(5,482)	(4,869)	(678)	(109)
Other.....	(67)	(62)	(406)	(24)	(25)	(25)	(25)
Receipts							
Grants and subsidies	5,206	1,473	5,672	2,167	2,002	-	-
Interest received.....	444	130	130	40	10	5	-
Other receipts	4	-	19	-	-	-	-
Net cash from operating activities.....	(1,668)	(2,299)	(12,095)	(3,361)	(2,944)	(760)	(196)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of investments	49	-	-	-	-	-	-
Net cash from investing activities.....	49	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	7,312	(2,117)	(10,313)	(1,674)	(1,254)	(566)	-
Cash assets at the beginning of the reporting period	6,495	3,113	13,807	3,494	1,820	566	-
Cash assets at the end of the reporting period.....	13,807	996	3,494	1,820	566	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES ^(a)

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Dry Season Assistance Scheme	142	100	89	-	-	-	-
Farmer Training Assistance Scheme	679	-	-	-	-	-	-
2005 Pastoral Dry Season Assistance Scheme	23	-	52	-	-	-	-
Gascoyne Murchison Strategy	755	-	-	-	-	-	-
Exceptional Circumstances.....	4,863	786	5,680	1,417	-	-	-
Future Rural Support Schemes	-	260	-	360	698	468	-
FarmBis 3	321	2,000	1,300	2,500	3,131	-	-
Grants to Rural Counselling Services.....	26	38	38	38	38	38	38
Research Grants	10	-	30	-	-	-	-
Marketing of Egg Adjustment Assistance Scheme	-	-	8,547	-	-	-	-
TOTAL.....	6,819	3,184	15,736	4,315	3,867	506	38

(a) The Grants and Subsidies displayed in the Controlled Grants and Subsidies table are reflected in the Income Statement as part of the Service Delivery Agreement in accord with the service delivery arrangements with the Department of Agriculture and Food.

FOREST PRODUCTS COMMISSION

CAPITAL WORKS PROGRAM

The Commission regenerates on annual basis 20,000 hectares of jarrah forest, 650 hectares of karri forest and replants 1,500 hectares of its harvested pine plantation estate. This level of activity represents an annual investment in core business of \$6.9 million in regenerating native forest and \$7.8 million maintaining the plantation estate asset base. The combined annual investment of \$14.7 million aims to deliver sustainable forestry outcomes to current and future generations of Western Australia.

Additionally, between 2005-06 and 2007-08 an investment of \$16.6 million will deliver Strategic Tree Planting for the joint State and Commonwealth National Action Plan for Salinity and Water Quality. Beyond the primary objective of redressing farmland salinity and soil erosion, the secondary benefits of this project are promotion of regional economic activity and employment, and creation of sustainable timber resources to meet future timber industry demand.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Computers, Plant and Equipment - expanded program.....	7,891	2,607	751	751
National Action Plan - Tree Planting Program	16,660	5,360	5,360	5,500
Plantation Development Program.....	37,875	26,625	1,125	1,125
	62,426	34,592	7,236	7,376

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	15,121	6,111	7,236	7,376	7,676	1,876	1,925
	15,121	6,111	7,236	7,376	7,676	1,876	1,925
LESS							
Borrowings.....	12,100	5,360	5,360	5,500	5,800	-	-
Internal Funds and Balances.....	751	751	1,876	1,876	1,876	1,876	1,925
Other.....	2,270	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

MID WEST DEVELOPMENT COMMISSION

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

DIVISION 17

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 51 Net amount appropriated to deliver services	2,933	4,001	6,110	3,501	3,329	2,925	1,449
Total appropriations provided to deliver services	2,933	4,001	6,110	3,501	3,329	2,925	1,449
CAPITAL							
Item 144 Capital Contribution	-	-	-	229	-	-	-
GRAND TOTAL	2,933	4,001	6,110	3,730	3,329	2,925	1,449

MISSION

To have the Mid West recognised as a preferred region in which to live, work and invest.

SIGNIFICANT ISSUES AND TRENDS

- Being a major exporter of primary products, the Mid West's growth prospects are affected by world commodity prices and seasonal conditions. A continued focus on innovation and value adding across all industry sectors will assist economic diversification.
- The mining industry continues to make a strong contribution to regional growth and employment. The timely provision of strategic infrastructure including a new deep water port at Oakajee, linked by a heavy gauge rail line, will facilitate the export of high volume bulk products such as iron ore. Capturing local community benefit from this sector provides opportunities and challenges.
- The cyclical nature of the agricultural/pastoral sectors continues to have an impact on regional prosperity. The identification and establishment of new enterprise opportunities throughout the region including lupin processing and the establishment of supply chains to add value to the livestock sector need to be rigorously pursued.
- The Mid West region continues to realise its tourism potential on the back of major tourism related infrastructure projects including the Geraldton Foreshore Redevelopment project. With continued strategic support and an effective marketing campaign, this sector will play an increasingly important role in the region's future growth.
- The continued development of the region's strategic infrastructure including transport, telecommunications, education, training and research facilities is vital to build on the region's competitive advantages, develop and attract new enterprise opportunities and support sustainable regional development.
- Of the region, 83 per cent is classified as remote. This generates a demand for community capacity building programs and supportive social infrastructure.

- Agricultural and pastoral land in the region suffers from high levels of landscape stress. The completion and implementation of accredited natural resource management strategies will play an integral role in addressing this issue and encourage responsible land use practices, land care and eco-efficiency.
- The Geraldton Universities Centre, together with the Separation Point Marine Precinct and the establishment of a Radio Astronomy Park in the Murchison will further establish Geraldton as the regional education and 'smart' centre for the Mid West.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Information and Advice.....	782	950	820	865			
<i>Service 2:</i>							
Investment Facilitation	624	580	814	623			
<i>Service 3:</i>							
Infrastructure and Services Development in the Mid West	2,076	3,473	5,122	3,721			
Total Cost of Services	3,482	5,003	6,756	5,209	4,294	3,593	1,655
<i>Less Income.....</i>	<i>934</i>	<i>748</i>	<i>842</i>	<i>1,231</i>	<i>773</i>	<i>670</i>	<i>170</i>
Net Cost of Services	2,548	4,255	5,914	3,978	3,521	2,923	1,485
Adjustments ^(a)	385	(254)	196	(477)	(192)	2	(36)
Appropriation provided to deliver Services.	2,933	4,001	6,110	3,501	3,329	2,925	1,449
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	-	-	229	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	2,933	4,001	6,110	3,730	3,329	2,925	1,449

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

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

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	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.	An environment conducive to the balanced economic and social development of the Mid West region.	<ol style="list-style-type: none"> 1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: An environment conducive to the balanced economic and social development of the Mid West region.					
Clients agreeing that the Commission reduced obstacles to economic growth and employment ^(b)	44%	40%	40%	42%	
Clients agreeing that the Commission contributed to the development of a new business opportunity ^(b)	61%	50%	50%	55%	
Clients agreeing that the Commission contributed to more trade activity ^(b)	22%	27%	27%	27%	
Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities ^(b)	28%	22%	22%	25%	

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

(b) The results are collected by survey and exclude responses from clients who have indicated the question is not applicable to them.

Service 1: Information and Advice

To contribute to economic growth and employment by developing strategic partnerships between government, business, and the community, providing a central point of coordination and contact and by raising awareness of the Mid West region.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	782	950	820	865	Increase in Regional Development Scheme (RDS) and other grant funded expenditure in 2006-07.
Less Income	310	381	248	315	Increase in RDS and other grant funding in 2006-07.
Net Cost of Service	472	569	572	550	
Adjustments ^(a)	49	(14)	(67)	(27)	Greater use of brought forward cash to cover costs in 2005-06.
Appropriation for delivery of Service	521	555	505	523	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost per client visit	\$1,174	\$1,667	\$1,439	\$1,518	Increase in grant funded expenditure in 2006-07 flows through to higher unit values.
Cost per client inquiry	\$113	\$158	\$137	\$144	
Full Time Equivalents (FTEs)	5	5	5	5	

Major Achievements For 2005-06

- Administered the fifth round of the State Government's Regional Development Scheme (RDS) and allocated grants totalling \$500,000 across 19 projects that will contribute to the sustainable development of the Mid West.
- With the Department of Local Government and Regional Development prepared and distributed an updated edition of Mid West Economic Perspectives.
- Facilitated Indigenous economic development by:
 - assisting Wandalgu Arts Aboriginal Corporation prepare a strategic plan for projects in Northampton;
 - providing assistance to several Indigenous organisations to apply for and secure RDS and other grant funding;
 - assisting the Mid West Employment and Economic Development Aboriginal Corporation and Morawa Community Development Employment Program with the development of tourism opportunities, including Koolanooka Springs;
 - assisting with the organisation of the 'Integrated Aquaculture' course in Northampton, including providing funding to assist Indigenous participants to attend;
 - conducting community presentations in Geraldton, Meekatharra and Mount Magnet to promote the findings of the South West Indigenous Tourism Expedition;
 - working with Marra Aboriginal Corporation and artsources on the Regional and Indigenous Development Program in the Mid West, which includes the establishment of a dedicated arts development officer position in the region; and
 - conducting the Understanding Funding Guidelines workshop to provide participants with the confidence and skills required to successfully apply for grant funding for their projects.
- Provided a local support role and \$20,000 RDS funding for the staging of a second 'Croc Festival' in Geraldton.
- As a Member of the Geraldton Economic Alliance, worked to host a successful third Mid West Economic Summit in September 2005 based on the theme of sustainability.
- Worked with the City of Geraldton, Shire of Greenough and the Mid West Chamber of Commerce and Industry to attract and assist Pilbara Iron to commence Fly-In Fly-Out from Geraldton to the Pilbara in March 2006.
- Coordinated the Mid West Community Services Network Forum in Morawa aimed at promoting networking and capacity building for Mid West service providers.
- Developed and implemented a community consultation and information process associated with the establishment of a community foundation and other philanthropic structures in the Mid West.
- Undertook a review of water resources in the Mid West to identify potential new and intensive economic development opportunities.
- Worked with the Shire of Mullewa, the Department of Agriculture and Food and other relevant stakeholders to develop strategic opportunities for addressing dry seasons and structural adjustment in the north east agricultural region of the Mid West. This includes preparing feasibility studies on diversification opportunities, as well as promoting the project to stakeholders in the area.
- Established strategies and protocols to increase Indigenous participation in natural resource management in the Northern Agricultural Region (NAR). This includes attracting over \$600,000 into the NAR for the Aboriginal Knowledge program.
- Worked with Mid West shires on a range of economic and community development projects including:
 - Northampton's Community Census project;
 - Coorow and Carnamah's preparation of a strategy to guide the future management and development of the Coorow and Carnamah coasts in an integrated and coordinated manner;
 - Chapman Valley's feasibility study into its proposed lifestyle village and community farm;
 - Perenjori's modelling of future economic developments within the shire and their socio economic impacts;
 - Sandstone's release of land to facilitate the establishment of new businesses in Sandstone;
 - Irwin's study into the socio-economic impacts on Dongara from major planned projects;
 - Murchison's Path-Maker project in partnership with the Commonwealth Scientific and Industrial Research Organisation (CSIRO); and
 - Meekatharra's Meeka Heritage and Canyon Trail project.

- Supported the Department of Local Government and Regional Development, the Shire of Wiluna and others to progress the development of a Wiluna Development Package to improve the Wiluna community's social and economic amenity.
- Entered into a partnership arrangement with the Northern Agricultural Catchments Council to host an Aboriginal Program Leader position within the Commission for up to three years.
- Supported the continued development of education in the Mid West by:
 - participating on the Enhancing Post Compulsory Education and Training in Geraldton Steering Committee to develop plans for the establishment of a secondary school annexe to better link Central West TAFE and Geraldton Secondary College; and
 - assisting the Leaning Tree Community School management committee to secure a license to establish a school.

Major Initiatives For 2006-07

- Establish a Mid West Community Foundation and associated philanthropic structures in the region.
- Review and update the Commission's website to provide timely, accurate and relevant information on the Mid West region and the Commission's activities.
- Conduct a networking workshop for Indigenous business and community leaders.
- Host the Northern Agricultural Catchments Council (NACC) Aboriginal Program Leader position within the Commission to work with Indigenous communities on natural resource management issues in the NAR.
- Develop a system for the production and distribution of electronic newsletters on developments in the Mid West to the Commission's clients.
- Coordinate a Murchison summit to facilitate a whole-of-government approach to the provision of services and to address socio-economic issues in the Murchison.
- Support the implementation of the recommendations of the socio-economic studies for the Shires of Perenjori and Irwin.
- Prepare an updated 'Mid West People and Population' booklet containing an outline of the region's major demographic trends.

Service 2: Investment Facilitation

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	624	580	814	623	Completion of Outback Pathways (major project) at the end of 2005-06.
Less Income	354	205	271	201	External funding for Outback Pathways project ceases in 2005-06.
Net Cost of Service	270	375	543	422	
Adjustments ^(a)	62	(14)	(148)	(27)	Significant brought forward Outback Pathways funding used to cover costs in 2005-06.
Appropriation for delivery of Service	332	361	395	395	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per project	\$39,000	\$38,667	\$54,267	\$41,533	Completion of a major project in 2005-06, reduces the average value of projects in 2006-07.
Full Time Equivalents (FTEs)	4	5	5	5	

Major Achievements For 2005-06

- Continued the Stage 2 development of the Gascoyne Murchison Outback Pathways in partnership with the Gascoyne Development Commission. Major achievements to date include:
 - produced and published a 180 page Pathways promotional guidebook. Sales of the guidebook are expected to stimulate interest in travelling the Pathways as well as provide funds for their ongoing maintenance, development and promotion; and
 - completed installation of signage at an additional 23 sites, bringing the total number of sites on the Pathways to more than 60.
- Entered into a partnership with Country Arts WA to improve arts and cultural services and program delivery to the towns of the Mid West.
- Worked with the CSIRO, the Office of Science and Innovation and other stakeholders to prepare Australia's submission to the International Site Selection Committee for the international €1 billion Square Kilometre Array (SKA) radio telescope project to be located in the Murchison.

- As part of its support for the SKA project the Commission coordinated:
 - the preparation of the Mileura Environmental Study, as part of the SKA site bid;
 - the preparation of the Radio Astronomy Park Master Plan which focuses on planned/coordinated development of Mileura Station in the Murchison;
 - the 'Astronomy in the Class Room' professional development program for teachers in the Mid West;
 - an SKA Industry Cluster Briefing in Geraldton to inform local businesses about the progress and activities of the SKA and other radio astronomy projects in the Mid West, including potential business opportunities; and
 - the Radio Astronomy Park Working Group – which provides high level advice regarding radio astronomy experiments at Mileura Station to state, national and international governments and research institutions.
- Worked with Central West College of TAFE, the Department of Fisheries and the Department of Education and Training to complete the construction of the Batavia Coast Marine Centre and Abrolhos Islands Research Institute.
- Worked with the Department of Treasury and Finance to establish a Regional Buying Centre (RBC) in Geraldton. The Commission also chairs the RBC's Local Client Council.
- Following a trip to Japan, the Commission, along with other State Government agencies, successfully lobbied the Japanese Government to have an import duty on lupin abolished. This has subsequently resulted in the export of Mid West lupins to Japan.
- Worked with the Department of Local Government and Regional Development and a Mid West business to implement the Future Skilling Outback WA - Start Free program in the Murchison sub-region. Start Free will provide basic information technology training and technical training and support, including a help desk, to very remote areas of Western Australia with funding support from the Commonwealth Government's IT Training and Technical Support Program.
- Worked on a number of industry development opportunities including:
 - reviewing the potential to export sand from the Geraldton Port for use in the construction industry;
 - assisting a local business group to establish a small scale bio-diesel operation in the Mid West; and
 - working with local producers and the Department of Agriculture and Food to establish markets for lupin in the food industry overseas and in Australia.
- Through the provision of Austrade's TradeStart services by the Commission, promoted exporting by:
 - assisting four local businesses to export for the first time; and
 - coaching eight local businesses in preparation to export their produce and/or services.
- Assisted 22 local businesses to overcome their specific labour market shortages through the Regionally Sponsored Migration Scheme and Long Stay working visas.
- Initiated the preparation of a feasibility study into the Geraldton Marine Interpretive Centre.

Major Initiatives For 2006-07

- Work in partnership with the Office of Science and Innovation, CSIRO's Australia National Telescope Facility and other stakeholders to:
 - coordinate the development of a Radio Astronomy Park (RAP) in the Murchison;
 - implement the RAP Master Plan; and
 - attract radio astronomy projects to the RAP.
- Investigate options for the continued development of the Gascoyne Murchison Outback Pathways by:
 - identifying strategic development opportunities for the Pathways and associated tourism attractions and facilities;
 - investigating funding opportunities for new developments; and
 - managing the transition of the ongoing responsibility for the Pathways to Gascoyne Murchison Tourism Incorporated including overseeing the use of proceeds from the sales of the Pathway's guide book.

- Investigate options to secure funding for other strategic trails/pathway projects in the Mid West, including the proposed Monsignor Hawes Heritage Trail.
- Establish an agreement for sales, distribution and use of the proceeds from the Gascoyne Murchison Outback Pathways Guidebook by an appropriate Mid West and/or Gascoyne tourism body.
- As part of investigating value adding investment opportunities in the Mid West:
 - work closely with the carob industry in the Mid West to establish a small local processing facility and expand the local production;
 - support local canola growers to produce bio-diesel for use in their own businesses; and
 - work closely with local industry groups to establish a small lupin processing facility in the Mid West.
- Secure a new contract with Austrade to enable the Commission to continue to provide expanded TradeStart program (export development) services to local businesses.
- Work with the Department of Local Government and Regional Development and a Mid West business to successfully provide the Start Free program's information technology training and support in the Murchison sub-region.
- Review the viability of establishing a horticultural precinct in the Walkaway area.
- Investigate the viability of establishing a Mid West Indigenous arts development fund for Aboriginal artists in the Mid West.
- Assist the embryonic pearl industry based at the Abrolhos Islands to find export markets and attract overseas investment.
- Continue to support the Mid West Regional Buying Centre with initiatives that improve local suppliers' opportunities to supply goods and services to State Government agencies in the Mid West.
- Work with the Cruising Geraldton Steering Committee to plan for future cruise ship visits including the 'Europa', which is due for a return visit to Geraldton in 2007.

Service 3: Infrastructure and Services Development in the Mid West

To facilitate the development of infrastructure and services based on long term economic development strategies, to support communities and businesses in the Mid West.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,076	3,473	5,122	3,721	Variations mainly reflect the timing and quantum of grants for major capital projects.
Less Income	270	162	323	715	2006-07 includes forecast external contributions for the Kalbarri Slipway project.
Net Cost of Service	1,806	3,311	4,799	3,006	
Adjustments ^(a)	274	(226)	411	(423)	Delayed major capital projects in 2005-06 results in brought forward cash being used in 2006-07.
Appropriation for delivery of Service	2,080	3,085	5,210	2,583	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per project	\$138,400	\$231,533	\$341,467	\$248,067	Unit values fluctuate with the quantum and timing of funding for major external capital projects.
Full Time Equivalents (FTEs)	4	4	4	4	

Major Achievements For 2005-06

- Supported the development of the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project by:
 - providing approximately \$2.7 million to the City of Geraldton for Stage Four of the project as part of the State Government's overall commitment via the Commission of \$10.0 million over six years; and
 - working with the City of Geraldton and the Foreshore Redevelopment Advisory Committee to optimise the project's outcomes.
- Progressed the Geraldton Marine Services Precinct, which incorporates a 200 tonne heavy boat lifter by preparing successful submissions to State and Federal funding programs including:
 - \$1.5 million from the State Government for required infrastructure and facilities; and
 - \$1.0 million from the Commonwealth Government for the acquisition of the heavy boat lifter by an industry consortium.
- Supported the Geraldton Universities Centre (GUC) through:
 - provision of a \$34,000 grant as the final instalment of \$592,000 provided over four years to support its operations and establishment;
 - providing \$80,000 from the Regional Development Scheme to assist the GUC with the construction and fit-out of its new purpose-built facility, which was opened in February 2006; and
 - continuing the provision of a scholarship to a Mid West resident to undertake undergraduate studies at GUC.
- Advanced Stage Two of the redevelopment of the Batavia Coast Marina by:
 - working with Landcorp to complete a preliminary feasibility study; and
 - establishing a committee comprising stakeholders to progress the redevelopment.
- With other stakeholders worked to ensure the timely development of infrastructure to support major resource projects by:
 - working with the Mid West Strategic Infrastructure Group to facilitate a coordinated and holistic government approach;
 - providing policy advice to the State Government on short and longer term regional infrastructure issues;
 - making submissions to two Federal enquiries and a direct presentation to one; and
 - making presentations to the State's Infrastructure Coordinating Committee.
- Worked with the Department of Industry and Resources to improve access to high speed internet access (broadband) for Mid West residents, which assisted in:
 - the Shire of Morawa securing \$100,000 for improving broadband access in the North Midlands; and
 - the Northampton town site gaining broadband access.
- Established and chaired the Mid West Education, Training and Employment Group to address regional skills shortages.

Major Initiatives For 2006-07

- Work with the City of Geraldton and the Foreshore Redevelopment Advisory Committee on Stage Five of the development of the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project. This will include the management and disbursement by the Commission of more than \$2.4 million of State Government funding for the project in 2006-07.
- Work with an industry consortium to establish a \$3.0 million marine services precinct and associated heavy boat lifter facility in Geraldton.
- Work with stakeholders to expedite the development of land sold as part of Stage One of the Batavia Coast Marina Redevelopment.
- Work with the Public Transport Authority, City of Geraldton, Landcorp and other stakeholders to produce a detailed proposal for Stage Two of the Batavia Coast Marina Redevelopment.
- Through the Mid West Strategic Infrastructure Working Group, continue to support the timely development of the region's strategic infrastructure needs by:
 - providing advice to State Government on how best to address the short term freight needs of proposed iron ore projects;
 - working with an interagency working group, led by the Department of Industry and Resources, to undertake planning to facilitate the potential development of a deep water port at Oakajee linked by a heavy gauge railway; and
 - working with the Department of Planning and Infrastructure to finalise the Mid West Infrastructure Plan to identify and address the region's short, medium and long term infrastructure needs.
- Investigate options for collocation of the Commission with synergistic organisations including the Mid West Chamber of Commerce and Industry, Mid West Gascoyne Area Consultative Committee, Small Business Centre and the Mid West Regional Buying Centre.
- Continue to investigate options to establish a component of the proposed Integrated Agricultural Research Institute in the Mid West.

CAPITAL WORKS PROGRAM

The major item of the Commission's capital works program for 2006-07 is the provision of \$2.4 million of State Government funding to the City of Geraldton for Stage Five of its Foreshore Redevelopment and Central Business District Revitalisation project.

Expenditure of \$687,000 is forecast for a slipway and boat servicing hardstand in Kalbarri. This project is subject to confirmation of current demand for the facility and securing contributory funding from the Commonwealth Government and industry.

The Commission will also spend \$62,000 to continue its computer and office equipment replacement program.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Geraldton Foreshore Redevelopment and CBD Revitalisation Project	9,980	4,103	2,780	2,447
COMPLETED WORKS				
Computer and Office Equipment Replacement -				
2002-03 Program	35	35	6	-
2003-04 Program	30	30	30	-
2005-06 Program	31	31	31	-
Geraldton Marine Services Precinct	1,500	1,500	1,500	-
NEW WORKS				
Computer and Office Equipment Replacement -				
2004-05 Program	30	-	-	30
2006-07 Program	32	-	-	32
Kalbarri Slipway and Boat Servicing Hardstand	687	-	-	687
	12,325	5,699	4,347	3,196

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,087	2,661	4,347	3,196	1,963	1,533	30
	1,087	2,661	4,347	3,196	1,963	1,533	30
LESS							
Commonwealth Grants	-	-	-	229	-	-	-
Drawdowns from the Holding Account	-	31	31	62	33	33	30
Funding Included in Service Appropriations ^(a)	1,390	2,630	4,280	2,130	1,930	1,500	-
Internal Funds and Balances	(303)	-	36	317	-	-	-
Other	-	-	-	229	-	-	-
Capital Contribution	-	-	-	229	-	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	813	923	883	907	1,005	955	982
Superannuation	85	90	86	89	93	89	91
Grants and subsidies ^(c)	1,895	3,204	4,864	3,367	2,450	2,000	-
Supplies and services	540	614	748	671	570	371	402
Accommodation	120	117	121	121	121	121	121
Depreciation and amortisation	16	30	30	30	30	30	30
Other expenses	13	25	24	24	25	27	29
TOTAL COST OF SERVICES	3,482	5,003	6,756	5,209	4,294	3,593	1,655
Income							
Grants and subsidies	721	657	731	1,141	683	580	80
Rent	5	5	5	5	5	5	5
Other revenue	208	86	106	85	85	85	85
Total Income	934	748	842	1,231	773	670	170
NET COST OF SERVICES	2,548	4,255	5,914	3,978	3,521	2,923	1,485
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,933	4,001	6,110	3,501	3,329	2,925	1,449
Liabilities assumed by the Treasurer	14	5	5	5	5	5	5
Change in equity arising from transfer of assets/liabilities	-	-	-	-	(687)	-	-
TOTAL INCOME FROM STATE GOVERNMENT	2,947	4,006	6,115	3,506	2,647	2,930	1,454
SURPLUS (DEFICIENCY) FOR THE PERIOD	399	(249)	201	(472)	(874)	7	(31)
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	399	(249)	201	(472)	(874)	7	(31)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 13, 14 and 14 respectively.

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

**BALANCE SHEET
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	507	325	618	407	251	279	251
Restricted cash	1,149	-	1,395	650	650	650	200
Receivables	558	15	60	60	60	60	60
Amounts receivable for services	31	62	62	33	33	30	30
Prepayments	2	-	-	-	-	-	-
Total current assets	2,247	402	2,135	1,150	994	1,019	541
NON-CURRENT ASSETS							
Amounts receivable for services	115	93	93	98	103	111	119
Plant and equipment	44	53	61	96	101	105	105
Inventories	540	520	540	540	540	540	540
Intangibles	-	-	6	3	1	-	-
Other	-	-	-	687	-	-	-
Total non-current assets	699	666	700	1,424	745	756	764
TOTAL ASSETS	2,946	1,068	2,835	2,574	1,739	1,775	1,305
CURRENT LIABILITIES							
Payables	514	100	98	98	98	98	98
Provision for employee entitlements	111	112	222	180	199	210	219
Accrued salaries	-	3	3	4	7	11	14
Other	580	-	655	654	654	654	204
Total current liabilities	1,205	215	978	936	958	973	535
NON-CURRENT LIABILITIES							
Provision for employee entitlements	113	117	28	51	68	81	80
Borrowings	960	960	960	960	960	960	960
Other	-	-	-	1	1	2	2
Total non-current liabilities	1,073	1,077	988	1,012	1,029	1,043	1,042
TOTAL LIABILITIES	2,278	1,292	1,966	1,948	1,987	2,016	1,577
EQUITY							
Contributed equity	127	127	127	356	356	356	356
Accumulated surplus/(deficit)	541	(351)	742	270	(604)	(597)	(628)
Total equity	668	(224)	869	626	(248)	(241)	(272)
TOTAL LIABILITIES AND EQUITY	2,946	1,068	2,835	2,574	1,739	1,775	1,305

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	2,863	3,961	6,070	3,463	3,291	2,887	1,411
Capital contribution	-	-	-	229	-	-	-
Holding account drawdowns	-	31	31	62	33	33	30
Net cash provided by State government	2,863	3,992	6,101	3,754	3,324	2,920	1,441
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(773)	(910)	(851)	(925)	(966)	(926)	(971)
Superannuation	(73)	(85)	(81)	(84)	(88)	(84)	(86)
Grants and subsidies	(1,312)	(3,604)	(5,080)	(3,367)	(2,450)	(2,000)	(450)
Supplies and services	(586)	(614)	(807)	(671)	(570)	(371)	(402)
Accommodation	(120)	(117)	(121)	(121)	(121)	(121)	(121)
Goods and Services Tax	(242)	(400)	(649)	(681)	(386)	(311)	(109)
Other	(13)	(25)	(24)	(24)	(25)	(27)	(29)
Receipts							
Grants and subsidies	396	657	1,153	1,141	683	580	80
Rent receipts	5	5	5	5	5	5	5
Goods and Services Tax	213	400	681	681	386	311	109
Other receipts	119	86	97	85	85	85	85
Net cash from operating activities	(2,386)	(4,607)	(5,677)	(3,961)	(3,447)	(2,859)	(1,889)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(14)	(31)	(67)	(749)	(33)	(33)	(30)
Net cash from investing activities	(14)	(31)	(67)	(749)	(33)	(33)	(30)
NET INCREASE/(DECREASE) IN CASH HELD	463	(646)	357	(956)	(156)	28	(478)
Cash assets at the beginning of the reporting period	1,193	971	1,656	2,013	1,057	901	929
Cash assets at the end of the reporting period	1,656	325	2,013	1,057	901	929	451

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
City of Geraldton - Foreshore Redevelopment	1,027	2,630	2,676	2,447	1,930	1,500	-
Regional Development Scheme grants.....	474	540	594	500	500	500	-
Geraldton Marine Services Precinct	-	-	1,500	-	-	-	-
City of Geraldton - Queen Elizabeth II Centre extension	-	-	50	400	-	-	-
Geraldton Universities Centre	201	34	34	-	-	-	-
City Parks Improvement Program	150	-	-	-	-	-	-
Department of Local Government and Regional Development.....	10	-	-	20	20	-	-
Country Arts WA.....	20	-	-	-	-	-	-
Regional Cooperative Research projects.....	13	-	5	-	-	-	-
Mid West Indigenous Art Development Fund .	-	-	5	-	-	-	-
TOTAL.....	1,895	3,204	4,864	3,367	2,450	2,000	-

WHEATBELT DEVELOPMENT COMMISSION

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

DIVISION 18

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 52 Net amount appropriated to deliver services	1,879	1,431	1,421	1,448	1,475	1,509	1,539
Total appropriations provided to deliver services	1,879	1,431	1,421	1,448	1,475	1,509	1,539
GRAND TOTAL	1,879	1,431	1,421	1,448	1,475	1,509	1,539

MISSION

To promote, plan, facilitate and support development for the wellbeing of our community

SIGNIFICANT ISSUES AND TRENDS

- The Wheatbelt region continues to support the third largest regional population in Western Australia, and is likely to remain so for decades. High levels of growth are being experienced along the Central Coast and in the Avon Arc. Growth is being experienced in the western Wheatbelt South, with the remainder of the Wheatbelt South having a more stable population.
- The Central East is experiencing a population restructuring, with some communities growing and some declining. The region's sub-regional centres are growing or stable, providing services over greater distances.
- There is an ongoing need to reform service delivery to better suit current population and demographic trends.
- Agriculture, particularly grain production, remains the dominant industry in the region. There is a continuing trend to farm consolidation and an increase in absentee landowners. Despite the trend to larger properties and number of farms, productivity and harvest output continues to increase.
- There is growing interest in the Avon Industrial Park as a location for medium scale industry. This will further fuel growth in the Avon Arc. The \$100.0 million proposed kaolin processing plant is on track.
- Livestock numbers in the region are continuing to increase as a result of industry identifying the Wheatbelt region as an economically viable location for livestock production.
- Opportunities for horticulture, and various forms of intensive production continue, especially in the Central Midlands. The extent of this growth will ultimately be determined by availability of and access to water. Interstate and overseas markets continue to dominate future strategies. Niche producers are starting to work collectively.
- Infrastructure and service delivery remain a continuing and major issue in the Wheatbelt. Ageing electricity infrastructure has become a serious impediment to progress. The Avon Arc community welcomed a recent announcement by the Government to upgrade the power supply to the Avon Industrial Park. Changing road use patterns, influenced heavily by Co-operative Bulk Handling's changes to grain receival points, is highlighting the challenge to plan for and upgrade the road and rail network in a cost effective manner.

- The Commission continues to work with Local Government on a sub-regional basis to develop a cohesive approach to the triple bottom line development of the region. The Commission supports a creative approach to Local Government reform in the Wheatbelt Region.
- Education and health have been identified as two key areas that require constant service delivery reform in the Wheatbelt.
- The Commission continues to work with the regional natural resource management councils, especially the Avon Catchment Council. These groups provide a framework for dealing with the impacts being experienced through salinity, soil acidification and loss of biodiversity.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Information and Promotion Services.....	1,083	1,060	1,093	1,072			
<i>Service 2:</i>							
Facilitation Services.....	1,251	978	1,007	975			
Total Cost of Services	2,334	2,038	2,100	2,047	2,091	2,086	2,104
<i>Less Income.....</i>	<i>544</i>	<i>675</i>	<i>525</i>	<i>525</i>	<i>525</i>	<i>525</i>	<i>525</i>
Net Cost of Services	1,790	1,363	1,575	1,522	1,566	1,561	1,579
Adjustments ^(a)	89	68	(154)	(74)	(91)	(52)	(40)
Appropriation provided to deliver Services.	1,879	1,431	1,421	1,448	1,475	1,509	1,539
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	1,879	1,431	1,421	1,448	1,475	1,509	1,539

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
To ensure that regional Western Australia is strong and vibrant.	The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.	<ol style="list-style-type: none"> 1. Information and Promotion Services 2. Facilitation Services

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.					
Satisfaction survey that the Commission is achieving its outcome - sample size	106	150	150	150	
Strongly Agree	28%	21%	21%	25%	
Agree	53%	59%	59%	58%	
Neither Agree or Disagree	7%	8%	8%	5%	
Disagree	4%	n/a	5%	5%	
Strongly Disagree	1%	2%	2%	2%	
Don't Know	7%	10%	5%	5%	

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

Service 1: Information and Promotion Services

The provision of timely and accurate information to meet client need in developing the Wheatbelt region through the identification and promotion of the comparative advantages of the region, the diversification of industry and businesses, and by providing a central point for information and assistance.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,083	1,060	1,093	1,072	
Less Income	253	360	273	275	
Net Cost of Service	830	700	820	797	
Adjustments ^(a)	41	44	(81)	(39)	
Appropriation for delivery of Service	871	744	739	758	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per hour of regional development service.....	\$87.83	\$94.71	\$83.57	\$93.45	Anticipated decrease in grant application numbers in 2006- 07 thereby increasing the average grant conveyed.
Average cost per program of grants conveyed.	\$46,968	\$19,760	\$22,130	\$38,828	
Full Time Equivalents (FTEs)	7	7	6	6	

Major Achievements For 2005-06

- Introduced the concept of using Comparative Advantage as a guiding principle for service delivery reform. Initial emphasis has been placed on education and training, and health service delivery.
- The fifth round of the Wheatbelt Regional Development Scheme, which provided \$400,000 grant funding for regional development projects was administered. The scheme is part of the Government's Regional Investment Fund. The largest funded projects are investigating the role the Wheatbelt Region can play in the growing bio-diesel industry.
- Developed a model to guide the Commission's Indigenous Economic Development activities.
- Provided support to the Heartlands Country group which has resulted in a range of successful initiatives that have raised the understanding of value added produce from the Wheatbelt Region, both in the Perth and overseas markets.

Major Initiatives For 2006-07

- Continue to work with Heartlands Country group to develop a funding model that promotes self sufficiency.
- Work closely with the Departments responsible for service delivery reform in health, education and training for the Wheatbelt. The Commission will provide issues and opportunities information on the region into these service delivery reform discussions.
- Examine the results of Commission funded research into crops suitable for bio-diesel production and local bio-diesel production opportunities. Use this information to ensure that the Wheatbelt Region benefits from this potential industry.
- Provide information to ensure central decision makers understand the changing nature of the Wheatbelt Region, including the inevitable major growth in some areas and the restructuring of population distribution in other areas.

Service 2: Facilitation Services

The provision of assistance, support and encouragement to clients, based around identified regional opportunities. Central to this service are activities that relate to the facilitation of the upgrading of infrastructure, provide encouragement and support to the development of new industries and facilitate the intensification, expansion and diversification of existing industries.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,251	978	1,007	975	
Less Income	291	315	252	250	
Net Cost of Service	960	663	755	725	
Adjustments ^(a)	48	24	(73)	(35)	
Appropriation for delivery of Service	1,008	687	682	690	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per hour of regional development service.....	\$88.56	\$100.52	\$91.83	\$95.84	
Average cost per program of grants conveyed.	\$29,266	\$34,200	\$32,747	\$24,115	
Full Time Equivalents (FTEs)	6	6	5	5	

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

Major Achievements For 2005-06

- Worked in conjunction with other government organisations, to develop regionally-based initiatives to attract and retain professional staff in the Wheatbelt.
- Worked with the Gravity Discovery Centre in Gingin on improvement of their marketing and tourism functions, with the aim of financial self sufficiency.
- Continued the Commission's successful involvement with skilled migration, attracting migrants to work in Wheatbelt businesses.
- Assisted the Avon Community to work together to attract industry to the Avon Industrial Park and to analyse the impacts of a proposed hazardous waste industry at this park. Work with the Avon Industrial Park also resulted in a State Government announcement to upgrade the Park's power supply.
- Signed a Memorandum of Understanding (MOU) with the Western Australia Country Health Services to deliver health service delivery reforms in consultation with the Commission. Called for tenders for consultants to commence analysis as part of this process.

Major Initiatives For 2006-07

- Develop and implement projects that are consistent with the Commission's Indigenous Economic Development model.
- Continue to support the successful Regional Skilled Migration Scheme as part of the ongoing effort to attract skilled workers to the Wheatbelt. This is in recognition of the ongoing labour shortage in the region.
- Continue to work with Local Government to encourage greater collaboration and service delivery reform.
- Work closely with Local Governments and state agencies planning for service delivery in the rapid growth areas of the region.

CAPITAL WORKS PROGRAM

The Commission continues a rolling program of asset replacement and enhancement to improve service delivery through the use of efficient technologies.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Computer and Office Replacement - 2005-06 Program	73	73	73	-
NEW WORKS				
Computer and Office Replacement - 2006-07 Program	47	-	-	47
	120	73	73	47

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	535	73	73	47	20	55	40
	535	73	73	47	20	55	40
LESS							
Drawdowns from the Holding Account	86	73	61	48	24	126	40
Funding Included in Service Appropriations ^(a)	400	-	-	-	-	-	-
Internal Funds and Balances	49	-	12	(1)	(4)	(71)	-
Capital Contribution	-	-	-	-	-	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	980	810	843	780	812	865	861
Superannuation	91	81	74	65	71	73	75
Grants and subsidies ^(c)	709	570	600	600	600	525	525
Consultancies expense	41	14	14	14	15	15	15
Supplies and services	337	409	411	419	426	432	444
Accommodation	91	67	78	78	79	79	79
Capital user charge	17	25	25	31	37	37	38
Depreciation and amortisation	40	50	40	45	36	45	52
Loss on disposal of non-current assets	28	-	-	-	-	-	-
Other expenses	-	12	15	15	15	15	15
TOTAL COST OF SERVICES	2,334	2,038	2,100	2,047	2,091	2,086	2,104
Income							
Grants and subsidies	494	650	500	500	500	500	500
Other revenue	50	25	25	25	25	25	25
Total Income	544	675	525	525	525	525	525
NET COST OF SERVICES	1,790	1,363	1,575	1,522	1,566	1,561	1,579
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,879	1,431	1,421	1,448	1,475	1,509	1,539
Resources received free of charge	7	17	7	7	7	7	7
TOTAL INCOME FROM STATE GOVERNMENT	1,886	1,448	1,428	1,455	1,482	1,516	1,546
SURPLUS (DEFICIENCY) FOR THE PERIOD	96	85	(147)	(67)	(84)	(45)	(33)
Extraordinary items	1	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	97	85	(147)	(67)	(84)	(45)	(33)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 13, 11 and 11 respectively.

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

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	142	264	167	156	149	203	172
Restricted cash	419	73	261	160	61	36	11
Receivables	50	20	1	1	1	1	1
Amounts receivable for services	73	47	48	24	126	40	63
Prepayments	7	16	-	-	-	-	-
Total current assets	691	420	477	341	337	280	247
NON-CURRENT ASSETS							
Amounts receivable for services	25	60	61	117	47	72	81
Plant and equipment	60	127	85	83	68	82	75
Prepayments	-	1	-	-	-	-	-
Other	-	37	-	-	-	(3)	(11)
Total non-current assets	85	225	146	200	115	151	145
TOTAL ASSETS	776	645	623	541	452	431	392
CURRENT LIABILITIES							
Superannuation	-	2	-	-	-	-	-
Payables	36	39	38	37	38	38	39
Provision for employee entitlements	129	102	101	59	43	108	98
Accrued salaries	-	13	-	-	-	-	-
Other	11	30	11	11	11	11	11
Total current liabilities	176	186	150	107	92	157	148
NON-CURRENT LIABILITIES							
Provision for employee entitlements	35	13	55	83	93	52	55
Total non-current liabilities	35	13	55	83	93	52	55
TOTAL LIABILITIES	211	199	205	190	185	209	203
EQUITY							
Contributed equity	75	75	75	75	75	75	75
Accumulated surplus / (deficit)	490	371	343	276	192	147	114
Total equity	565	446	418	351	267	222	189
TOTAL LIABILITIES AND EQUITY	776	645	623	541	452	431	392

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT (Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	1,839	1,349	1,349	1,368	1,419	1,444	1,467
Holding account drawdowns	86	73	61	48	24	126	40
Net cash provided by State government	1,925	1,422	1,410	1,416	1,443	1,570	1,507
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,049)	(828)	(851)	(793)	(815)	(843)	(869)
Superannuation	(91)	(73)	(74)	(66)	(71)	(71)	(75)
Grants and subsidies	(710)	(570)	(600)	(600)	(600)	(525)	(525)
Consultancies payments.....	(34)	(13)	(14)	(14)	(15)	(15)	(15)
Supplies and services	(335)	(407)	(404)	(401)	(413)	(421)	(437)
Accommodation.....	(76)	(64)	(61)	(86)	(88)	(84)	(72)
Capital user charge.....	(26)	(25)	(25)	(31)	(37)	(37)	(38)
Goods and Services Tax	(65)	(65)	(65)	(65)	(65)	(65)	(65)
Other.....	-	(12)	(15)	(15)	(15)	(15)	(15)
Receipts							
User charges and fees.....	7	-	-	-	-	-	-
Grants and subsidies	457	650	544	500	500	500	500
Goods and Services Tax	66	65	65	65	65	65	65
Other receipts	75	25	31	25	25	25	25
Net cash from operating activities.....	(1,781)	(1,317)	(1,469)	(1,481)	(1,529)	(1,486)	(1,521)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(16)	(73)	(73)	(47)	(20)	(55)	(40)
Net cash from investing activities.....	(16)	(73)	(73)	(47)	(20)	(55)	(40)
NET INCREASE/(DECREASE) IN CASH HELD	128	32	(132)	(112)	(106)	29	(54)
Cash assets at the beginning of the reporting period	432	305	560	428	316	210	239
Cash assets at the end of the reporting period.....	560	337	428	316	210	239	185

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Avon Community Development Foundation ...	50	50	50	50	50	50	50
Regional Development Scheme.....	659	520	550	550	550	475	475
TOTAL.....	709	570	600	600	600	525	525

Part 5

Minister for Education and Training

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
341	Education and Training			
	– Delivery of Services	2,729,827	2,758,024	3,017,966
	– Capital Contribution	160,738	163,238	245,210
	Total	2,890,565	2,921,262	3,263,176
363	Country High School Hostels Authority			
	– Delivery of Services	5,963	5,203	6,656
	– Capital Contribution	5,629	2,029	6,695
	Total	11,592	7,232	13,351
371	Curriculum Council			
	– Delivery of Services	14,318	15,571	20,027
	– Capital Contribution	1,579	79	1,634
	Total	15,897	15,650	21,661
384	Education Services			
	– Delivery of Services	13,340	12,340	16,390
	– Administered Grants, Subsidies and Other Transfer Payments	216,427	215,595	233,729
	Total	229,767	227,935	250,119
	GRAND TOTAL			
	– Delivery of Services	2,763,448	2,791,138	3,061,039
	– Administered Grants, Subsidies and Other Transfer Payments	216,427	215,595	233,729
	– Capital Contribution	167,946	165,346	253,539
	Total	3,147,821	3,172,079	3,548,307

EDUCATION AND TRAINING

PART 5 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 19

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 53 Net amount appropriated to deliver services	2,600,708	2,729,282	2,757,479	3,017,405	3,151,014	3,237,203	3,286,510
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	592	545	545	561	578	595	613
Total appropriations provided to deliver services	2,601,300	2,729,827	2,758,024	3,017,966	3,151,592	3,237,798	3,287,123
CAPITAL							
Item 145 Capital Contribution	122,131	160,738	163,238	245,210	190,020	123,410	104,310
GRAND TOTAL	2,723,431	2,890,565	2,921,262	3,263,176	3,341,612	3,361,208	3,391,433

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

The Department of Education and Training provides world class education and training that meets the needs of individuals, the community and the economy of Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- Community expectations of public education continue to rise, generating a demand for high standards of academic excellence and quality in teaching, particularly in literacy and numeracy. In particular, the outcomes for Aboriginal learners must be improved.
- The completion of Year 12 or its equivalent is now regarded by many as the minimum standard for entry to employment, training or further education, and involves the attainment of high levels of literacy and numeracy as well as competencies that are recognised in the workplace.
- Amendments to the *School Education Act 1999* made it compulsory for students to attend school until the end of the year in which they turn 16 unless they participate in full time training or approved employment. A significant portion of the students who will now remain in school have special educational needs, such as poor prior educational attainment, and require adequate programs to meet those needs.
- The development of more flexible and improved pathways between schools, apprenticeships and traineeships, Vocational Education and Training (VET), universities and the community sector is essential to support the growing demand for more diverse and varied learning opportunities for school leavers.
- Significant changes in demographic and social structures are creating the need for a greater emphasis in public schools on behaviour management, values education, pastoral care and citizenship.

- Skill shortages have developed in a number of industries, brought about by the strong State economy. A key issue for the VET sector is its ability to meet the growing demand for skilled workers and increase participation in the labour market.
- The rapid changes in, and widespread use of information and communication technologies in the workplace requires students to be technology-smart, teachers and lecturers to be skilled in the use of technology in teaching and schools and TAFE colleges to have state-of-the-art infrastructure.
- Together with major demographic changes and ageing facilities driving the construction of new schools and rationalisation and/or maintenance of existing facilities, changes in pedagogy, especially the introduction of new technologies for teaching and learning and approaches to behaviour management and pastoral care, are placing significant pressure on the need to upgrade or refurbish existing facilities.
- The ageing population will impact on the staffing at schools and TAFE colleges with potential for shortages emerging as the retirement rate accelerates.
- There is unprecedented pressure on Western Australia and other States and Territories to conform to a national agenda that is driven by current Australian Government policy.

Major Achievements 2005-06

- Public schooling was provided to 250,789 students (February 2006 census figures excluding part-time secondary students). Kindergarten education was provided to 17,071 students (excluding students enrolled in kindergarten programs at community kindergartens); and pre-primary education to 19,360 students.
- As a result of amendments to the *School Education Act 1999* in 2005, an additional 797 students enrolled in public schools in Year 11 at the beginning of 2006 compared with 2005.
- The median Tertiary Entrance Rank (TER) of the public school student cohort has increased by 2.5 points over the past two years, with improved performance of students at the top end.
- In 2005, more than 72,000 public school students in Years 3, 5 and 7 were assessed in aspects of literacy and numeracy as part of the Western Australian Literacy and Numeracy Assessment.
- In 2005, around 14,500 Year 9 students in public schools were assessed in aspects of English, Mathematics and Science as part of the Monitoring Standards in Education or MSE 9 program.
- The Aboriginal Literacy strategy, which aims to improve the literacy outcomes of students in remote community schools, entered the second year of a three-year Commonwealth funded program and provided support to 43 Remote Teaching Service schools.
- Established the Professional Learning Institute to improve student learning by enabling high quality, relevant, systematic learning and development opportunities for staff in the public education system such as the Graduate Teacher Induction and Senior Teacher Professional Development Programs.
- Developed teachers' capacity to make judgements of Achievement Targets through the provision of professional learning for 8,000 teachers of Year 5 and 7 English and mathematics; Year 9 Science; Year 9 Society and Environment; Year 9 Technology and Enterprise and Year 9 Health and Physical Education.
- Commenced a three year trial of single gender classes in five secondary schools at the beginning of Term 1, 2006.
- Allocated additional FTE and funding for the appointment of Learning Support Coordinators at 376 schools as part of the implementation of the major recommendations of the Review of Education Services for Students with Disabilities in Government Schools.
- Provided cross-cultural awareness training for teachers in public schools through both face to face professional development and interactive CD mode. A Cross Cultural Cooperation Framework was developed and implemented in TAFEWA Colleges incorporating a training resource to increase staff awareness of Aboriginal cultures.

- Continued the 'Follow the Dream' retention strategy, which targets high achieving Aboriginal students in secondary education through an interagency approach. The strategy now operates in 25 sites in metropolitan and regional Western Australia and is engaging approximately 650 students.
- Developed a parent engagement manual for school and district staff to show how Aboriginal parents can be involved in education decision making processes in schools and districts.
- Initiated, in partnership with BHP Billiton Iron Ore, a strategy to maximise student outcomes and enhance community perception of local education and training opportunities in Hedland and Newman.
- As a result of raising of the school leaving age, new programs were trialled across all education districts in 2005 to assist the education and training sectors to cater for students expected to return. Where appropriate, successful programs have been continued in 2006.
- Provided an annual payment of up to \$400 to parents of TAFE students and \$200 to parents of public and private school students to help meet the cost of education and training in Years 11 and 12. This payment is over and above the \$100 government subsidy to students in public schools in Years 8 to 12.
- Developed a master plan to re-establish Perth Modern School as a select school for academically talented children from across Western Australia. Over 764 students, including 45 non-metropolitan students applied for 160 Year 8 places.
- Design, development and preparation of tender documents is underway to establish an interim residential college at the City Beach High School site to be available for Perth Modern School students in 2007.
- Improved services to gifted and talented students were delivered through the development of new assessment instruments, the expansion of identification and selection, and the appointment of administrative and measurement officers.
- Employed 25 full-time Specialist Literacy Teachers and 15 part-time (0.4 FTE) Numeracy Teachers in 40 selected schools to support teachers of Years 8 and 9 students performing below expected achievement levels.
- Established Teacher Development Centres to support secondary schools implementing post compulsory changes in Aviation Studies, English, Engineering Studies and Media Production and Analysis.
- Commenced planning to ensure that from 2007 all students in Years 1 - 10 participate in a minimum of two hours of physical activity each week, which must form part of students' learning program.
- Provided grants for upgrades of playground equipment at existing primary schools totalling \$1.5 million in 2005-06 with further grants totalling \$500,000 planned for 2006-07.
- Upgraded infrastructure and computer resources in 42 regional and 18 metropolitan schools as part of the 100 Schools and Learning with Information and Communication Technology (ICT) Projects. Provided professional learning for teachers, focused on effective teaching and learning with information and communication technologies.
- Commenced the four year program to build 39 new schools at an estimated cost of \$400 million, improvements at existing schools at an estimated cost of more than \$300 million and school maintenance at a cost of \$300 million.
- Commenced upgrades of science buildings and facilities at selected public high schools.
- Piloted the Community Service Program, requiring students in Years 10 and 11 to undertake a minimum of 20 hours community service over two years, in 10 metropolitan and country schools in 2006.
- Expanded the Behaviour Management and Discipline strategy in 2005 with resources being allocated to 275 identified schools, as well as strengthening the training program for teachers, at a cost of \$16.5 million per year.
- Opened new football academies at Yule Brook College (Cannington), Albany and Broome.
- Increased funding to the Churches Commission for Education (Youth Care) from \$350,000 to \$700,000 per annum for administration and support to the school chaplaincy service.

- Commenced a four year program to expand the school volunteer program to service an extra 300 schools at an additional cost of \$270,000 per annum.
- Provided additional funding of \$400,000 over four years to Youth Focus, commencing in July 2005, to support metropolitan secondary school students at-risk of suicide and self-harming.
- Implemented five year tenure for newly appointed principals in 2006. The site tenure of long-serving principals is being reviewed in 2006.
- Expanded access for almost 200 additional schools to the local selection of filling staff vacancies, bringing the total number of schools with local selection capacity to 343.
- Increased the number of apprenticeships and traineeships by 14.9 per cent to 30,219, exceeding the original target of 30,000 apprentices and trainees in training.
- In 2005, 351 students participated in the first year of the School Apprenticeship Link. 430 students commenced in 2006.
- Implemented the Fast Track Apprenticeship Program in the automotive and hospitality industries. 340 active Fast Track apprentices registered in the metals, automotive and hospitality industries. 131 Fast Track apprentices successfully completed apprenticeships.
- Implemented strategies to re-engage unemployed and under-employed 15-24 year olds through formal training as part of the Youth Skills Investment initiative. To date 519 placements have been achieved.
- Developed skill sets for the volunteer mentoring program in the metals and automotive trades. The program will enable experienced trades people to pass on their knowledge to younger workers.
- Established the Second Click program to provide computer literacy extension training and on-line training. This follows on from the successful First Click program, which provides basic computer literacy courses. Almost 5,700 Western Australians benefited from these programs.
- Established the Skills Formation Taskforce to play the lead role in progressing strategies to achieve reforms to apprenticeship and traineeship arrangements in Western Australia.
- Provided training opportunities, through the creation of a master class of trades, for trade persons to enhance their skills, especially in areas of skill shortages.

Major Initiatives 2006-07

- Develop new programs and assist staff to support the raising of the school leaving age.
- Negotiate and implement replacement enterprise agreements for public school teachers, school administrators, education assistants and other staff.
- Develop Kindergarten to Year 10 Syllabus materials and support documentation, and provide professional development for school staff.
- Increase support to teachers in the areas of assessment, reporting, and standards moderation to help students achieve the outcomes and standards sought.
- Establish 86 new Teacher Development Centres to provide support to secondary schools implementing the additional 17 Phase Two Courses of Study in 2007.
- Expand access to local selection for vacancies for teaching staff for up to another 200 schools in 2006 with the remainder gaining this capacity in 2007.

- Undertake a review of school accountability processes, including an independent evaluation of the current School Accountability Framework.
- Review the nutritional value of food sold in school canteens and develop a policy and strategies to increase the standard of the food sold in schools.
- Complete the Child Protection professional learning program for secondary schools in 2006 to ensure that all staff is appropriately trained in Child Protection procedures.
- The Aboriginal Literacy strategy, which aims to improve the literacy outcomes of students in remote community schools, will enter the third year of a three year Commonwealth funded program in 2007 and will continue to provide support to 43 Remote Teaching Service schools.
- Continue cross-cultural awareness training for teachers in public schools through the development and launch of an 'Aboriginal Perspectives Across the Curriculum' website which will contain generic and location specific lesson plans and activities that support teachers in creating more culturally inclusive classrooms for Aboriginal students.
- In 2007, the first intake of academically talented Year 8 students from across Western Australia will commence secondary schooling at Perth Modern School as part of the re-establishment of the school as the State's only fully select school.
- From 2007 all students in Years 1 - 10 will participate in a minimum of two hours of physical activity each week, which must form part of students' learning program.
- Establish new football academies in Bunbury and Kununurra, along with a second facility in the metropolitan area.
- Continue to upgrade infrastructure and computer resources in one metropolitan and 26 regional schools as part of the 100 Schools and Learning with Information and Communication Technology (ICT) Projects and provide professional learning for teachers.
- Purchase an estimated 1,795 new workstations and create more than 14,000 additional student email accounts under Learning with ICT.
- Procure a Schools Online Curriculum System to deliver an online teaching and learning system, a content management system and a search system.
- Increase the number of training places to address skill shortages in the traditional trades and in other areas of skill shortage.
- Work with the building and construction industry (industrial) to expand the metals and engineering fast track concept.
- Expand the Skills Recognition Initiative to support 4,000 trades skills recognition places between 2005 and 2009.
- Provide additional training places for youth, people with a disability, Aboriginal people in regional / remote areas and Aboriginal people in higher level qualifications.
- Appoint an Industry Training Brokerage Team to work with small and medium enterprises in industries critical to the State's economy to identify their current and emerging skill needs and broker this training with registered training organisations, including TAFEWA Colleges.
- Establish a Small Business Training Institute within the Perth metropolitan area under the auspices of TAFEWA to facilitate training, mentoring and support for small business.
- Complete the establishment of the Education and Training Shared Services Centre by incorporating the TAFEWA College network, the Curriculum Council and the Department of Education Services.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Community Awareness Campaign	1,000	-	-	-
Forest Heritage Centre	2,297	639	600	560
Outcomes and Standards Education	3,494	2,337	750	750
Revised TAFE College Fee Structure	962	2,887	2,887	2,887
Skills Shortages ^(a)	14,860	13,220	15,030	9,500

(a) Includes an \$18.6 million contribution from the Commonwealth over three years.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Primary Education	1,581,899	1,609,343	1,627,453	1,787,779			
<i>Service 2:</i>							
Secondary Education	1,075,843	1,089,720	1,124,204	1,243,947			
<i>Service 3:</i>							
Vocational Education and Training Services ...	510,066	476,911	497,939	521,918			
Total Cost of Services	3,167,808	3,175,974	3,249,596	3,553,644	3,700,686	3,819,895	3,851,686
<i>Less Income.....</i>	<i>506,717</i>	<i>505,091</i>	<i>545,948</i>	<i>557,415</i>	<i>568,833</i>	<i>592,083</i>	<i>571,491</i>
Net Cost of Services	2,661,091	2,670,883	2,703,648	2,996,229	3,131,853	3,227,812	3,280,195
 Adjustments ^(a)	 (59,791)	 58,944	 54,376	 21,737	 19,739	 9,986	 6,928
Appropriation provided to deliver Services.	2,601,300	2,729,827	2,758,024	3,017,966	3,151,592	3,237,798	3,287,123
 CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	122,131	160,738	163,238	245,210	190,020	123,410	104,310
 TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	2,723,431	2,890,565	2,921,262	3,263,176	3,341,612	3,361,208	3,391,433

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

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Quality education for all Western Australians who choose government schooling.	1. Primary education 2. Secondary education
	A responsive vocational education and training sector which meets the needs of Western Australian students and employers.	3. Vocational education and training services

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Quality education for all Western Australians who choose government schooling.					
Participation rate (proportion of persons aged 15 to 17 years in some form of education)	88.1%	(b)	88%	88%	
Secondary graduation rate (proportion of Year 8 cohort achieving Secondary Graduation in Year 12)	53.9%	54%	55.0%	55%	
Apparent retention rate (proportion of Year 8 cohort studying in Year 12)	62.6%	63%	63.4%	63%	
Benchmark Performance in literacy and numeracy:					
Year 3 students achieving national benchmarks:					
- Reading	94.1%	94%	92.7%	94%	
- Writing	84.5%	(b)	84.0%	84%	
- Numeracy	86.8%	87%	87.7%	88%	
Year 5 students achieving national benchmarks:					
- Reading	91.1%	(b)	89.3%	91%	
- Writing	84.7%	(b)	84.4%	84%	
- Numeracy	85.7%	(b)	85.1%	85%	
Year 7 students achieving national benchmarks:					
- Reading	86.1%	(c)	84.6%	86%	
- Writing	85.5%	(b)	85.1%	85%	
- Numeracy	81.2%	(c)	80.7%	81%	
Year 9 students achieving the State benchmarks:					
- Reading	84.7%	(b)	88.7%	89%	
- Writing	(d)	(b)	85.0%	85%	
- Mathematics	84.2%	(b)	89.4%	89%	

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: A responsive vocational education and training sector which meets the needs of Western Australian students and employers.					
Proportion of the Western Australian population aged 15 to 64 years enrolled in publicly- funded vocational education and training through the Department of Education and Training.....	8.1%	(b)	8%	8%	
Successful training completions - Module Load Completion Rate (MLCR) (proportion of Student Curriculum Hours (SCH) successfully completed).....	74.0%	74%	74%	74%	
Employer satisfaction	(e)	(e)	84%	(f)	
Student satisfaction	84%	84%	85%	85%	
Graduate achieved or partly achieved main reason for undertaking the course.....	78%	78%	84%	84%	

- (a) More details of effectiveness indicators are provided in the annual report.
 (b) This indicator was not reported in the previous budget and therefore there is no 2005-06 Budget figure available.
 (c) The targets from the 2005-06 Budget Statements do not apply because the locations of the national benchmarks have been revised. The Year 7 data for 2004-05 are based on the revised national benchmarks.
 (d) Data are not available because writing was not measured in 2004.
 (e) Data are not available because employer satisfaction is not measured every year.
 (f) Measurement of employer satisfaction enables comparison of trends over time but does not provide for the construction of targets because it is not measured every year.

Service 1: Primary Education

This service provides access to education in public schools for eligible persons aged generally from 4 years and 6 months to 12 years.

Primary education includes pre-compulsory and is structured in terms of primary, district high and remote community schools, as well as the Schools of Isolated and Distance Education, and education support centres and schools.

The intellectual, moral, social and physical development of students is encouraged in inclusive, safe and stimulating environments. Activities in the primary years are integrated across eight learning areas and schools have the capacity to offer specialist programs to cater for the needs of a diverse range of students including students with disabilities, students from language backgrounds other than English, and gifted and talented students.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,581,899	1,609,343	1,627,453	1,787,779	The increase mainly reflects a higher capital user charge in 2006-07 (as a result of asset revaluations) and increased employee expenses
Less Income	194,229	202,824	222,630	228,692	
Net Cost of Service	1,387,670	1,406,519	1,404,823	1,559,087	
Adjustments ^(a)	(88,667)	(23,250)	(23,558)	(40,799)	
Appropriation for delivery of Service	1,299,003	1,383,269	1,381,265	1,518,288	

- (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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost per student FTE	\$10,083	\$10,269	\$10,369	\$11,450	As above.
Full Time Equivalents (FTEs)	17,287	17,807	18,038	18,226	

Service 2: Secondary Education

This service provides access to education in public schools for eligible persons aged generally 12 years and over.

Historically, government secondary education was provided by senior high schools (Years 8 to 12), high schools (Years 8 to 10) and district high schools (Years K to 10); a small number of primary schools and the Schools of Isolated and Distance Education. Since the 1980s, different forms of secondary education have been developed providing more flexibility to better cater for the diverse needs of students.

In the middle years, within the context of the eight learning areas, the educational focus is on the development of learning process skills such as investigating, planning, producing, evaluating and communicating.

In the senior years, the aim is to provide students with a wide range of programs to continue their schooling to the end of Year 12 and to gain TAFE or university entry, traineeships, apprenticeships or full-time employment.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,075,843	1,089,720	1,124,204	1,243,947	The increase mainly reflects a higher capital user charge in 2006-07 (as a result of asset revaluations) and increased employee expenses
<i>Less Income</i>	177,514	170,039	183,260	188,481	
Net Cost of Service	898,329	919,681	940,944	1,055,466	
Adjustments ^(a)	(14,882)	16,960	13,200	968	
Appropriation for delivery of Service	883,447	936,641	954,144	1,056,434	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost per student FTE	\$13,173	\$13,405	\$13,764	\$15,276	As above.
Full Time Equivalents (FTEs)	10,801	10,701	11,037	11,165	

Service 3: Vocational Education and Training Services

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

The objective of the Department is to identify and meet industry, regional and community training needs and priorities.

In line with the strategic directions and policies of the State and Commonwealth governments, and through extensive consultative processes and targeted research studies, an Annual State Training Profile is developed to ensure that the needs of Western Australian clients, employers and students, are met.

The Department funds training delivered by Registered Training Organisations (RTOs), which are monitored for quality, compliance and agreed outcomes. The quality of training services and outcomes is monitored through client surveys and other means to identify strategic areas for improvement and trends over time.

The role of the Department is to ensure that training services are efficiently and effectively deployed to provide appropriate training and skills for all clients within the State.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	510,066	476,911	497,939	521,918	The increase mainly reflects higher training and employment grants and subsidies
Less Income	134,974	132,228	140,058	140,242	
Net Cost of Service	375,092	344,683	357,881	381,676	
Adjustments ^(a)	43,758	65,234	64,734	61,568	
Appropriation for delivery of Service	418,850	409,917	422,615	443,244	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per Student Curriculum Hour (SCH) ^(a)	\$15.85	\$15.38	\$15.85	\$15.85	
Average cost per successful SCH ^(b)	\$21.50	\$20.80	\$21.50	\$21.50	
Full Time Equivalents (FTEs)	590	589	595	597	

(a) The average cost per SCH is calculated by dividing the total expenditure for VET delivered through the Department under the terms of the Skilling Australia's Workplace Agreement (SAW Scope), by the total SAW Scope SCH.

(b) The average cost per successful SCH is calculated by dividing the expenditure for SAW Scope VET by the Saw Scope successful SCH.

CAPITAL WORKS PROGRAM

The Department of Education and Training's planned capital works expenditure in 2006-07 is \$312.7 million and relates primarily to the provision of adequate infrastructure for public schools and training throughout the State. The program includes:

New Primary Schools

Construction will continue on seven new primary schools at Hopetoun, Bertram, Canning Vale (Bushy Grove), East Butler, Neerabup, Tapping and Two Rocks. The total cost of the seven new primary schools, which will all open in 2007, is \$53.5 million.

The second stage of the new school in Baldivis (Settlers Hill) will be completed at a cost of \$6.1 million.

Funding has also been provided to continue the replacement of Kim Beazley School at Beeliar Primary School and the phased replacement of Mount Barker Primary School on the secondary site.

The 2006-07 Budget also provides funding to commence the construction of five new primary schools at Coolamon, Hocking, South Halls Head, Southern River and Waikiki at a total cost of \$44 million. These schools are scheduled for completion for the 2008 school year.

New Secondary Schools

Construction of the \$35 million replacement of Kwinana Senior High School will continue with completion expected in mid 2008.

Construction of the \$25 million Comet Bay College at Secret Harbour will be completed in January 2007.

The 2006-07 Budget also provides funding to continue four new secondary schools at Ellenbrook (to open in 2007), Vasse (Cape Naturaliste) (to open in 2008), Dalyellup (to open in 2008) and Atwell (to open in 2008) and the new senior college (Manea College) on the Edith Cowan University site in Bunbury (to open in 2008). These five secondary schools will be completed at a total cost of \$127 million.

Funding of \$10.5 million is also provided to commence construction of the new Landsdale High School and replacement of Fitzroy Crossing District High School which are scheduled to open in 2009.

Additional Stages to High Schools

Funding of \$13.7 million in 2006-07 has been provided to complete the additional stages at Mindarie Senior College, Canning Vale College and Kinross College to cater for increasing enrolments.

Work will continue on the \$27 million redevelopment of Karratha Senior High School to provide a senior campus on the Pilbara College of TAFE site.

Work on the \$15 million major redevelopment at Geraldton Secondary College and John Willcock College will continue.

Major Additions and Improvements

The \$16.9 million transformation of Perth Modern School into a School for Academic Excellence will continue. An allocation of \$8 million over two years was made for residential accommodation for Perth Modern School students. An interim residential college at the City Beach High School site will be available for this purpose in 2007.

Funding of \$29.4 million in 2006-07 provides for the continuation of major additions and improvements at Newton Moore, Pinjarra, Rossmoyne, Willetton, Narrogin and Hedland Senior High Schools, and at Bullsbrook, Kalbarri, Exmouth and Kununurra District High Schools.

The redevelopment at Mount Lawley Senior High School and construction of new learning areas at Bicton Primary School will be completed at a cost of \$1.0 million and \$1.9 million respectively.

Miscellaneous / Other School Facilities

An amount of \$25 million has been allocated to purchase and upgrade the former Australian Institute for University Studies facility at Joondalup.

An amount of \$5 million has been allocated to enable the termination of the lease with the former International School of Perth at the City Beach High School site.

\$8.1 million has been committed to purchase and develop land for the construction of new schools.

A \$4.8 million commitment to purchase additional transportable classrooms will support the Government's plan to increase the school leaving age and cater for increasing enrolments at schools.

The Government's \$2 million commitment to the plan for healthy kids will be completed with the allocation of a further \$1 million in 2006-07 for playground equipment.

The 2006-07 Budget provides a \$7.5 million commitment for the provision of administration upgrades, covered assembly areas, library / resource centres and toilet upgrades at various schools.

\$2 million has been allocated to provide early childhood education facilities and improvements for rural integration classes in schools.

\$2 million has been allocated to upgrade the power supply, fire compliance, security and sewer connections in schools.

\$450,000 has been committed to improve traffic management and parking around schools.

New Buildings and Additions at TAFE Colleges

The Department of Education and Training's planned capital works expenditure for TAFE colleges in 2006-07 is \$29.5 million and relates primarily to the provision of improved infrastructure for training throughout the State.

Work on Stage 1 of the Central TAFE Redevelopment in Northbridge will be completed with an allocation of \$2.7 million in 2006-07 for the Technology Centre for Printing, Art Design and Media. Work will commence on Stages 2 and 3 of the Central TAFE Redevelopment with a total commitment of \$32.9 million including a \$6.2 million in 2006-07.

An allocation of \$9.9 million has been made to complete the construction of the new \$19 million Australian Centre for Energy and Process Training at Henderson.

Construction of Broome Campus Stage 2B of the Kimberley College of TAFE will be completed with the allocation of \$2.4 million in 2006-07.

In addition, Skill Centres development will receive \$2 million.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Additional Stages at High Schools -				
Canning Vale College - Stage 2.....	18,007	6,537	6,112	9,470
Geraldton Secondary College (Redevelopment) and John Willcock College	15,000	4,000	4,000	5,000
Karratha SHS - Redevelopment.....	27,000	2,500	2,500	6,000
Kinross College Stage 2.....	4,000	3,500	3,493	500
Mindarie SC - Stage 2.....	5,700	500	483	3,700
Additions and Improvements to District High Schools -				
Bullsbrook DHS.....	7,000	2,100	2,060	4,286
Exmouth DHS.....	3,000	2,600	2,579	400
Fitzroy Crossing DHS - Replacement	22,000	500	500	8,500
Kalbarri DHS	8,000	600	600	6,800
Kununurra	3,375	2,375	1,814	1,000

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
Additions and Improvements to High Schools -				
Hedland SHS	6,500	2,100	2,059	4,400
Mount Lawley - Stage 3	10,373	9,373	7,003	1,000
Narrogin SHS	2,000	1,000	1,000	1,000
Newton Moore SHS	9,500	4,100	4,100	4,000
Perth Modern School	16,900	1,000	1,000	8,000
Perth Modern School - Hostel	8,000	500	500	7,500
Pinjarra SHS	5,000	3,100	3,074	1,900
Rossmoyne SHS	5,200	2,100	2,094	3,100
Willetton SHS	4,700	2,200	2,186	2,500
Additions and Improvements to Primary Schools -				
Bicton PS	2,400	500	500	1,900
Miscellaneous -				
Physical Activity - Playground Equipment				
2005-06 Election Commitment	2,000	1,000	1,000	1,000
Transportable Classrooms -				
2005-06 Program - Election Commitment	4,200	1,000	1,000	1,600
Transportable Relocation -				
2005-06 Program	6,673	6,173	6,173	500
New High Schools -				
Atwell HS	35,970	1,000	1,000	11,900
Cape Naturaliste College	23,040	4,000	3,715	9,000
Comet Bay College	25,030	11,530	10,196	12,500
Dalyellup MS	25,000	2,000	2,000	9,000
Ellenbrook Secondary College	26,000	11,000	9,690	12,000
Kwinana Senior High School Replacement	35,010	2,140	1,725	16,814
Manea Senior College	17,000	100	100	6,500
New Primary Schools -				
Beeliar/Beazley Replacement	9,476	100	100	2,076
Bertram PS	8,100	2,000	2,000	5,100
Bushy Grove (Canning Vale)	9,000	2,000	2,000	6,000
East Butler	9,000	2,000	2,000	7,000
Hopetoun	5,000	2,000	1,842	3,000
Koorilla Replacement	8,200	6,127	5,699	2,073
Manjimup Replacement	9,300	7,500	3,669	1,800
Mt Barker PS (Replacement)	7,800	700	700	4,000
Neerabup	6,200	1,000	1,000	5,200
Secret Harbour (South)	7,400	6,500	5,400	900
Settlers Hill (Baldivis) - Stage 2	6,075	1,775	1,760	4,300
Tapping PS	8,200	2,000	2,000	5,200
Two Rocks	8,000	2,800	2,751	5,200
Other School Facilities -				
Administration Upgrade -				
2005-06 Program	2,000	550	550	1,450
Covered Assembly Areas -				
2005-06 Program	1,500	500	500	1,000
Library Resource Centres -				
2005-06 Program	1,500	500	500	1,000
Student Services - Improvements				
2005-06 Program	1,000	300	300	700
Toilet Replacement Program -				
2005-06 Program	1,000	400	400	600
Training				
New Buildings and Additions at TAFE Colleges and Centres -				
Central TAFE - Perth Campus - Redevelopment Stage 1	8,400	5,700	5,404	2,700
Challenger TAFE - Australian Centre for Energy and Process Training (Henderson Oil and Gas)	19,046	9,196	8,987	9,850
Kimberley College - Broome Stage 2B	6,000	3,600	3,515	2,400
Other Projects -				
Minor Works - 2004-05 to 2006-07 Program	520	420	420	100
Plant and Equipment - 2005-06 to 2006-07	5,767	772	772	4,995
Project Initiation Planning - 2004-05 to 2006-07 Program	1,020	700	466	320
Skills Centres - 2004-05 to 2006-07 Program	5,732	3,732	2,000	2,000
Systemwide Upgrades of Roofing and Plant - 2004-05 to 2006-07 Program	2,200	1,510	866	690
Universal Access Program - 2005-06 - 2006-07 Program	780	480	480	300

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Additional Stages at High Schools -				
Warnbro.....	4,000	4,000	163	-
Additions and Improvements to District High Schools -				
Ravensthorpe.....	500	500	500	-
Additions and Improvements to High Schools -				
Bunbury SHS	1,500	1,500	1,500	-
Carnarvon SHS	1,500	1,500	1,500	-
Carnarvon SHS - Science Upgrade.....	1,000	1,000	1,000	-
Cecil Andrews.....	3,000	3,000	2,532	-
Collie SHS.....	1,000	1,000	1,000	-
Collie SHS - Science Upgrade.....	1,000	1,000	1,000	-
Eastern Hills SHS	2,000	2,000	1,967	-
Esperance	7,200	7,200	6,789	-
Gosnells.....	5,970	5,970	961	-
Kelmscott SHS	1,000	1,000	1,000	-
Kelmscott SHS - Science Upgrade.....	1,000	1,000	1,000	-
Lynwood SHS - Science Upgrade	1,000	1,000	1,000	-
Mandurah	3,248	3,248	52	-
Melville	3,600	3,600	3,152	-
Melville SHS	1,000	1,000	1,000	-
Mirrabooka SHS - Science Upgrade.....	1,000	1,000	1,000	-
Mount Lawley - Sports Hall and Performing Arts Facilities	9,441	9,441	372	-
Wanneroo SHS.....	1,000	1,000	1,000	-
Woodvale SHS (Music).....	300	300	200	-
Additions and Improvements to Primary Schools -				
Bunbury PS	500	500	494	-
College Row Bunbury - Hydrotherapy Pool	1,500	1,500	1,500	-
Darlington PS.....	2,000	2,000	1,992	-
Moorine Rock PS.....	86	86	56	-
Mt Helena PS	250	250	199	-
Pinjarra PS.....	2,500	2,500	2,500	-
Roebuck	3,500	3,500	504	-
South Kalgoorlie	2,000	2,000	300	-
Upgrade Program	12,689	12,689	561	-
Upper Swan PS	250	250	230	-
Miscellaneous -				
Automatic Reticulation -				
2002-03 Program.....	5,000	5,000	2,718	-
2004-05 Program.....	100	100	100	-
Consultants Fees -				
2005-06 Program.....	435	435	435	-
Contaminated Sites Investigation -				
2005-06 Program.....	405	405	405	-
Contingencies -				
2004-05 Program.....	585	585	37	-
2005-06 Program.....	850	850	850	-
Fire Compliance Upgrade -				
2004-05 Program.....	346	346	346	-
2005-06 Program.....	150	150	150	-
Land Acquisition -				
2005-06 Program.....	15,441	15,441	15,441	-
Motor Vehicles -				
2004-05 Program.....	250	250	149	-
2005-06 Program.....	250	250	250	-
Office Refurbishment -				
2004-05 Program.....	500	500	10	-
2005-06 Program.....	500	500	500	-
Physical Activity - Playground Equipment				
Girrawheen PS.....	10	10	10	-
Waroona PS	15	15	15	-
Point Peron Camp School.....	325	325	325	-
Power Supply Upgrade -				
2005-06 Program.....	3,005	3,005	3,005	-
Security Alarm Systems -				
2005-06 Program.....	425	425	425	-
Sewer Connections -				
2004-05 Program.....	500	500	370	-
2005-06 Program.....	400	400	400	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
Traffic Management -				
2004-05 Program	500	500	383	-
2005-06 Program	500	500	500	-
East Victoria Park PS	50	50	50	-
Transportable Classrooms -				
2004-05 Program	3,700	3,700	1,385	-
2005-06 Program	3,300	3,300	3,291	-
New High Schools -				
Canning Vale College	14,814	14,814	57	-
New Primary Schools -				
Interim schools				
2004-05 Program	500	500	458	-
Landsdale (Ashdale Gardens)	5,659	5,659	142	-
Onslow Replacement	7,300	7,300	619	-
Remote Community Schools				
2004-05 Program	1,400	1,400	17	-
2005-06 Program	200	200	200	-
Settlers Hill (Baldivis)	4,125	4,125	366	-
Shark Bay Replacement	9,300	9,300	8,991	-
Wanneroo Replacement	7,463	7,463	2,371	-
Other School Facilities -				
Administration Upgrade -				
2004-05 Program	1,831	1,831	1,557	-
Central Reserve Schools -				
2004-05 Program	400	400	217	-
Communication Upgrades -				
2004-05 Program	700	700	399	-
2005-06 Program	700	700	700	-
Covered Assembly Areas -				
2001-02 Program	8,000	8,000	1,443	-
2004-05 Program	350	350	254	-
Early Childhood Program -				
2005-06 Program	1,500	1,500	1,449	-
Ground Developments -				
2004-05 Program	685	685	627	-
Library Resource Centres -				
2003-04 Program	2,178	2,178	203	-
2004-05 Program	2,500	2,500	2,209	-
Rural Integration Program -				
2004-05 Program	3	3	3	-
2005-06 Program	500	500	500	-
Student Services - Improvements				
2004-05 Program	515	515	325	-
Toilet Replacement Program -				
2003-04 Program	2,378	2,378	128	-
2004-05 Program	1,100	1,100	917	-
Secondary School Refurbishment Program				
Esperance SHS	1,500	1,500	223	-
Girrawheen SHS	1,006	1,006	4	-
Hedland SHS	500	500	447	-
Kalamunda SHS	1,250	1,250	1,235	-
Karratha SHS	500	500	18	-
Mirrabooka SHS	1,000	1,000	898	-
Safety Bay SHS	1,000	1,000	69	-
Wanneroo SHS	1,000	1,000	852	-
Training				
New Buildings and Additions at TAFE Colleges and Centres -				
Central West College - Geraldton - Batavia Coast Marine Centre	9,758	9,758	4,317	-
Central West College - Geraldton - Sea Water Intake	647	647	647	-
Challenger TAFE - Fremantle - Marine Operations Centre	250	250	165	-
Challenger TAFE - Fremantle Stage 1 - Maritime	8,806	8,806	3,222	-
Internal Shared Service	3	3	3	-
Pilbara College - Burrup	2,200	2,200	2,117	-
South West Regional College - Margaret River Campus	9,220	9,220	17	-
Swan College - Bentley - Air Conditioning Upgrade	1,200	1,200	1,164	-
West Coast College - Decant Carine Campus to Joondalup	1,160	1,160	83	-
West Coast College Hospitality Centre	171	171	171	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
Other Projects -				
Great Southern Regional College - Landcare Project.....	750	750	750	-
Land Acquisition - Central Stage 1	1,100	1,100	1,100	-
Land Acquisition - Henderson	1,400	1,400	1,400	-
Land Acquisition - Mandurah	323	323	35	-
Minor Works - 2003-04 Program.....	1,523	1,523	65	-
Plant and Equipment - 2004-05 Program	4,398	4,398	476	-
Swan TAFE - Balga Realignment.....	1,200	1,200	1,200	-
Universal Access Program - 2004-05 Program	836	836	810	-
NEW WORKS				
Miscellaneous -				
Automatic Reticulation -				
2006-07 Program.....	100	-	-	100
City Beach High School Site - Boarding Facilities.....	5,000	-	-	5,000
Consultants Fees -				
2006-07 Program.....	500	-	-	500
Contaminated Sites Investigation -				
2006-07 Program.....	500	-	-	500
Contingencies -				
2006-07 Program.....	450	-	-	450
Fire Compliance Upgrade -				
2006-07 Program.....	500	-	-	500
Joondalup Campus	25,000	-	-	25,000
Land Acquisition -				
2006-07 Program.....	11,387	-	-	8,127
Motor Vehicles -				
2006-07 Program.....	250	-	-	250
Office Refurbishment -				
2006-07 Program.....	500	-	-	500
Planning Fees - New High Schools -				
2006-07 Program.....	500	-	-	500
Power Supply Upgrade -				
2006-07 Program.....	500	-	-	500
Security Alarm Systems -				
2006-07 Program.....	500	-	-	500
Sewer Connections -				
2006-07 Program.....	500	-	-	500
Traffic Management -				
2006-07 Program.....	450	-	-	450
Transportable Classrooms -				
2006-07 Program.....	3,230	-	-	3,230
Transportable Relocation -				
2006-07 Program.....	6,000	-	-	6,000
New High Schools -				
Landsdale HS	30,000	-	-	2,000
New Primary Schools -				
Coolamon PS.....	8,800	-	-	750
Hocking PS	8,800	-	-	750
Interim schools				
2006-07 Program.....	500	-	-	500
Remote Community Schools				
2006-07 Program.....	900	-	-	900
South Halls Head PS	8,800	-	-	750
Southern River	8,800	-	-	750
Waikiki Gardens PS.....	8,800	-	-	500
Other School Facilities -				
Administration Upgrade -				
2006-07 Program.....	2,000	-	-	100
Canteens -				
2006-07 Program.....	100	-	-	100
Central Reserve Schools -				
2006-07 Program.....	400	-	-	400
Communication Upgrades -				
2006-07 Program.....	800	-	-	800
Covered Assembly Areas -				
2006-07 Program.....	2,000	-	-	500

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
Early Childhood Program - 2006-07 Program	1,500	-	-	1,500
Ground Developments - 2006-07 Program	200	-	-	200
Library Resource Centres - 2006-07 Program	2,000	-	-	500
Rural Integration Program - 2006-07 Program	500	-	-	500
Student Services - Improvements 2006-07 Program	1,500	-	-	600
Toilet Replacement Program - 2006-07 Program	1,500	-	-	100
Training New Buildings and Additions at TAFE Colleges and Centres - Central TAFE - Perth Campus - Redevelopment Stage 2	5,000	-	-	2,500
Central TAFE - Perth Campus - Redevelopment Stage 3	27,870	-	-	3,650
	959,309	396,868	254,551	312,681

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	174,479	226,879	254,551	312,681	251,370	190,385	168,235
	174,479	226,879	254,551	312,681	251,370	190,385	168,235
LESS							
Commonwealth Grants	46,175	44,202	48,236	46,471	43,350	48,975	45,925
Drawdowns from the Holding Account	18,905	18,000	18,000	18,000	18,000	18,000	18,000
Internal Funds and Balances	(12,732)	-	25,077	-	-	-	-
Other	-	3,939	-	3,000	-	-	-
Capital Contribution	122,131	160,738	163,238	245,210	190,020	123,410	104,310

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,604,922	1,601,465	1,606,640	1,699,794	1,780,186	1,830,221	1,863,119
Superannuation	164,088	155,749	167,749	179,749	185,927	188,131	189,405
Grants and subsidies ^(c)	383,792	392,455	411,589	428,329	433,533	445,619	441,624
Finance lease charges	1,447	1,766	2,171	2,310	2,348	2,291	2,240
Capital user charge	311,548	326,177	326,177	465,172	480,863	493,370	493,370
Depreciation and amortisation	156,095	110,708	124,284	136,843	144,976	154,277	157,618
Direct schools expenses	206,288	213,637	224,437	231,701	231,828	233,210	235,175
School support services	111,903	149,185	149,185	127,552	125,596	110,495	110,476
Loss on disposal of non-current assets	3,651	989	926	1,564	2,317	2,667	-
Other supplies and services	224,074	223,843	236,438	280,630	313,112	359,614	358,659
TOTAL COST OF SERVICES ^(d)	3,167,808	3,175,974	3,249,596	3,553,644	3,700,686	3,819,895	3,851,686
Income							
User charges and fees	21,561	27,058	27,379	27,150	27,871	28,595	28,682
Grants and subsidies	355,177	369,187	399,292	412,112	424,782	448,040	425,888
Interest revenue	6,401	-	5,121	5,292	5,311	5,354	5,407
School contributions, charges and recoveries ..	89,684	90,653	90,621	91,981	93,284	94,683	96,103
Other revenue	33,894	18,193	23,535	20,880	17,585	15,411	15,411
Total Income	506,717	505,091	545,948	557,415	568,833	592,083	571,491
NET COST OF SERVICES	2,661,091	2,670,883	2,703,648	2,996,229	3,131,853	3,227,812	3,280,195
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,601,300	2,729,827	2,758,024	3,017,966	3,151,592	3,237,798	3,287,123
Liabilities assumed by the Treasurer	16,921	5,045	16,443	17,397	18,407	19,479	20,616
Initial recognition of assets not previously recognised	34,408	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	2,652,629	2,734,872	2,774,467	3,035,363	3,169,999	3,257,277	3,307,739
SURPLUS (DEFICIENCY) FOR THE PERIOD	(8,462)	63,989	70,819	39,134	38,146	29,465	27,544
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(8,462)	63,989	70,819	39,134	38,146	29,465	27,544

- (a) The 2004-05 comparative information has been presented under the Australian equivalents to International Financial Reporting Standards (AIFRS) basis in accordance with AASB 1, para 36. These amounts are comparable with the 2005-06 Budget and the Forward Estimates.
- (b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 28,678, 29,670 and 29,988 respectively.
- (c) Refer Details of Controlled Grants and Subsidies table for further information. The appropriation of funds for the delivery of vocation and education training services by TAFE Colleges, Curtin University Kalgoorlie, Vocational Training and Education Centre and the Western Australian Academy of Performing Arts is provided in this table.
- (d) The 2006-07 Total Cost of Services includes the following amounts to be appropriated to public schools as School Grants (\$85 million), School Utilities Grants (\$37 million), Foundation Grants (\$3 million) and various other program grants (\$27 million).

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a)	2005-06 Budget ^(a)	2005-06 Estimated Actual ^(a)	2006-07 Budget Estimate ^(a)	2007-08 Forward Estimate ^(a)	2008-09 Forward Estimate ^(a)	2009-10 Forward Estimate ^(a)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash.....	213,892	289,434	240,130	253,132	257,886	264,086	234,805
Restricted cash	-	337	-	-	-	-	-
Receivables	29,904	21,386	28,808	29,031	29,100	29,171	29,241
Inventories.....	2,889	2,380	2,889	2,889	2,889	2,889	2,889
Amounts receivable for services.....	19,144	19,144	19,144	19,144	19,144	19,144	19,144
Total current assets	265,829	332,681	290,971	304,196	309,019	315,290	286,079
NON-CURRENT ASSETS							
Amounts receivable for services.....	324,604	425,065	438,641	565,935	701,362	846,090	994,159
Property, plant and equipment	5,532,285	3,885,395	5,577,087	5,737,582	5,839,262	5,853,706	5,836,631
Intangibles.....	470	46	438	406	374	342	310
Restricted cash	-	5,500	5,500	11,300	17,400	23,500	29,600
Total non-current assets	5,857,359	4,316,006	6,021,666	6,315,223	6,558,398	6,723,638	6,860,700
TOTAL ASSETS.....	6,123,188	4,648,687	6,312,637	6,619,419	6,867,417	7,038,928	7,146,779
CURRENT LIABILITIES							
Accounts payable.....	47,438	55,192	48,402	49,355	49,811	50,235	50,235
Finance leases	12,477	19,704	12,656	15,326	15,559	14,965	14,965
Provisions.....	261,152	224,709	307,282	327,061	343,425	352,493	364,469
Accrued salaries.....	-	6,015	6,015	6,320	6,620	6,920	6,920
Other liabilities.....	3,637	4,493	3,637	3,637	3,637	3,637	3,637
Total current liabilities.....	324,704	310,113	377,992	401,699	419,052	428,250	440,226
NON-CURRENT LIABILITIES							
Provisions.....	180,954	179,661	156,634	159,478	163,016	172,919	181,060
Finance leases	14,762	-	16,606	15,780	14,721	14,256	13,791
Other liabilities.....	-	337	-	-	-	-	-
Total non-current liabilities	195,716	179,998	173,240	175,258	177,737	187,175	194,851
TOTAL LIABILITIES.....	520,420	490,111	551,232	576,957	596,789	615,425	635,077
EQUITY							
Contributed equity	326,848	447,326	460,273	702,196	892,216	1,015,626	1,076,281
Accumulated surplus / (deficit)	383,994	440,375	409,206	448,340	486,486	515,951	543,495
Reserves	4,891,926	3,270,875	4,891,926	4,891,926	4,891,926	4,891,926	4,891,926
Total equity.....	5,602,768	4,158,576	5,761,405	6,042,462	6,270,628	6,423,503	6,511,702
TOTAL LIABILITIES AND EQUITY	6,123,188	4,648,687	6,312,637	6,619,419	6,867,417	7,038,928	7,146,779

(a) The 2004-05 comparative information has been presented under the Australian equivalents to International Financial Reporting Standards (AIFRS) basis in accordance with AASB 1, para 36. These amounts are comparable with the 2005-06 Budget and the Forward Estimates.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	2,454,857	2,610,222	2,624,843	2,871,528	2,997,021	3,073,926	3,119,910
Capital contribution	122,131	160,738	163,238	245,210	190,020	123,410	104,310
Holding account drawdowns	18,905	19,144	19,144	19,144	19,144	19,144	19,144
Net cash provided by State government	2,595,893	2,790,104	2,807,225	3,135,882	3,206,185	3,216,480	3,243,364
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(1,592,926)	(1,584,033)	(1,578,479)	(1,676,572)	(1,759,990)	(1,810,950)	(1,843,002)
Superannuation	(147,393)	(151,218)	(151,820)	(162,870)	(168,153)	(169,285)	(169,422)
Grants and subsidies	(381,763)	(392,455)	(411,589)	(428,329)	(433,533)	(445,619)	(441,624)
Capital user charge	(311,548)	(326,177)	(326,177)	(465,172)	(480,863)	(493,370)	(493,370)
Direct schools payments	(214,235)	(213,637)	(224,437)	(231,701)	(231,904)	(233,286)	(235,175)
Schools support services	(111,376)	(149,139)	(149,139)	(127,533)	(125,577)	(110,476)	(110,476)
Other supplies and services	(237,285)	(222,864)	(235,459)	(279,516)	(311,960)	(358,500)	(358,026)
Goods and Services Tax	(73,427)	(62,405)	(74,161)	(74,902)	(75,651)	(76,408)	(77,172)
Finance lease charges	(1,447)	(1,766)	(2,171)	(2,310)	(2,348)	(2,291)	(2,240)
Receipts							
User charges and fees	21,557	27,034	27,355	27,116	27,871	28,595	28,682
Grants and subsidies	357,112	369,187	399,292	412,112	424,782	448,040	425,888
Interest received	5,553	-	5,121	5,292	5,311	5,354	5,407
School contributions, charges and recoveries	89,208	90,578	90,546	91,905	93,284	94,683	96,103
Goods and Services Tax	72,879	63,324	75,473	74,833	75,582	76,337	77,102
Other receipts	31,344	18,193	23,535	20,880	17,585	15,411	15,411
Net cash from operating activities	(2,493,747)	(2,535,378)	(2,532,110)	(2,816,767)	(2,945,564)	(3,031,765)	(3,081,914)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(177,679)	(195,472)	(226,257)	(283,014)	(229,798)	(152,213)	(165,023)
Proceeds from sale of non-current assets	157	-	-	-	-	-	-
Net cash from investing activities	(177,522)	(195,472)	(226,257)	(283,014)	(229,798)	(152,213)	(165,023)
CASH FLOWS FROM FINANCING ACTIVITIES							
Other payments for financing activities	-	(13,193)	(17,120)	(17,299)	(19,969)	(20,202)	(19,608)
Net cash from financing activities	-	(13,193)	(17,120)	(17,299)	(19,969)	(20,202)	(19,608)
NET INCREASE / (DECREASE) IN CASH HELD	(75,376)	46,061	31,738	18,802	10,854	12,300	(23,181)
Cash assets at the beginning of the reporting period	289,268	249,210	213,892	245,630	264,432	275,286	287,586
Cash assets at the end of the reporting period	213,892	295,271	245,630	264,432	275,286	287,586	264,405

(a) The 2004-05 comparative information has been presented under the Australian equivalents to International Financial Reporting Standards (AIFRS) basis in accordance with AASB 1, para 36. These amounts are comparable with the 2005-06 Budget and the Forward Estimates.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Contracts and Agreements for Delivery of Training and Employment Services: - TAFE Colleges; Curtin University Kalgoorlie, Vocational Training and Education Centre; and the Western Australian Academy of Performing Arts	337,093	343,342	342,328	347,874	352,054	357,939	359,539
- Other	46,699	49,113	69,261	80,455	81,479	87,680	82,085
TOTAL.....	383,792	392,455	411,589	428,329	433,533	445,619	441,624

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance	(622)	-	7,807	1,727
Receipts:				
Appropriations	10,066	-	-	-
Other.....	259	290	290	290
	9,703	290	8,097	2,017
Payments	1,896	290	6,370	70
CLOSING BALANCE	7,807	-	1,727	1,947

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Departmental				
Fees - Agricultural Colleges	2,918	2,927	2,927	3,053
Fees - Senior Colleges	2,424	3,350	3,350	2,802
Fees - Swimming Classes	585	490	490	501
Fees - Other	1,733	2,932	3,172	2,891
Farm School Revenue	812	880	880	880
Physical Education Camp Schools Revenue	1,755	1,589	1,670	1,691
Proceeds from Commercial Activities of Institutions	16,317	15,746	15,746	16,140
Recoveries and Refunds - Teachers Salaries and Other	6,884	2,902	5,002	5,002
Refunds - Workers Compensation	3,555	3,945	3,945	3,945
Revenue - Other	10,307	6,766	5,604	8,091
Revenue - Other Capital	5,610	3,700	8,104	3,000
Commonwealth Programs				
Aboriginal School Education	6,486	11,419	16,068	11,733
Aboriginal Training Programs	2,147	3,304	4,511	3,304
Indian Ocean Territories	8,010	7,938	7,938	8,335
Schools Assistance	195,153	201,367	202,959	214,121
Schools Capital Program	25,977	25,727	29,761	28,676
Special Projects	4,360	6,500	20,801	25,602
Vocational Education and Training	88,516	90,404	94,726	99,117
Vocational Education and Training - Capital Program	20,198	18,475	18,475	17,795
Vocational Education and Training - Other	6,266	4,053	4,053	3,429
GST input credits	67,504	61,488	70,045	69,350
GST receipts on sales	5,375	1,836	5,428	5,483
TOTAL ^(a)	482,892	477,738	525,655	534,941

(a) This table excludes user contributions, and fees and charges in respect of schools.

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

COUNTRY HIGH SCHOOL HOSTELS AUTHORITY

PART 5 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 20

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 54 Net amount appropriated to deliver services	5,435	5,963	5,203	6,656	7,473	7,681	7,299
Total appropriations provided to deliver services	5,435	5,963	5,203	6,656	7,473	7,681	7,299
CAPITAL							
Item 146 Capital Contribution	542	5,629	2,029	6,695	770	892	3,054
GRAND TOTAL	5,977	11,592	7,232	13,351	8,243	8,573	10,353

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- New mining ventures incorporating family housing are likely to see an increase in demand for student boarding services.
- Demand for the new boarding service being established in Broome will give an indication as to whether there is an increasing preference from Aboriginal families for safe and secure boarding services to support their children's learning and personal development needs.
- The increase in the school leaving age will mean that boarding services working in partnership with educational services, particularly senior high schools, will play an important role in meeting the education needs of country students needing to stay on at school or in vocational training until age 17.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i> Establishment, Operation and Maintenance of Residential Colleges.....	10,272	12,092	10,617	12,328			
Total Cost of Services	10,272	12,092	10,617	12,328	14,353	14,863	15,432
<i>Less Income.....</i>	5,609	7,864	5,629	6,343	7,613	7,818	8,158
Net Cost of Services	4,663	4,228	4,988	5,985	6,740	7,045	7,274
Adjustments ^(a)	772	1,735	215	671	733	636	25
Appropriation provided to deliver Services.	5,435	5,963	5,203	6,656	7,473	7,681	7,299
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	542	5,629	2,029	6,695	770	892	3,054
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	5,977	11,592	7,232	13,351	8,243	8,573	10,353

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

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

RESOURCE AGREEMENT

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

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

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Quality accommodation, care and services for isolated students who have to board away from home to attend school.					
Average Residential College Occupancy Rate.....	81%	81%	82%	82%	

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

Service 1: Establishment, Operation and Maintenance of Residential Colleges

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	10,272	12,092	10,617	12,328	Scheduled opening of new Broome Residential College and City Beach boarding service in 2007.
Less Income	5,609	7,864	5,629	6,343	
Net Cost of Service	4,663	4,228	4,988	5,985	
Adjustments ^(a)	772	1,735	215	671	
Appropriation for delivery of Service	5,435	5,963	5,203	6,656	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Cost (efficiency) Average cost per student	\$14,509	\$16,230	\$15,167	\$16,221	Scheduled opening of new Broome Residential College and City Beach boarding service in 2007.
Quality - Families rating accommodation, care and services as good or better	87%	90%	90%	90%	
Quantity - Students	708	745	700	760	
Full Time Equivalents (FTEs)	96	103	103	108	

Major Achievements For 2005-06

- Commenced construction of a new residential college in Broome.
- Successful negotiations which will enable the Authority to use a residential facility formerly built by the International School on the City Beach Senior High School site. This will provide a boarding service in 2007 for up to 30 students from rural and remote locations who accept places at Perth Modern School and other secondary special placement programs for gifted and talented students.
- An architect has been appointed and the design and pre-tender documentation associated with the redevelopment of the Albany Residential College is close to completion.
- Improvements to the staff accommodation and student recreation facilities at the Northam Residential College are underway.

Major Initiatives For 2006-07

- Construction of a new residential college in Broome and the successful establishment of a boarding service by the commencement of the 2007 school year to serve students from outlying towns and communities without access to secondary education comparable to that on offer at Broome.
- Successful operation of a new boarding service in City Beach for gifted and talented students who accept places in secondary special placement programs by the commencement of the 2007 school year.
- Construction of additions and improvements to the Albany Residential College in time for the commencement of the 2008 school year.

CAPITAL WORKS PROGRAM

The 2006-07 capital works program includes \$6 million to complete the new residential college at Broome, which is scheduled to open in February 2007 and \$5.7 million towards the redevelopment of the Albany Residential College.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Redevelopment Programs				
Albany Residential College	10,900	500	500	5,700
Broome Residential College Construction	9,000	3,000	3,000	6,000
COMPLETED WORKS				
Computing and Office Equipment Replacement				
2005-06 Program	16	16	16	-
Family Accommodation for Residential Colleges	120	120	120	-
Maintenance Program - Residential Colleges				
2004-05 Program	400	400	165	-
2005-06 Program	500	500	500	-
Merredin Residential College				
Planning, Design and Analysis	25	25	25	-
Motor Vehicles -				
Purchase of College Buses 2005-06 Program	45	45	45	-
Narrogin Residential College				
College Improvements - Stage 1	7,499	7,499	307	-
Operational Equipment -				
Fire Safety Upgrade	822	822	63	-
NEW WORKS				
Family Accommodation for Residential Colleges	220	-	-	220
Maintenance Program - Residential Colleges				
2006-07 Program	500	-	-	500
Motor Vehicles -				
Bus Replacement Program - Seat Belts	106	-	-	20
Purchase of College Buses 2006-07 Program	112	-	-	112
	30,265	12,927	4,741	12,552

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,314	8,341	4,741	12,552	5,435	2,782	2,914
Working capital requirement							
Loan and Other Repayments	492	533	533	675	770	850	910
	1,806	8,874	5,274	13,227	6,205	3,632	3,824
LESS							
Borrowings	50	500	500	5,920	4,700	2,000	-
Drawdowns from the Holding Account	320	400	400	400	400	424	440
Funding Included in Service Appropriations ^(a)	80	100	100	100	100	106	110
Internal Funds and Balances	814	45	45	112	235	210	220
Other	-	2,200	2,200	-	-	-	-
Capital Contribution	542	5,629	2,029	6,695	770	892	3,054

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	3,993	4,425	4,309	4,823	5,476	5,626	5,779
Superannuation	351	355	355	391	444	449	474
Supplies and services	2,468	2,758	2,626	2,994	3,495	3,573	3,544
Accommodation	-	-	-	45	95	95	100
Finance costs	781	855	855	920	1,100	1,200	1,315
Capital user charge	1,586	1,883	1,383	1,836	2,192	2,314	2,499
Depreciation and amortisation	885	866	824	1,039	1,239	1,288	1,356
Loss on disposal of non-current assets	-	680	-	-	-	-	-
Doubtful debts	10	10	10	10	5	5	5
Other expenses	198	260	255	270	307	313	360
TOTAL COST OF SERVICES	10,272	12,092	10,617	12,328	14,353	14,863	15,432
Income							
User charges and fees	5,042	5,261	5,236	5,815	7,033	7,233	7,648
Interest revenue	45	48	48	49	49	49	50
Other revenue	522	2,555	345	479	531	536	460
Total Income	5,609	7,864	5,629	6,343	7,613	7,818	8,158
NET COST OF SERVICES	4,663	4,228	4,988	5,985	6,740	7,045	7,274
INCOME FROM STATE GOVERNMENT							
Service appropriations	5,435	5,963	5,203	6,656	7,473	7,681	7,299
Resources received free of charge	15	10	10	10	10	10	10
Change in equity arising from transfer of assets / liabilities	18	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	5,468	5,973	5,213	6,666	7,483	7,691	7,309
SURPLUS (DEFICIENCY) FOR THE PERIOD	805	1,745	225	681	743	646	35
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	805	1,745	225	681	743	646	35

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 96, 103 and 108 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,873	1,447	2,190	2,747	3,102	3,449	3,193
Restricted cash	41	44	42	43	44	45	45
Receivables	270	410	250	245	255	250	271
Amounts receivable for services	400	400	400	400	424	440	-
Prepayments	6	7	6	6	6	6	6
Total current assets	2,590	2,308	2,888	3,441	3,831	4,190	3,515
NON-CURRENT ASSETS							
Amounts receivable for services	2,843	3,328	3,286	3,944	4,778	5,646	7,013
Land and buildings	26,204	35,314	29,028	40,319	44,248	45,474	46,700
Plant and equipment	389	498	429	551	718	880	1,102
Total non-current assets	29,436	39,140	32,743	44,814	49,744	52,000	54,815
TOTAL ASSETS	32,026	41,448	35,631	48,255	53,575	56,190	58,330
CURRENT LIABILITIES							
Payables	217	289	241	258	215	191	186
Provision for employee entitlements	461	294	475	491	506	521	529
Borrowings	533	675	675	675	745	670	670
Interest payable	200	264	256	316	376	426	476
Accrued salaries	-	15	15	32	32	48	63
Other	424	587	557	557	508	483	483
Total current liabilities	1,835	2,124	2,219	2,329	2,382	2,339	2,407
NON-CURRENT LIABILITIES							
Provision for employee entitlements	264	343	269	272	276	281	284
Borrowings	11,961	11,761	11,786	17,031	20,891	22,116	21,206
Other	-	-	2,090	1,980	1,870	1,760	1,650
Total non-current liabilities	12,225	12,104	14,145	19,283	23,037	24,157	23,140
TOTAL LIABILITIES	14,060	14,228	16,364	21,612	25,419	26,496	25,547
EQUITY							
Contributed equity	2,171	8,000	3,247	9,942	10,712	11,604	14,658
Accumulated surplus / (deficit)	8,055	8,996	8,280	8,961	9,704	10,350	10,385
Reserves	7,740	10,224	7,740	7,740	7,740	7,740	7,740
Total equity	17,966	27,220	19,267	26,643	28,156	29,694	32,783
TOTAL LIABILITIES AND EQUITY	32,026	41,448	35,631	48,255	53,575	56,190	58,330

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	4,580	5,078	4,360	5,598	6,215	6,373	5,932
Capital contribution	542	5,629	2,029	6,695	770	892	3,054
Holding account drawdowns	320	400	400	400	400	424	440
Net cash provided by State government	5,442	11,107	6,789	12,693	7,385	7,689	9,426
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(4,026)	(4,391)	(4,275)	(4,787)	(5,457)	(5,590)	(5,753)
Superannuation	(344)	(358)	(358)	(399)	(457)	(468)	(481)
Supplies and services	(2,269)	(2,688)	(2,556)	(2,924)	(3,410)	(3,478)	(3,518)
Accommodation	-	-	-	(45)	(95)	(95)	(100)
Finance costs	(749)	(799)	(799)	(860)	(1,040)	(1,150)	(1,265)
Capital user charge	(1,586)	(1,883)	(1,383)	(1,836)	(2,192)	(2,314)	(2,499)
Goods and Services Tax	(352)	(500)	(500)	(500)	(500)	(500)	(500)
Other	(371)	(285)	(280)	(300)	(342)	(353)	(360)
Receipts							
User charges and fees	4,817	5,241	5,216	5,755	6,954	7,168	7,608
Interest received	45	48	48	49	49	49	50
Goods and Services Tax	657	500	500	500	500	500	500
Other receipts	523	2,600	390	419	366	416	350
Net cash from operating activities	(3,655)	(2,515)	(3,997)	(4,928)	(5,624)	(5,815)	(5,968)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,314)	(8,241)	(2,441)	(12,452)	(5,335)	(2,676)	(2,804)
Net cash from investing activities	(1,314)	(8,241)	(2,441)	(12,452)	(5,335)	(2,676)	(2,804)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	(492)	(533)	(533)	(675)	(770)	(850)	(910)
Proceeds from borrowings	50	500	500	5,920	4,700	2,000	-
Net cash from financing activities	(442)	(33)	(33)	5,245	3,930	1,150	(910)
NET INCREASE / (DECREASE) IN CASH HELD	31	318	318	558	356	348	(256)
Cash assets at the beginning of the reporting period	1,883	1,173	1,914	2,232	2,790	3,146	3,494
Cash assets at the end of the reporting period	1,914	1,491	2,232	2,790	3,146	3,494	3,238

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CURRICULUM COUNCIL

PART 5 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 21

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 55 Net amount appropriated to deliver services	10,996	14,318	15,427	19,825	23,499	19,739	16,347
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	-	-	144	202	214	225	239
Total appropriations provided to deliver services	10,996	14,318	15,571	20,027	23,713	19,964	16,586
CAPITAL							
Item 147 Capital Contribution	79	1,579	79	1,634	142	736	79
GRAND TOTAL	11,075	15,897	15,650	21,661	23,855	20,700	16,665

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Outcomes-focused accountability and standards benchmarking are significant national and international trends, which are impacting on curriculum provision, accreditation, assessment and certification. There is also a national trend towards greater consistency in these areas.
- Technology is increasingly being used to individualise learning and for online examinations, marking, recording and communication of student results.
- Schools are accountable for the implementation of the Curriculum Framework which shifts the emphasis in curriculum on the learning outcomes that students are expected to achieve. Evidence from all stakeholders will inform development of the curriculum support materials and professional development required to consolidate implementation of the Curriculum Framework.
- Implementation of the Curriculum Framework in Years 11 and 12 represents a major challenge. Development of inclusive and engaging courses for all students, the school and external assessment of students achievement and the provision of support materials and professional development for teachers needs to be consistent with the learning outcomes approach of the Curriculum Framework.

- The implementation of a new senior secondary schooling system, as outlined in the report, 'Our Youth, Our Future', continues through to 2009. This is a major reform intended to address issues such as:
 - the provision of relevant and motivating programs to support retention and transition for students from school to further training and /or employment in line with community expectations;
 - the skills shortage and changing school-leaver labour market expectations and requirements;
 - more flexible university entrance requirements; and
 - the growth of vocational education in schools, the need to accommodate this within the Western Australian Certificate of Education (WACE) and to implement quality assurance measures.
- There is significant public interest in the provision and maintenance of a fair and equitable system for assessing and reporting student achievement. This is particularly the case now that the compulsory leaving age for students has been raised. At the end of schooling in Western Australia, student achievement must be reported in a manner that is valid and which recognises school leaver destinations.
- There is a strong expectation that there will be widespread communication and consultation on all matters concerning implementation of the Curriculum Framework and the Curriculum Council's implementation of changes to senior secondary education.
- The provision of education opportunities for children in the early years is part of a national and state focus on the development of children from zero to eight years.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Outcomes and Standards Education	1,890	2,138	1,018	-

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Curriculum Implementation and Maintenance.	5,847	6,900	3,700	3,510			
<i>Service 2:</i>							
Course Development and Approval	2,282	2,000	5,470	6,110			
<i>Service 3:</i>							
Student Assessment and Certification	6,013	6,355	7,781	11,370			
Total Cost of Services	14,142	15,255	16,951	20,990	24,734	21,431	18,005
<i>Less Income</i>	<i>1,264</i>	<i>784</i>	<i>784</i>	<i>793</i>	<i>811</i>	<i>811</i>	<i>810</i>
Net Cost of Services	12,878	14,471	16,167	20,197	23,923	20,620	17,195
Adjustments ^(a)	(1,882)	(153)	(596)	(170)	(210)	(656)	(609)
Appropriation provided to deliver Services.	10,996	14,318	15,571	20,027	23,713	19,964	16,586
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	79	1,579	79	1,634	142	736	79
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	11,075	15,897	15,650	21,661	23,855	20,700	16,665

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

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

RESOURCE AGREEMENT

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

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

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Continuous development of student learning and curriculum for Western Australian schools.					
Schools that are monitoring students' progressive achievement of the Curriculum Framework comprising the achievements below.					
(a) implemented the Curriculum Framework supported by whole-school planning	76%	n/a ^(b)	92%	100%	
(b) mechanisms in place to monitor and review the effectiveness of implementation of the Curriculum Framework on an ongoing basis..	73%	n/a ^(b)	84%	100%	
(c) monitored students' progressive achievement of the outcomes in the Curriculum Framework	65%	n/a ^(b)	85%	100%	
Acceptance by stakeholders that the courses developed or reviewed and approved were relevant to student learning needs	100%	100%	100%	100%	
Outcome: An equitable student assessment system to ensure confidence is maintained in Western Australian education standards.					
Acceptance by stakeholders that the measures of student achievement were valid and credible	100%	100%	100%	100%	

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

(b) Indicators were implemented after the 2005-06 State Budget was published, however, they were included in the audited Performance Information of the Curriculum Council's 2004-05 Annual Report.

Service 1: Curriculum Implementation and Maintenance

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	5,847	6,900	3,700	3,510	In 2005-06 and 2006-07, this service will be in maintenance status with identified savings transferred to offset the costs in Services 2 and 3.
Less Income	332	20	150	50	
Net Cost of Service	5,515	6,880	3,550	3,460	
Adjustments ^(a)	(413)	249	588	21	
Appropriation for delivery of Service	5,102	7,129	4,138	3,481	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per teacher for documents, advice, information, consultation and monitoring.....	\$159	\$116	\$121	\$137	Professional development funding will be transferred to Services 2 and 3 to offset costs associated with the implementation of the Post-Compulsory Education Review (PCER). Professional development will continue under these services but has not been separately identified.
Average cost per teacher for professional development.....	\$41	\$101	\$23	n/a	
Full Time Equivalents (FTEs)	26	26	24	23	

Major Achievements For 2005-06

- Publication in electronic form of elaborated Curriculum Guides to support teachers and schools with implementation of the Curriculum Framework.
- Alignment of curriculum materials to the development of national statement of learning negotiated.

Major Initiatives For 2006-07

- Integrating national statements of learning into state curriculum materials to meet national requirements for curriculum consistency.
- Preparing a strategic plan for the ongoing development and implementation of the *Curriculum Framework*.
- Publishing and distributing a CD ROM for distribution to all teachers containing the Curriculum Framework Progress Maps (Outcomes and Standards Framework for the Department of Education and Training version) and the Curriculum Framework Curriculum Guides K-12, including further within phase sequencing of content for particular outcomes in all learning areas and the national statements of learning.
- Ensuring the quality assurance of the outcomes and scales of achievement for the courses of study and the associated support materials being implemented in Years 11 and 12.

Service 2: Course Development and Approval

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,282	2,000	5,470	6,110	Impact of development costs for PCER courses.
Less Income	11	14	12	12	
Net Cost of Service	2,271	1,986	5,458	6,098	
Adjustments ^(a)	(1,191)	(57)	(409)	(66)	
Appropriation for delivery of Service	1,080	1,929	5,049	6,032	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per course developed or reviewed and approved	\$6,520	\$5,882	\$19,747	\$122,200	The increase reflects the impact of the PCER implementation costs compounded by the change in the unit of measurement from 260 subjects plus 22 courses in 2005-06 to 50 courses in 2006-07.
Full Time Equivalents (FTEs)	17	17	28	31	

Major Achievements For 2005-06

- All existing post-compulsory accredited subjects were reviewed and where necessary amended to make them more relevant to student learning needs.
- Plans for the phased removal of existing subjects from the accredited list were updated and communicated to schools.
- 17 new senior secondary courses were completed and accredited for Phase Two implementation (2007-08).
- Support materials were prepared for Phase Two courses.
- 26 new senior secondary courses were drafted and researched for formal consultation in preparation for Phase Three implementation (2008-09).
- Materials were developed and endorsed by Council to support school delivery of Vocational Education and Training (VET) competencies in five of the new Phase Two courses and work commenced on materials for another 11 VET versions of Phase Three courses.
- Professional development on the new post-compulsory system and courses of study for teachers and administrators continued.

- A process for quality assurance programs of learning developed by schools, training providers, universities and community organisations and presenting them for Council endorsement was negotiated and implemented. The first endorsed programs were added to the Curriculum Council website.
- A public information program for parents and the community about the new accredited courses and endorsed programs was developed and commenced.

Major Initiatives For 2006-07

- All existing post-compulsory accredited subjects will be maintained and removed from the accreditation list as related new courses are implemented.
- 26 new courses will be finalised in response to formal consultation responses and then presented for accreditation.
- Materials to support school delivery of VET competencies in 11 new courses will be finalised then presented for endorsement.
- Development and publication of support materials will continue for the new senior secondary courses.
- Professional development on the new senior secondary system and courses for teachers and administrators will continue.
- The process for quality assurance programs of learning developed by schools, training providers, universities and community organisations and presenting them for Council endorsement will be managed.
- Guidelines and administrative processes for the implementation of the community service initiative will be developed and implemented.

Service 3: Student Assessment and Certification

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	6,013	6,355	7,781	11,370	The increase reflects the impact of PCER courses on moderation and examinations.
Less Income	921	750	622	731	
Net Cost of Service	5,092	5,605	7,159	10,639	
Adjustments ^(a)	(278)	(345)	(775)	(125)	
Appropriation for delivery of Service	4,814	5,260	6,384	10,514	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per school subject combination ..	\$133	\$139	\$172	\$251	The increase in average costs and FTEs reflect the impact of the PCER implementation costs and the deployment of FTEs on each of the services.
Average cost per student receiving a Statement of Results	\$100	\$104	\$134	\$197	
Full Time Equivalents (FTEs)	43	43	37	47	

Major Achievements For 2005-06

- Moderation strategies were implemented for Year 11 and 12 to ensure stakeholders' acceptance of school assessment and grading in accredited subjects.
- Moderation policies and procedures were finalised for implementation in the first unit of four new courses.
- Quality assurance arrangements for VET in schools were implemented.
- Australian Vocational Education and Training Management Information System Standards (AVETMISS) compliant data on VET achievement was gathered for national reporting purposes.
- Procedures for accrediting and moderating overseas Australian Matriculation (AUSMAT) programs and registering non-school providers of the Western Australian Certificate of Education (WACE) were implemented.
- The English Language Competence standard for the new WACE was negotiated.
- Procedures for assessment and statistical adjustment of student achievement to meet tertiary admission requirements in the new senior secondary system were negotiated and published.
- Policies for school assessment, examinations and moderation were drafted, endorsed and published.
- Design briefs for WACE examinations in 22 new courses were drafted and endorsed.
- Sample examination papers were developed and published for four new courses. Sample examination items were developed and trialed and consultation drafts of sample examinations developed for 18 new courses.
- Research commenced on the use of a general aptitude test in statistical monitoring procedures.
- In 2005 20,577 Year 12 students received a Statement of Results, 18,300 full-time eligible students achieved a Western Australian Certificate of Education and 11,610 students sat for at least one TEE subject.
- Student records for Year 10 students in light of the Raising of the School Leaving Age legislation were established.
- 1,069 Curriculum Council Exhibitions and Awards were granted to 775 students.

Major Initiatives For 2006-07

- Finalise procedures for implementation of moderation partnerships for all providers of new courses.
- Develop and implement moderation strategies for 17 new courses.
- Finalise arrangements for the implementation of a general aptitude test for students enrolled in at least one new course.

- Finalise and implement the moderation module of the new Student Information Records System database.
- Quality assurance strategies for VET versions of courses will be further developed to ensure comparability of assessment of student achievement of competencies to be certificated on the WACE and possibly counted for university entrance.
- The relationship between external examination and school assessment will be further developed and the implications of changing technology for the conduct of external examinations will be researched.
- School personnel will be trained in the transfer of student certification data to the Curriculum Council.
- Student records for Year 8 to Year 11 students will be maintained in accordance with the Raising of the School Leaving Age legislation.

CAPITAL WORKS PROGRAM

The 2006-07 Capital Works Program includes expenditure of \$1.6 million on the Student Information Records System. The capital contribution of \$1.5 million for this project was deferred from 2005-06 to 2006-07 to match revised progress payments. The 2006-07 program also includes \$147,000 for the ongoing replacement and upgrade of computer hardware and software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Replacement of the Student Information Records System	4,660	2,711	1,853	1,625
COMPLETED WORKS				
Computer Hardware and Software -				
2005-06 Program	70	70	70	-
Information Technology Upgrade and Replacement				
2005-06 Program	80	80	80	-
NEW WORKS				
Information Technology Upgrade and Replacement				
2006-07 Program	147	-	-	147
	4,957	2,861	2,003	1,772

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	554	1,776	2,003	1,772	321	935	238
Working capital requirement							
Loan and Other Repayments	9	9	9	9	11	11	11
	563	1,785	2,012	1,781	332	946	249
LESS							
Drawdowns from the Holding Account	80	80	80	147	190	210	170
Internal Funds and Balances	404	126	1,853	-	-	-	-
Capital Contribution	79	1,579	79	1,634	142	736	79

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	5,649	5,571	5,690	7,162	8,019	8,758	8,642
Superannuation	676	693	708	907	1,026	1,111	998
Grants and subsidies ^(c)	1,531	610	3,510	2,510	2,510	2,510	2,510
Supplies and services	5,312	7,484	5,993	9,204	11,524	7,285	3,942
Accommodation	443	483	608	620	665	735	880
Finance costs	8	11	11	11	11	10	5
Capital user charge	383	268	268	341	348	360	373
Depreciation and amortisation	111	94	116	188	583	614	605
State taxes	6	-	6	6	6	6	8
Other expenses	23	41	41	41	42	42	42
TOTAL COST OF SERVICES	14,142	15,255	16,951	20,990	24,734	21,431	18,005
Income							
User charges and fees	977	744	744	753	771	771	770
Grants and subsidies	287	40	40	40	40	40	40
Total Income	1,264	784	784	793	811	811	810
NET COST OF SERVICES	12,878	14,471	16,167	20,197	23,923	20,620	17,195
INCOME FROM STATE GOVERNMENT							
Service appropriations	10,996	14,318	15,571	20,027	23,713	19,964	16,586
Resources received free of charge	325	274	274	274	274	274	274
Liabilities assumed by the Treasurer	167	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	11,488	14,592	15,845	20,301	23,987	20,238	16,860
SURPLUS (DEFICIENCY) FOR THE PERIOD	(1,390)	121	(322)	104	64	(382)	(335)
Extraordinary items	(57)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(1,447)	121	(322)	104	64	(382)	(335)

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 86, 89 and 101 respectively.

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

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	2,462	255	362	492	573	208	105
Receivables	129	21	129	129	129	129	129
Inventories.....	168	214	168	168	168	168	168
Amounts receivable for services.....	80	147	147	190	210	170	170
Prepayments.....	82	94	82	73	73	73	73
Total current assets	2,921	731	888	1,052	1,153	748	645
NON-CURRENT ASSETS							
Amounts receivable for services.....	213	160	182	180	553	997	1,432
Plant and equipment.....	267	358	231	213	264	265	315
Intangibles.....	59	1	71	48	25	1	1
Other.....	841	4,211	2,694	4,319	4,029	4,373	3,956
Total non-current assets.....	1,380	4,730	3,178	4,760	4,871	5,636	5,704
TOTAL ASSETS.....	4,301	5,461	4,066	5,812	6,024	6,384	6,349
CURRENT LIABILITIES							
Payables	165	40	165	165	165	165	397
Provision for employee entitlements	710	579	710	710	710	710	710
Borrowings.....	10	11	11	11	11	11	11
Accrued salaries.....	-	132	-	-	-	-	-
Other.....	114	139	114	114	114	114	114
Total current liabilities.....	999	901	1,000	1,000	1,000	1,000	1,232
NON-CURRENT LIABILITIES							
Provision for employee entitlements	331	175	331	331	331	331	331
Borrowings.....	104	94	94	85	74	63	52
Other.....	17	34	34	51	68	85	85
Total non-current liabilities	452	303	459	467	473	479	468
TOTAL LIABILITIES.....	1,451	1,204	1,459	1,467	1,473	1,479	1,700
EQUITY							
Contributed equity	3,590	5,169	3,669	5,303	5,445	6,181	6,260
Accumulated surplus/(deficit)	(740)	(912)	(1,062)	(958)	(894)	(1,276)	(1,611)
Total equity.....	2,850	4,257	2,607	4,345	4,551	4,905	4,649
TOTAL LIABILITIES AND EQUITY	4,301	5,461	4,066	5,812	6,024	6,384	6,349

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	10,907	14,224	15,455	19,839	23,130	19,350	15,981
Capital contribution	79	1,579	79	1,634	142	736	79
Holding account drawdowns	80	80	80	147	190	210	170
Net cash provided by State government	11,066	15,883	15,614	21,620	23,462	20,296	16,230
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(5,494)	(5,571)	(5,690)	(7,162)	(8,019)	(8,758)	(8,642)
Superannuation	(676)	(713)	(728)	(854)	(899)	(986)	(974)
Grants and subsidies	(1,531)	(610)	(3,510)	(2,510)	(2,510)	(2,510)	(2,510)
Supplies and services	(4,961)	(7,180)	(5,637)	(8,970)	(11,373)	(7,142)	(3,625)
Accommodation.....	(478)	(493)	(618)	(630)	(675)	(735)	(740)
Finance costs	(8)	(11)	(11)	(11)	(11)	(10)	(5)
Capital user charge.....	(383)	(268)	(268)	(341)	(348)	(360)	(373)
Goods and services tax	(546)	(471)	(471)	(471)	(471)	(476)	(476)
Other.....	(23)	(24)	(24)	(24)	(25)	(25)	(25)
Receipts							
User charges and fees.....	952	744	744	753	771	771	770
Grants and subsidies	287	40	40	40	40	40	40
Goods and services tax	514	471	471	471	471	476	476
Net cash from operating activities.....	(12,347)	(14,086)	(15,702)	(19,709)	(23,049)	(19,715)	(16,084)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(554)	(1,776)	(2,003)	(1,772)	(321)	(935)	(238)
Net cash from investing activities.....	(554)	(1,776)	(2,003)	(1,772)	(321)	(935)	(238)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(9)	(9)	(9)	(9)	(11)	(11)	(11)
Net cash from financing activities	(9)	(9)	(9)	(9)	(11)	(11)	(11)
NET INCREASE/(DECREASE) IN CASH HELD	(1,844)	12	(2,100)	130	81	(365)	(103)
Cash assets at the beginning of the reporting period	4,306	243	2,462	362	492	573	208
Cash assets at the end of the reporting period.....	2,462	255	362	492	573	208	105

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Professional Development Grants for Implementation of Curriculum Framework and Recommendations of the PCER.....	1,523	600	3,500	2,500	2,500	2,500	2,500
Scholarships and other grants	8	10	10	10	10	10	10
TOTAL.....	1,531	610	3,510	2,510	2,510	2,510	2,510

EDUCATION SERVICES

PART 5 - MINISTER FOR EDUCATION AND TRAINING

DIVISION 22

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 56 Net amount appropriated to deliver services	8,955	13,172	12,172	16,216	18,320	18,315	18,352
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	140	168	168	174	180	185	185
Total appropriations provided to deliver services	9,095	13,340	12,340	16,390	18,500	18,500	18,537
ADMINISTERED TRANSACTIONS							
Item 57 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	255,441	216,427	215,595	233,729	255,481	280,160	307,021
GRAND TOTAL	264,536	229,767	227,935	250,119	273,981	298,660	325,558

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants' salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The Commonwealth's policy agenda in higher education will require the State to develop a vision and strategy for higher education in Western Australia generally, and specific strategies for the provision of and access to higher education for people living in regional and remote areas of the State.
- Seamless provision of services involving the higher education, vocational education and training (VET), and secondary schooling sectors, particularly in regional Western Australia, will require resolution of intersectoral issues as the increasing importance of this trend is recognised.
- Enrolment trends in government and non-government schools and issues about the establishment of new non-government schools, levels of public funding to such schools, and their accountability for public funding, are factors influencing the State's policies on non-government schools.
- The effects of raising the school leaving age on enrolments and the nature and availability of appropriate education, training and employment programs for both non-government and government school students, will require monitoring as the new policy is implemented across the State, including regional and remote areas.
- A proposed strengthening by the Australian Government of the regulatory framework for providers of education services to full fee overseas students to ensure higher industry standards and quality of services will require negotiation with the State on the relative regulatory responsibilities of the two levels of government.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Planning, Regulatory and Funding Services	15,855	19,000	18,200	22,764			
Total Cost of Services	15,855	19,000	18,200	22,764	25,373	25,810	26,151
<i>Less Income</i>	5,476	5,426	5,626	6,140	6,639	7,135	7,444
Net Cost of Services	10,379	13,574	12,574	16,624	18,734	18,675	18,707
Adjustments ^(a)	(1,284)	(234)	(234)	(234)	(234)	(175)	(170)
Appropriation provided to deliver Services.	9,095	13,340	12,340	16,390	18,500	18,500	18,537
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	255,441	216,427	215,595	233,729	255,481	280,160	307,021
TOTAL CONSOLIDATED FUND APPROPRIATIONS	264,536	229,767	227,935	250,119	273,981	298,660	325,558

- (a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Service
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Regulation and development, as appropriate, of higher education, vocational education and training, non-government school education and international education.	1. Planning, Regulatory and Funding Services

Outcomes and Key Effectiveness Indicators ^{(a) (b)}

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Regulation and development, as appropriate, of higher education, vocational education and training, non-government school education and international education.					
Compliance with legislated registration requirements by non-university providers of higher education awards	100%	100%	100%	100%	
Compliance with legislated registration requirements by non-government schools	99%	98%	98%	98%	
Compliance with legislated registration requirements by providers of education services to full fee international students	97.6%	98%	98%	98%	
Annual percentage increase in enrolments to public universities	-1.7%	5.6%	-1.7%	0%	Reflects Commonwealth reporting changes and shifts in part time and full time mix.
Annual percentage increase in Australian Government funded full-time equivalent undergraduate places in Western Australian universities	4.7%	4.3%	4.3%	2.1%	Reflects changes in Commonwealth funding arrangements.
Annual percentage increase in enrolments to non-government schools	2.2%	2.9%	2.5%	2.5%	
Annual percentage increase in enrolments to education services by full fee overseas students	1.5%	5%	3.5%	3%	

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

(b) Excludes consideration of the functions and responsibilities of the Training Accreditation Council (TAC).

Service 1: Planning, Regulatory and Funding Services

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	15,855	19,000	18,200	22,764	The variation mainly reflects an increase in interest subsidy and the transfer of the funding and function of the TAC from the Department of Education and Training
Less Income	5,476	5,426	5,626	6,140	
Net Cost of Service	10,379	13,574	12,574	16,624	
Adjustments ^(a)	(1,284)	(234)	(234)	(234)	
Appropriation for delivery of Service	9,095	13,340	12,340	16,390	

(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)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of planning services per higher education provider	\$196,124	\$308,506	\$177,264	\$173,000	
Average cost of regulatory services per registered institution.....	\$6,160	\$2,024	\$6,504	\$6,300	
Average cost of funding services per recipient and loan	\$101	\$128	\$121	\$130	
Average cost of project services per project	\$493,240	\$302,970	\$330,890	\$323,000	
Full Time Equivalents (FTEs)	26	26	26	26	

(a) Excludes consideration of the functions and responsibilities of the TAC.

Major Achievements For 2005-06

- Developed a Bill (Universities Legislation Amendment Bill 2005), and assisted its passage through Parliament, to amend the university Acts to ensure that Western Australia's universities were compliant with the Commonwealth's National Governance Protocols by 31 August 2005.
- Participated in multilateral and bilateral consultations on higher education in order to put Western Australia's position to the Commonwealth's ongoing implementation of its review of higher education.
- Underwent an audit by the Australian Universities Quality Agency of the Department's higher education accreditation and authorisation processes.
- Participated in Commonwealth/State consultations on the implementation of the resolutions of the 19th Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Meeting (November 2005), particularly those resolutions related to the review of the National Protocols for Higher Education Processes.
- Accredited 15 higher education courses for delivery by registered non self-accrediting institutions in Western Australia.
- Ministerial approval was obtained for applications to establish three new non-government schools and to provide additional educational levels at four existing schools.
- Descriptions of planning criteria and the effects on existing schools were included in an amendment to the *School Education Regulations 2000* to assist with the assessment of applications to establish and register new non-government schools. The minimum number of students to be enrolled at a proposed new non-government school was also amended and included in the relevant registration standard. Both initiatives provide an improved basis for decision-making.
- 43 independent non-government schools were inspected for their compliance with the standards and requirements of the *School Education Act 1999* and *School Education Regulations 2000* and were re-registered for periods of between one and seven years as provided for in the Act.
- \$206 million in per capita grants for recurrent purposes was allocated to non-government schools in the 2005-06 period consistent with principles agreed to in the 2004 review of the funding model and at levels which maintained the Government's commitment to provide total funding to the sector at no less than 25 per cent of a modified Average Government School Recurrent Cost.
- Loans made available from the Western Australian Treasury Corporation (WATC) under the Low Interest Loan Scheme (LILS) to a total value of \$26.6 million were approved to assist capital development projects at 52 non-government schools.

- 34 existing and six new education service providers were inspected for their compliance with the standards and requirements of the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991* and the National Code of Practice, and were registered for periods of between one and four years as provided for in the Act.
- Participated in multilateral consultations with the Commonwealth / State and Territory regulatory authorities on the new *Education Services for Overseas Students Act 2000* regulatory framework, particularly those resolutions related to the new National Code of Practice, auditable standards for English Language Intensive Courses for Overseas Students (ELICOS) and Foundation Programs.
- Developed a Bill (Acts Amendment (Higher School Leaving Age and Related Provisions) Bill 2005), and assisted its passage through Parliament, to amend the *School Education Act 1999* and the *Curriculum Council Act 1997* to give effect to the Government's commitment to raise the school leaving age.
- Following approval by Executive Council, responsibility, effective from 20 December 2005, for the Training Accreditation Council was transferred from the Department of Education and Training to the Department of Education Services. However, the relevant funds will not be transferred until 2006-07.

Major Initiatives For 2006-07

- Implement the recommendations of the Australian Universities Quality Agency's audit report of the Department's higher education accreditation and authorisation processes.
- Implement the revisions to National Protocols for Higher Education Approval Process that will be approved at the 20th MCEETYA meeting.
- Develop a State vision and strategy for higher education in Western Australia generally, and specific strategies for the provision of and access to higher education for people living in regional and remote areas of the State.
- Extend the review of the State funding model for non-government schools by including investigation of the funding needs of Aboriginal students at remote schools and students with disabilities, through examination of the per capita costs of equivalent students attending government schools.
- Work collaboratively with the Australian and other State / Territory governments, through national working parties, to further improve industry standards and quality of service for full fee overseas students at institutions registered under the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*, including developing new standards for Foundation Programs for entry to university, and for ELICOS providers.
- Complete reports of statutory reviews of the *Curriculum Council Act 1999* and the *School Education Act 1999*.
- Develop drafting instructions for amendments to the university Acts, the *Curriculum Council Act 1997* and the *School Education Act 1999* as required, particularly those arising from the reports of the statutory reviews of the latter two Acts.

CAPITAL WORKS PROGRAM

An amount of \$60,000 will be provided in 2006-07 to replace computer equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Office Equipment and Computer Replacement Program.....	219	219	60	-
NEW WORKS				
Information Technology Upgrade and Replacement 2006-07 Program	60	-	-	60
	279	219	60	60

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	444	60	60	60	60	360	36
	444	60	60	60	60	360	36
LESS							
Drawdowns from the Holding Account	43	60	60	60	60	360	36
Internal Funds and Balances	401	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,852	2,196	2,016	3,686	3,763	3,731	3,574
Superannuation	195	303	303	447	450	398	396
Grants and subsidies ^(c)	1,464	585	945	13	13	15	15
Supplies and services	1,263	1,902	1,922	2,602	2,630	2,647	2,645
Finance costs	10,685	13,628	12,628	15,628	18,128	18,628	19,128
Capital user charge	223	200	200	202	203	205	205
Depreciation and amortisation	147	130	130	130	130	130	130
Other expenses	26	56	56	56	56	56	58
TOTAL COST OF SERVICES	15,855	19,000	18,200	22,764	25,373	25,810	26,151
Income							
User charges and fees	23	82	82	456	455	459	460
Grants and subsidies	487	525	525	325	325	327	125
Interest revenue	4,635	4,729	4,729	5,069	5,569	6,069	6,569
Other revenue	331	90	290	290	290	280	290
Total Income	5,476	5,426	5,626	6,140	6,639	7,135	7,444
NET COST OF SERVICES	10,379	13,574	12,574	16,624	18,734	18,675	18,707
INCOME FROM STATE GOVERNMENT							
Service appropriations	9,095	13,340	12,340	16,390	18,500	18,500	18,537
Resources received free of charge	180	180	180	180	180	130	130
Liabilities assumed by the Treasurer	(3)	54	54	54	54	45	40
TOTAL INCOME FROM STATE GOVERNMENT	9,272	13,574	12,574	16,624	18,734	18,675	18,707
SURPLUS (DEFICIENCY) FOR THE PERIOD	(1,107)	-	-	-	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 26, 26 and 44 respectively.

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

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,802	1,859	1,886	2,254	2,244	2,234	2,224
Restricted cash	-	10	10	20	30	40	50
Investments	15,512	16,302	16,302	17,560	18,816	20,081	22,390
Receivables	144	120	144	144	144	144	144
Interest receivable	694	686	694	694	694	694	694
Amounts receivable for services	60	60	60	60	360	36	41
Prepayments	20	19	21	21	21	21	21
Total current assets	18,232	19,056	19,117	20,753	22,309	23,250	25,564
NON-CURRENT ASSETS							
Amounts receivable for services	90	160	160	230	-	94	183
Land and buildings	490	594	510	530	550	570	590
Plant and equipment	100	117	94	104	114	131	134
Loans and advances	186,419	197,051	196,764	205,704	213,208	219,627	223,737
Other	298	235	218	138	58	271	174
Total non-current assets	187,397	198,157	197,746	206,706	213,930	220,693	224,818
TOTAL ASSETS	205,629	217,213	216,863	227,459	236,239	243,943	250,382
CURRENT LIABILITIES							
Payables	160	62	144	144	144	144	144
Provision for employee entitlements	335	306	430	723	723	723	723
Borrowings	15,512	16,302	16,302	17,560	18,816	20,081	22,390
Interest payable	3,165	2,853	3,165	3,165	3,165	3,165	3,165
Accrued salaries	-	71	-	-	-	-	-
Total current liabilities	19,172	19,594	20,041	21,592	22,848	24,113	26,422
NON-CURRENT LIABILITIES							
Provision for employee entitlements	224	224	224	309	309	309	309
Borrowings	186,419	197,051	196,764	205,704	213,208	219,627	223,737
Total non-current liabilities	186,643	197,275	196,988	206,013	213,517	219,936	224,046
TOTAL LIABILITIES	205,815	216,869	217,029	227,605	236,365	244,049	250,468
EQUITY							
Contributed equity	(38)	50	(38)	(38)	(38)	(38)	(38)
Accumulated surplus / (deficit)	(208)	130	(208)	(208)	(208)	(208)	(208)
Reserves	60	164	80	100	120	140	160
Total equity	(186)	344	(166)	(146)	(126)	(106)	(86)
TOTAL LIABILITIES AND EQUITY	205,629	217,213	216,863	227,459	236,239	243,943	250,382

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	8,965	13,210	12,210	16,260	18,370	18,370	18,407
Holding account drawdowns	43	60	60	60	60	360	36
Net cash provided by State government	9,008	13,270	12,270	16,320	18,430	18,730	18,443
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(1,795)	(2,196)	(1,938)	(3,308)	(3,763)	(3,731)	(3,574)
Superannuation	(202)	(249)	(239)	(393)	(396)	(353)	(356)
Grants and subsidies	(1,373)	(585)	(945)	(13)	(13)	(15)	(15)
Supplies and services	(1,111)	(1,722)	(1,736)	(2,422)	(2,450)	(2,517)	(2,515)
Finance costs	(10,373)	(13,628)	(12,628)	(15,628)	(18,128)	(18,628)	(19,128)
Capital user charge	(229)	(200)	(200)	(202)	(203)	(205)	(205)
Goods and Services Tax	(305)	(158)	(158)	(158)	(158)	(170)	(170)
Other	(26)	(56)	(56)	(56)	(56)	(56)	(58)
Receipts							
User charges and fees	22	82	82	456	455	459	460
Grants and subsidies	487	525	525	325	325	327	125
Interest received	4,627	4,729	4,729	5,069	5,569	6,069	6,569
Goods and Services Tax	271	158	158	158	158	170	170
Other receipts	273	90	290	290	290	280	290
Net cash from operating activities	(9,734)	(13,210)	(12,116)	(15,882)	(18,370)	(18,370)	(18,407)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(44)	(60)	(60)	(60)	(60)	(360)	(36)
Net cash from investing activities	(44)	(60)	(60)	(60)	(60)	(360)	(36)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	(13,692)	(15,512)	(15,512)	(16,302)	(17,740)	(18,816)	(20,081)
Other payments for financing activities	(30,434)	(26,500)	(26,647)	(26,500)	(26,500)	(26,500)	(26,500)
Proceeds from borrowings	30,434	26,500	26,647	26,500	26,500	26,500	26,500
Other proceeds from financing activities	13,692	15,512	15,512	16,302	17,740	18,816	20,081
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(770)	-	94	378	-	-	-
Cash assets at the beginning of the reporting period	2,660	1,869	1,802	1,896	2,274	2,274	2,274
Net cash transferred to / from other agencies	(88)	-	-	-	-	-	-
Cash assets at the end of the reporting period	1,802	1,869	1,896	2,274	2,274	2,274	2,274

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Grants and subsidies	257,309	216,427	215,595	233,729	255,481	280,160	307,021
Finance costs	1,564	1,241	1,233	914	633	382	199
TOTAL ADMINISTERED EXPENSES ^(b) ..	258,873	217,668	216,828	234,643	256,114	280,542	307,220
INCOME							
Interest revenue	1,564	1,241	1,233	914	633	382	199
Administered appropriations.....	255,441	216,427	215,595	233,729	255,481	280,160	307,021
TOTAL ADMINISTERED INCOME ^(c)	257,005	217,668	216,828	234,643	256,114	280,542	307,220

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(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

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	1,523	3,095	1,288	1,290	1,292	1,294	1,296
Investments	7,804	8,879	8,841	7,603	6,743	5,344	3,446
Receivables	-	62	-	-	-	-	-
Interest receivable	113	103	103	80	60	40	20
Total Administered Current Assets	9,440	12,139	10,232	8,973	8,095	6,678	4,762
ADMINISTERED NON-CURRENT ASSETS							
Loans and advances	36,025	24,611	24,207	16,604	9,861	4,517	1,071
Total Administered Non-Current Assets	36,025	24,611	24,207	16,604	9,861	4,517	1,071
TOTAL ADMINISTERED ASSETS.....	45,465	36,750	34,439	25,577	17,956	11,195	5,833
ADMINISTERED CURRENT LIABILITIES							
Payables	237	-	-	-	-	-	-
Borrowings	7,804	8,879	8,841	7,603	6,743	5,344	3,446
Moneys in trust	36	39	38	40	42	44	46
Interest payable	113	103	103	80	60	40	20
Total Administered Current Liabilities.....	8,190	9,021	8,982	7,723	6,845	5,428	3,512
ADMINISTERED NON-CURRENT LIABILITIES							
Borrowings.....	36,025	24,611	24,207	16,604	9,861	4,517	1,071
Total Administered Non-Current Liabilities	36,025	24,611	24,207	16,604	9,861	4,517	1,071
TOTAL ADMINISTERED LIABILITIES..	44,215	33,632	33,189	24,327	16,706	9,945	4,583

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	(257,309)	(216,427)	(215,595)	(233,729)	(255,481)	(280,160)	(307,021)
Finance costs	(1,590)	(1,253)	(1,242)	(935)	(651)	(400)	(217)
Goods and Services Tax	(25,235)	(23,242)	(23,242)	(23,242)	(25,346)	(26,890)	(28,222)
Financing Activities							
Repayment of borrowings.....	(12,907)	(10,796)	(10,781)	(8,841)	(7,603)	(6,743)	(5,344)
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(297,041)	(251,718)	(250,860)	(266,747)	(289,081)	(314,193)	(340,804)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Interest received	1,592	1,255	1,243	937	653	402	219
Goods and Services Tax	25,533	23,242	23,006	23,242	25,346	26,890	28,222
Administered appropriations.....	255,441	216,427	215,595	233,729	255,481	280,160	307,021
Financing Activities							
Other proceeds from financing activities.....	12,907	10,796	10,781	8,841	7,603	6,743	5,344
TOTAL ADMINISTERED CASH INFLOWS.....	295,473	251,720	250,625	266,749	289,083	314,195	340,806
NET CASH INFLOWS / (OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(1,568)	2	(235)	2	2	2	2

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Various Scholarships	150	225	85	13	13	15	15
College of Teaching Grant.....	989	360	860	-	-	-	-
Grant for Geraldton Universities Centre Building.....	325	-	-	-	-	-	-
TOTAL.....	1,464	585	945	13	13	15	15

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES							
Per Capita Grants to Non-Government Schools	188,705	202,640	202,455	219,987	241,082	265,192	291,221
Grants for Special Education Students	3,294	3,488	3,562	3,852	4,166	4,506	4,873
Psychology Services Grant	1,996	2,038	2,149	2,324	2,513	2,718	2,940
Australian Music Examinations Board.....	100	127	127	131	135	139	143
All Other Grants.....	218	1,212	380	400	401	401	402
Grant to Edith Cowan University for Purchase of Land	57,727	-	-	-	-	-	-
Students at Risk	196	236	236	255	276	300	325
Funding for Western Australian Hospital Services and Western Australian Institute for Deaf Education.....	833	1,647	1,647	1,741	1,839	1,839	2,028
STATUTORY AUTHORITIES							
Curtin University of Technology - Debt Charges.....	64	39	39	35	30	26	50
SUBSIDIES AND CONCESSIONS							
Interest Subsidy (on loans taken out before commencement of LILS)	276	-	-	-	-	-	-
OTHER STATE SERVICES							
Superannuation - Higher Education Institutions.....	3,900	5,000	5,000	5,004	5,039	5,039	5,039
Finance costs	1,564	1,241	1,233	914	633	382	199
TOTAL.....	258,873	217,668	216,828	234,643	256,114	280,542	307,220

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
OTHER							
Interest revenue.....	1,564	1,241	1,233	914	633	382	199
Service Appropriation.....	255,441	216,427	215,595	233,729	255,481	280,160	307,021
TOTAL.....	257,005	217,668	216,828	234,643	256,114	280,542	307,220

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Registration Fees.....	22	82	82	456
Commonwealth Specific Purpose Program:				
- Aboriginal Education and Training Council.....	377	325	525	325
- The Millennium Indigenous Teacher Scholarship Programme.....	110	200	-	-
Borrowings from the Western Australian Treasury Corporation.....	30,434	26,500	26,647	26,500
Interest Repayments.....	4,627	4,729	4,729	5,069
Principal Repayments.....	13,692	15,512	15,512	16,302
Miscellaneous Revenue.....	273	90	290	290
GST Input Credits ^(a)	25,774	23,376	23,140	23,376
GST Receipts.....	30	24	24	24
TOTAL.....	75,339	70,838	70,949	72,342

(a) Includes GST amounts from Administered.

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

Part 6

Minister for Water Resources; Sport and Recreation

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
399	Water and Rivers Commission			
	– Delivery of Services	68,723	63,023	82,912
	– Administered Grants, Subsidies and Other Transfer Payments	2,798	2,798	2,681
	– Capital Contribution	8,060	2,680	6,953
	Total	79,581	68,501	92,546
416	Water Corporation	-	-	-
418	Bunbury Water Board	-	-	-
419	Busselton Water Board	-	-	-
420	Sport and Recreation			
	– Delivery of Services	72,900	37,363	87,525
	– Capital Contribution	6,733	4,933	6,140
	Total	79,633	42,296	93,665
439	Western Australian Sports Centre Trust			
	– Delivery of Services	14,226	14,226	14,818
	– Capital Contribution	900	900	-
	Total	15,126	15,126	14,818
	GRAND TOTAL			
	– Delivery of Services	155,849	114,612	185,255
	– Administered Grants, Subsidies and Other Transfer Payments	2,798	2,798	2,681
	– Capital Contribution	15,693	8,513	13,093
	Total	174,340	125,923	201,029

WATER AND RIVERS COMMISSION

PART 6 - MINISTER FOR WATER RESOURCES; SPORT AND RECREATION

DIVISION 23

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 58 Net amount appropriated to deliver services	54,852	68,537	62,837	82,720	72,956	71,794	71,573
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(c)	181	186	186	192	198	203	209
Total appropriations provided to deliver services	55,033	68,723	63,023	82,912	73,154	71,997	71,782
ADMINISTERED TRANSACTIONS							
Item 59 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	3,042	2,798	2,798	2,681	2,507	1,808	1,370
CAPITAL							
Item 148 Capital Contribution	2,473	8,060	2,680	6,953	5,880	6,330	3,500
GRAND TOTAL	60,548	79,581	68,501	92,546	81,541	80,135	76,652

(a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(b) Adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

(c) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants salaries was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

Highest and best use of West Australian water resources.

SIGNIFICANT ISSUES AND TRENDS

- The Department of Water (the Department) was formed on 26 October 2005 and opened for business on 1 January 2006. Legislation will be introduced to Parliament during the Autumn session to abolish the Commission and formally create the Department. From 1 July 2006, most of the Water and Rivers Commission's (the Commission) staff will be transferred to the Department.
- Western Australia is experiencing a period of rapid change in water resources management, due predominantly to marked climate change. The last few years have seen an apparent further 'step' decline in average rainfall for Perth and the South West, beyond the already significant decline commenced in the early 1970's. Unless there is a dramatic reversal, with a period of average and above average rainfall during the next few years, further significant changes in water resources management can be expected in Western Australian over the coming years. The Commission/Department plays the key role in the revised water institutional arrangements to address whole-of-government water priorities and deliver improved water resources management services to the State.

- The State became a signatory to the National Water Initiative (NWI) on 6 April 2006. This is a key initiative that will significantly influence water policy and processes. The NWI includes obligations by the State to address water resources management and water services and will result in accelerating water reform. An Implementation Plan to address how and when Western Australia intends to achieve the NWI obligations will be developed to include:
 - water access entitlements and a planning framework;
 - water markets and trading;
 - best practices for water pricing and institutional arrangements;
 - integrated management of environmental water;
 - water resource accounting;
 - urban water reform;
 - community partnerships and adjustment; and
 - knowledge and capacity building.
- The Government has already progressed a number of initiatives and reforms to address the State's current water issues through the State Water Strategy. This includes a review of the State's irrigation industry. The review recommends nine key policy areas. The first recommendation of the Review was the establishment of the Department of Water, and a new Ministry for Water Resources, with responsibilities for water resources management, water policy, strategy and planning, and water utilities. Other recommendations, that now underpin the work of the Commission/Department, include:
 - developing a Strategic Plan for Water;
 - changing the water entitlement system;
 - integrating land and water planning;
 - increasing self-management;
 - investing in water use efficiency;
 - implementing metering;
 - facilitating water trading; and
 - introducing water resources management changes.
- The Commission/Department provides expertise and advice to industry, Government and the community on a wide range of topics including total water cycle management, salinity and water source allocation and protection. While domestic water restrictions occupy the focus of most people's attention, the reality is that 40 per cent of the State's water is used in irrigated agriculture. This industry sector contributes nearly \$900 million per annum to the State's economy. Rising levels of salinity and groundwater are also among the biggest environmental challenges facing Western Australia. The Commission/Department works with project partners to implement a broad Salinity Management Program to address dryland salinity through a range of engineering and environmental solutions including drainage and vegetation.
- New legislation will be required to fully implement some of the elements of the NWI. The new legislation will deal with water resources management and water services and will also establish improved registers and trading systems for water entitlements.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Water Reform Initiatives	9,732	12,448	11,194	10,455

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Water resources plans and policies.....	3,013	9,777	5,040	15,107			
<i>Service 2:</i>							
Investigation and assessment of water resources.....	11,028	13,204	16,599	16,768			
<i>Service 3:</i>							
Water licensing and regulation	15,828	18,645	18,501	21,544			
<i>Service 4:</i>							
Water resource protection plans and guidelines	10,626	12,704	13,174	15,644			
<i>Service 5:</i>							
Drainage, floodplain, salinity and catchment management	21,934	29,826	32,008	47,709			
Total Cost of Services	62,429	84,156	85,322	116,772	97,927	81,090	80,985
<i>Less Income.....</i>	<i>8,975</i>	<i>10,756</i>	<i>18,886</i>	<i>22,525</i>	<i>25,865</i>	<i>9,447</i>	<i>9,457</i>
Net Cost of Services	53,454	73,400	66,436	94,247	72,062	71,643	71,528
 Adjustments ^(c)	 1,579	 (4,677)	 (3,413)	 (11,335)	 1,092	 354	 254
Appropriation provided to deliver Services.	55,033	68,723	63,023	82,912	73,154	71,997	71,782
 ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	3,042	2,798	2,798	2,681	2,507	1,808	1,370
 CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(d)	2,473	8,060	2,680	6,953	5,880	6,330	3,500
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	60,548	79,581	68,501	92,546	81,541	80,135	76,652

(a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(b) Adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

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

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Development of water resources to support state development.	1. Water resources plans and policies 2. Investigation and assessment of water resources 3. Water licensing and regulation
	Protection of water resources within sustainable limits.	4. Water resource protection plans and guidelines 5. Drainage, floodplain, salinity and catchment management

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Development of water resources to support state development.					
Number of water resources with licensed allocation within assessed sustainable yields ...	615	625	629	630	
Outcome: Protection of water resources within sustainable limits.					
Number of contamination occurrences exceeding drinking water standards in public drinking water source areas	0	0	0	0	
The number of catchments conforming with designated targets.....	12	12	12	12	

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

Service 1: Water Resources Plans and Policies

The development of an appropriate legislative and policy framework to enable decision making on the usage of the State's water resources at both strategic and operational levels.

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	3,013	9,777	5,040	15,107	2006-07 Estimate contains funding resulting from the transfer of the Office of Water Strategy to the Commission, additional funding for Water Reform Initiatives and deferrals from 2005-06.
Less Income	-	59	42	105	
Net Cost of Service	3,013	9,718	4,998	15,002	
Adjustments ^(c)	87	(39)	(139)	(188)	
Appropriation for delivery of Service	3,100	9,679	4,859	14,814	

(a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(b) Adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

(c) 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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per allocation plan or policy developed	\$1,004,333	\$1,629,500	\$1,008,000	\$1,678,556	2006-07 Target reflects the transfer in of the Office of Water Strategy, additional funding for Water Reform Initiatives and deferrals from 2005-06. Performance Target will be reviewed once an implementation strategy for the National Water Initiative is developed.
Full Time Equivalents (FTEs)	24	28	21	68	

Major Achievements For 2005-06

- Completed the groundwater management plans for Kemerton and Esperance, and advanced draft plans for Murray, Albany, Cockburn, and Rockingham. In addition, the State of the Mound report was provided to the Environmental Protection Authority as a milestone in the Section 46 (of *Environmental Protection Act 1986*) review of Ministerial Conditions relating to groundwater use on the Gngangara Mound.
- Completed discussion papers and extensive consultation on the Policy Framework for the State Water Plan and the Kimberley Water Source Project.
- Completed the Great Southern Regional Water Service Plan Project Study on 'Water Demand'.
- The Water Legislation Amendment (Competition Policy) Bill 2005 passed through the Legislative Council in November 2005 and received the Governor's assent in December 2005.

- Exemptions from licensing under the *Water Services Licensing Act 1995* were granted in respect of the Windy Harbour water supply and sale of water between private sector companies in Kwinana.
- Submissions have been made to a number of State and Commonwealth agencies. These include a submission to the Economic Regulation Authority on its urban water pricing and rural water pricing reports as part of the Economic Regulation Authority's public consultation process and in formulating a whole of government response. A submission was also made to the Productivity Commission's Issues Paper on Agricultural Water Use to inform the Productivity Commission on the Commission's views on issues raised in the paper.

Major Initiatives For 2006-07

- Support the development of a State Water Plan for Western Australia and South West Regional Water Plan, plus commence development of Regional Water Plans for the Pilbara and the Perth-Peel Region.
- Completion of groundwater management plans for the South West Groundwater areas, Collie and Gngangara Mound.
- Coordinate the provision of detailed policy advice to Government on a range of Water Reform initiatives. This includes the Irrigation Review recommendations and broader national water reform programs that the State is required to undertake under the National Water Initiative such as institutional role separation in the delivery of water services transparency and full cost pricing.
- Continue to administer initiatives to support research and development that challenges boundaries and investigate innovative new ways of conserving water and maximising reuse of wastewater.
- Lead the task of the consolidation, streamlining and modernisation of Western Australian water legislation, including the machinery of government legislation and the development of a legislative program for broader water resources and services law reform.
- Manage the second round of funding applications for the Premier's Water Foundation.

Service 2: Investigation and Assessment of Water Resources

Investigation and assessment of groundwater and surface water resources using drilling, testing, stream gauging, water quality sampling, computer modelling and other analysis techniques to determine sustainable yields for resources under varying climatic conditions.

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	11,028	13,204	16,599	16,768	
Less Income	1,387	1,896	2,544	2,144	
Net Cost of Service	9,641	11,308	14,055	14,624	
Adjustments ^(c)	184	(118)	(766)	(334)	
Appropriation for delivery of Service	9,825	11,190	13,289	14,290	

(a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(b) Adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

(c) 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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per water resource assessment....	\$197,812	\$168,097	\$154,080	\$139,967	2006-07 average cost decrease is due to increased water resource assessments.
Full Time Equivalents (FTEs)	50	85	117	120	

Major Achievements For 2005-06

- Completed groundwater assessments including South West Yaragadee aquifer and Water Corporation licence assessment, Scott Coastal Plain impacts, Canning Basin bore capping, groundwater availability in the Fitzroy River alluvium, sensitivity of Gngangara Mound to climate and water use and update of the Perth Regional Aquifer Modelling system.
- Implemented the State Groundwater Investigation Program including completion of drilling programs for Cowaramup, Scott Coastal Plain and Gingin.
- Undertook surface water assessments including hydrology of the Cape to Cape region in South West Western Australia at Wilyabrup Brook, Cowaramup Brook, Capel River, Ord River, Collie River, Harvey River, Canning River and Serpentine River.
- Presented the Indian Ocean Climate Initiative 'Living with our changing climate' workshop that scoped State research and adaptation needs in response to climate change.

Major Initiatives For 2006-07

- Complete groundwater assessments including Pilbara coast water study, initiation of the regional hydrology of the Southern Perth Basin, review of Perth region sustainable yields, Millstream aquifer and groundwater modelling systems platform.
- Progress groundwater drilling investigations including Gngangara North and Allanooka.
- Undertake surface water assessments including surface water and groundwater interactions, implementation for flow estimation tool for licensing and the development of a long-term State Surface Water Assessment Program.
- Finalise the strategic assessment of State-wide water measurement needs.

Service 3: Water Licensing and Regulation

Licence and regulate water use to ensure that sustainable limits are not exceeded and water is used efficiently.

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	15,828	18,645	18,501	21,544	2006-07 Estimate contains deferrals associated with Rural Water Farm Grants.
Less Income	1,694	263	1,532	1,280	
Net Cost of Service	14,134	18,382	16,969	20,264	
Adjustments ^(c)	557	(177)	(1,019)	(415)	
Appropriation for delivery of Service	14,691	18,205	15,950	19,849	

(a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(b) Adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

(c) 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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per gigalitre of water licensed	\$5,716	\$6,164	\$6,109	\$6,340	
Full Time Equivalents (FTEs)	151	128	156	150	

Major Achievements For 2005-06

- Completed the installation of 150 water meters on the Gngangara Mound to accurately measure water abstracted by licensees.

Major Initiatives For 2006-07

- Install an additional 150 water meters on the Gngangara Mound.
- Assess the application from Harvey Water and the Water Corporation to transfer (trade) water.
- Develop a new water trading and entitlements system.

Service 4: Water Resource Protection Plans and Guidelines

Preparation of drinking water source protection plans, water quality protection notes and environmental guidelines to assist in ensuring drinking water quality is protected.

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	10,626	12,704	13,174	15,644	2006-07 Estimate contains additional funding for the Water Reform Initiatives to develop additional Water Source Protection Plans.
Less Income	246	53	200	276	
Net Cost of Service	10,380	12,651	12,974	15,368	
Adjustments ^(c)	92	(36)	(218)	(135)	
Appropriation for delivery of Service	10,472	12,615	12,756	15,233	

(a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

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(c) 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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per protection plan developed	\$1,771,000	\$2,117,333	\$1,646,750	\$1,303,667	2006-07 average cost decrease is due to increased protection plans developed resulting from additional funding.
Full Time Equivalents (FTEs)	25	26	33	49	

Major Achievements For 2005-06

- Completed Drinking Water Source Protection Plans for the following Public Drinking Water Source Areas: Preston Beach; Sovereign Hill; Seaview Park; Camballin; Kalbarri; Victoria; Bickley; and Wungong.
- Produced the Guidelines and Codes of Practices for Extractive Industries, Onsite Sewerage Management Systems and Timber Plantations.

Major Initiatives For 2006-07

- Undertake the development of source protection plans for the remaining Hills reservoir sources for the Integrated Water Supply System (Canning, Mundaring and Serpentine), and for priority country areas (Northcliffe, Walpole, Marbellup and Logue Brook).
- Progress Environmental Guidelines for wastewater treatment plants and for groundwater protection.
- Continue the development of Water Quality Protection Notes for land use activities identified in the Land Use Compatibility Tables and Model Scheme Text.

Service 5: Drainage, Floodplain, Salinity and Catchment Management

The preparation and implementation, in partnership with local communities, of management plans for drainage, floodplain management, salinity recovery and catchment management.

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(b) \$'000	2005-06 Estimated Actual ^(b) \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	21,934	29,826	32,008	47,709	2005-06 Estimated Actual reflects funding received for Collie River Salinity Recovery (CRSR) project. 2006-07 Estimate contains funding for Water Reform Initiatives, further funding for CRSR project and deferrals from 2005-06.
Less Income	5,648	8,485	14,568	18,720	Increase in revenue in 2005-06 and 2006-07 relates to CRSR project.
Net Cost of Service	16,286	21,341	17,440	28,989	
Adjustments ^(c)	659	(4,307)	(1,271)	(10,263)	
Appropriation for delivery of Service	16,945	17,034	16,169	18,726	

- (a) Adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.
 (b) Adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.
 (c) 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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per km ² of designated catchments where management measures are implemented.....	\$1,808	\$2,427	\$2,638	\$3,925	2006-07 increase is mainly due to additional funding for Water Reform Initiatives and deferrals from 2005-06.
Average cost per km of river managed in designated catchments	\$12	\$16	\$9	\$28	2006-07 increase is mainly relates to additional funding for Water Reform Initiatives, Collie River Salinity Recovery and deferrals from 2005-06.
Full Time Equivalents (FTEs)	178	152	194	200	

Major Achievements For 2005-06

- Provided technical support to all Regional Natural Resource Management Groups to implement National Action Plan/National Heritage Trust 2 actions, including decision support modelling, river and estuary understanding, resource conditions, target setting, and monitoring and evaluation frameworks.
- Released State Algal Management Strategy.
- Released the Framework for Mapping, Classification and Evaluation of Wetlands.
- As part of the Collie River Salinity Recovery Plan, implemented the Stage 1 Trial Diversion of the East Collie River.

- As part of the Engineering Evaluation Initiative:
 - Constructed 22 kilometres of deep leveed drain and an evaporation basin at Beacon;
 - Completed the installation of groundwater pumping projects at Tammin and Bodallin; and
 - Located and commenced groundwater pumping of paleochannel at Dumbleyung.
- Completed the Warren River Salinity Situation Statement.
- Released a pivotal stream salinity and trend status report for the South West.

Major Initiatives For 2006-07

- Initiate urban regional drainage planning program.
- Complete Collie River Salinity Recovery Plan and the Kent and Helena River Salinity Situation Statements.
- Complete evaluation of engineering options as part of Engineering Evaluation Initiative.
- Complete evaluation of regional drainage for the Avon and Blackwood river basins.
- Continue on-ground salinity work in Water Resource Recovery Catchments.
- Implement Western Australian Floodplain Management Strategy.

CAPITAL WORKS PROGRAM

The Commission's capital investment program for 2006-07 continues the strong emphasis in purchasing land in priority areas to protect the State's water catchment areas, continuing the program of installing, replacing and upgrading Groundwater Monitoring Bores to adequately manage the State's groundwater resources and continuing the program of maintaining and replacing River Gauging Stations throughout the State.

In addition, funding has been provided to improve the facilities at the Kununurra regional office and depot.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Equipment - Asset Replacement/Upgrade				
Groundwater Resources Investigation and Monitoring.....	15,400	490	490	1,020
Land Acquisition - Land Purchase in Priority 1 Areas				
Land Acquisition Priority 1 Areas 2005-06 Program	3,914	1,000	1,000	2,914
State Reference Network				
Replace and Maintain Monitoring Bores.....	19,010	600	600	600
Replace and Maintain River Gauging Stations	9,800	700	700	700
COMPLETED WORKS				
Asset Replacement/Upgrade				
Global Allocation.....	800	800	344	-
Computing and Office Equipment Replacement				
2003-06 Program	2,173	2,173	1,029	-
Land Acquisition - Land Purchase in Priority 1 Areas				
2004-05 Program	1,263	1,263	1,263	-
NEW WORKS				
Accommodation				
Kununurra Office and Depot Extension and Works	300	-	-	300
Computing and Office Equipment Replacement				
2006/07 Program.....	800	-	-	800
Land Acquisition - Land Purchase in Priority 1 Areas				
Land Acquisition Priority 1 Areas 2006-07 Program	233	-	-	233
	53,693	7,026	5,426	6,567

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,464	7,056	5,426	6,567	8,560	9,390	9,580
Working capital requirement							
Capital grants paid to other agencies	-	2,250	-	4,500	-	-	-
Loan and Other Repayments	200	200	200	200	200	200	-
	1,664	9,506	5,626	11,267	8,760	9,590	9,580
LESS							
Drawdowns from the Holding Account	800	1,446	1,446	1,400	2,880	3,260	6,080
Internal Funds and Balances	(1,609)	-	1,500	2,914	-	-	-
Capital Contribution	2,473	8,060	2,680	6,953	5,880	6,330	3,500

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (c)} \$'000	2005-06 Estimated Actual ^{(a) (c)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(d)	22,174	25,386	29,272	34,590	31,946	32,289	32,702
Superannuation	2,688	2,058	2,933	3,657	3,371	3,537	3,568
Grants and subsidies ^(e)	4,060	7,016	1,016	14,992	2,809	2,809	2,309
Supplies and services	16,301	25,853	31,549	44,925	40,359	21,945	21,610
Accommodation	1,767	2,551	2,797	2,941	2,871	2,849	2,848
Finance costs	66	100	100	100	100	100	100
Capital user charge	10,197	12,543	12,647	12,955	13,417	13,907	13,907
Depreciation and amortisation	1,463	1,941	1,941	2,243	2,684	3,284	3,284
State taxes	1,527	1,200	1,200	-	-	-	-
Loss on disposal of non-current assets	13	-	-	-	-	-	-
Other expenses	1	368	368	369	370	370	657
TOTAL COST OF SERVICES	60,257	79,016	83,823	116,772	97,927	81,090	80,985
Income							
Regulatory fees and fines	82	100	100	103	106	109	109
Gain on disposal of non-current assets	-	78	78	78	78	-	-
Grants and subsidies	4,028	6,147	12,524	16,124	21,047	4,694	4,694
Interest revenue	-	250	-	-	-	-	-
Rent	119	-	130	140	150	160	170
Other revenue	4,746	4,181	6,054	6,080	4,484	4,484	4,484
Total Income	8,975	10,756	18,886	22,525	25,865	9,447	9,457
NET COST OF SERVICES	51,282	68,260	64,937	94,247	72,062	71,643	71,528
INCOME FROM STATE GOVERNMENT							
Service appropriations	52,861	63,583	61,524	82,912	73,154	71,997	71,782
Resources received free of charge	485	452	452	451	451	451	451
Liabilities assumed by the Treasurer	275	-	-	3	3	3	3
TOTAL INCOME FROM STATE GOVERNMENT	53,621	64,035	61,976	83,366	73,608	72,451	72,236
SURPLUS (DEFICIENCY) FOR THE PERIOD	2,339	(4,225)	(2,961)	(10,881)	1,546	808	708
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	2,339	(4,225)	(2,961)	(10,881)	1,546	808	708

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) Not adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(c) Not adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

(d) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 428, 521 and 587 respectively.

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

**BALANCE SHEET
(Controlled)**

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (c)} \$'000	2005-06 Estimated Actual ^{(a) (c)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	13,609	2,893	9,328	867	3,250	4,754	5,462
Receivables	746	1,443	1,053	1,053	1,053	1,775	1,775
Interest receivable	-	30	-	-	-	-	-
Amounts receivable for services.....	1,446	1,400	1,400	2,880	3,260	6,080	-
Prepayments	244	87	244	244	244	244	244
Total current assets	16,045	5,853	12,025	5,044	7,807	12,853	7,481
NON-CURRENT ASSETS							
Amounts receivable for services.....	4,898	5,994	5,994	5,912	5,891	3,650	7,489
Land and buildings.....	119,071	136,466	121,012	124,312	127,812	131,312	134,812
Plant and equipment.....	832	2,998	1,315	1,291	1,299	1,273	1,007
Other.....	16,691	18,287	18,511	19,421	21,648	24,280	27,342
Total non-current assets.....	141,492	163,745	146,832	150,936	156,650	160,515	170,650
TOTAL ASSETS.....	157,537	169,598	158,857	155,980	164,457	173,368	178,131
CURRENT LIABILITIES							
Payables	1,405	1,164	1,482	2,178	2,870	4,284	4,284
Provision for employee entitlements	5,567	4,886	5,836	6,136	6,440	6,999	7,554
Borrowings.....	413	684	463	263	63	-	-
Interest payable	7	-	7	7	7	7	7
Accrued salaries	-	339	-	-	-	-	-
Other.....	-	94	23	23	23	23	23
Total current liabilities.....	7,392	7,167	7,811	8,607	9,403	11,313	11,868
NON-CURRENT LIABILITIES							
Provision for employee entitlements	2,392	3,139	2,674	2,929	3,184	3,184	3,184
Borrowings.....	423	-	197	197	197	60	60
Other.....	106	30	106	106	106	106	106
Total non-current liabilities	2,921	3,169	2,977	3,232	3,487	3,350	3,350
TOTAL LIABILITIES.....	10,313	10,336	10,788	11,839	12,890	14,663	15,218
EQUITY							
Contributed equity	9,234	17,391	11,949	18,902	24,782	31,112	34,612
Accumulated surplus/(deficit)	620	(6,239)	(2,341)	(13,222)	(11,676)	(10,868)	(10,160)
Reserves	137,370	148,110	138,461	138,461	138,461	138,461	138,461
Total equity.....	147,224	159,262	148,069	144,141	151,567	158,705	162,913
TOTAL LIABILITIES AND EQUITY	157,537	169,598	158,857	155,980	164,457	173,368	178,131

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
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CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^{(a) (b)} \$'000	2005-06 Budget ^{(a) (c)} \$'000	2005-06 Estimated Actual ^{(a) (c)} \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	50,541	61,087	59,028	80,114	69,915	68,158	67,943
Capital contribution	2,473	8,060	2,680	6,953	5,880	6,330	3,500
Holding account drawdowns	800	1,446	1,446	1,400	2,880	3,260	6,080
Net cash provided by State government	53,814	70,593	63,154	88,467	78,675	77,748	77,523
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(21,463)	(24,703)	(28,721)	(34,035)	(31,387)	(31,730)	(32,147)
Superannuation	(2,388)	(2,134)	(2,933)	(3,654)	(3,368)	(3,534)	(3,565)
Grants and subsidies	(4,132)	(7,016)	(1,016)	(14,992)	(2,809)	(2,809)	(2,309)
Supplies and services	(15,640)	(25,296)	(31,329)	(44,990)	(40,424)	(22,025)	(21,690)
Accommodation	(1,709)	(2,761)	(2,797)	(2,941)	(2,871)	(2,849)	(2,848)
Finance costs	(66)	(76)	(76)	(76)	(76)	(76)	(76)
Capital user charge	(10,197)	(12,543)	(12,647)	(12,955)	(13,417)	(13,907)	(13,907)
State taxes	(1,527)	(1,200)	(1,480)	-	-	-	-
Goods and Services Tax	(2,072)	(1,931)	(1,931)	(1,932)	(1,934)	(1,934)	(1,934)
Other	(1)	(117)	(138)	(136)	(134)	(119)	(1,102)
Receipts							
Regulatory fees and fines	84	100	100	103	106	109	109
Grants and subsidies	4,074	6,147	12,524	16,124	21,047	4,694	4,694
Interest received	27	250	-	-	-	-	-
Rent receipts	119	-	130	140	150	160	170
Goods and Services Tax	2,015	1,936	1,936	1,936	1,936	1,936	1,936
Other receipts	5,173	3,993	6,350	7,028	5,430	5,430	5,434
Net cash from operating activities	(47,703)	(65,351)	(62,028)	(90,380)	(67,751)	(66,654)	(67,235)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(715)	(7,056)	(5,426)	(6,567)	(8,560)	(9,390)	(9,580)
Proceeds from sale of non-current assets	1	219	219	219	219	-	-
Net cash from investing activities	(714)	(6,837)	(5,207)	(6,348)	(8,341)	(9,390)	(9,580)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	(200)	(200)	(200)	(200)	(200)	(200)	-
Net cash from financing activities	(200)	(200)	(200)	(200)	(200)	(200)	-
NET INCREASE/(DECREASE) IN CASH HELD	5,197	(1,795)	(4,281)	(8,461)	2,383	1,504	708
Cash assets at the beginning of the reporting period	8,412	4,688	13,609	9,328	867	3,250	4,754
Cash assets at the end of the reporting period	13,609	2,893	9,328	867	3,250	4,754	5,462

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) Not adjusted for comparability to reflect the transfer in of Office of Water Policy and Office of Water Strategy and transfer out of Business Services.

(c) Not adjusted for comparability to reflect the transfer in of Office of Water Strategy and transfer out of Business Services.

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
EXPENSES							
Grants and subsidies	2,974	2,798	2,786	2,761	2,507	1,808	1,370
TOTAL ADMINISTERED EXPENSES ^(b)..	2,974	2,798	2,786	2,761	2,507	1,808	1,370
INCOME							
Administered appropriations.....	3,042	2,798	2,798	2,681	2,507	1,808	1,370
TOTAL ADMINISTERED INCOME.....	3,042	2,798	2,798	2,681	2,507	1,808	1,370

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) Further information is provided in the table 'Details of the Administered Transactions Expenses.'

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	68	-	80	-	-	-	-
Total Administered Current Assets	68	-	80	-	-	-	-
TOTAL ADMINISTERED ASSETS.....	68	-	80	-	-	-	-
ADMINISTERED CURRENT LIABILITIES							
TOTAL ADMINISTERED LIABILITIES..	-	-	-	-	-	-	-

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	(2,974)	(2,798)	(2,786)	(2,761)	(2,507)	(1,808)	(1,370)
TOTAL ADMINISTERED CASH OUTFLOWS	(2,974)	(2,798)	(2,786)	(2,761)	(2,507)	(1,808)	(1,370)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Administered appropriations.....	3,042	2,798	2,798	2,681	2,507	1,808	1,370
TOTAL ADMINISTERED CASH INFLOWS	3,042	2,798	2,798	2,681	2,507	1,808	1,370
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	68	-	12	(80)	-	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Regional Flood Mitigation Program.....	811	2,250	174	5,260	-	-	-
Salinity Engineering Evaluation Initiative	1,468	1,516	471	514	-	-	-
Rural Water Grants	1,682	3,182	371	7,492	2,517	2,517	2,017
State Water Grants	145	195	632	292	292	292	292
Premiers Water Foundation.....	231	1,000	908	1,434	-	-	-
Local Government Subsidy Scheme.....	99	68	-	-	-	-	-
TOTAL.....	4,436	8,211	2,556	14,992	2,809	2,809	2,309

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

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES							
Ord River Subsidy Stage 1	2,130	1,980	1,968	1,900	1,660	985	580
Carnarvon Irrigation Scheme.....	844	818	818	861	847	823	790
TOTAL.....	2,974	2,798	2,786	2,761	2,507	1,808	1,370

WATER CORPORATION

CAPITAL WORKS PROGRAM

The Water Corporation is committed to the provision of high quality and reliable water services based on the principles of sustainable water resource management. In 2006-07, the Water Corporation's capital works program totals \$610.7 million and this will provide substantial benefit to Western Australia with the provision of water related services to meet the continuing growth of the State, including the completion of the Perth Seawater Desalination Plant, drinking water quality improvements, upgrades to, and commencement of, new major wastewater treatment facilities, and the continuation of the Infill Sewerage Program.

In 2006-07, \$58.8 million is to be spent on the completion of the Perth Seawater Desalination Plant and associated infrastructure to connect the plant into the existing Perth Integrated Water Supply Scheme (IWSS). The desalination plant will be the biggest single contributor of water to the IWSS, providing a climate independent 17 percent increase in the public water supply.

The Corporation is actively progressing longer-term planning for a range of future water source options. This includes further funding of \$5.6 million in 2006-07 for the continuing investigation into the development of the South West Yarragadee aquifer project.

In the metropolitan and country water distribution networks \$161 million is to be spent on the replacement and augmentation of existing infrastructure to meet the needs of our growing State. For example, \$36.3 million will be spent on additional water storage and pipeline upgrade at Kalgoorlie to provide security of supply and water quality improvements; \$10.5 million for the Lower Helena Dam Pump Station Replacement, which will improve water supply capability to the metropolitan scheme and the Goldfields Scheme; \$6.9 million to continue upgrading the Albany water supply scheme and \$5.5 million for the Banksia Pinjar Road Trunk Main to supply water to the rapidly growing northern suburbs.

The Corporation will spend \$30.6 million continuing the implementation of the Infill Sewerage Program. This will reduce health and environmental risks by replacing septic tanks with connections to the deep sewer scheme in metropolitan and country areas.

To allow for growth in the number of customers and enhancement of the treatment process, \$200.7 million will be spent on new and existing wastewater treatment plants and conveyance networks in metropolitan and country areas. Significant projects include \$58.7 million for the construction of the new wastewater scheme at Alkimos and \$5.5 million for the wastewater scheme at East Rockingham in response to the unprecedented land development and population growth in the North West and South West metropolitan corridors. In addition, expenditure on wastewater treatment plants for odour reduction and aesthetic quality improvement includes \$5.6 million for upgrading the sludge treatment at the Subiaco Wastewater Treatment Plant; \$5.7 million to upgrade the capacity at the Beenyup Wastewater Treatment Plant; \$6.5 million to upgrade the capacity at the Caddup Wastewater Treatment Plant and \$6.1 million to upgrade the capacity at the Halls Head Wastewater Treatment Plant.

Work will continue on projects focusing on maintaining water supply to Perth metropolitan and country areas with \$41.4 million allocated in 2006-07. Significant expenditures include, \$9.5 million for the Automation and Centralisation of IWSS Water Treatment Plants; \$7.9 million for Port Hedland Distribution Upgrade; \$6.9 million for the Kwinana Water Reclamation Plant Stage 2; \$4.4 million for the upgrade of the Coral Bay Water Supply; and \$4.0 million for the upgrade of the Wyndham Water Supply.

To fulfil the requirements of the 1996 drinking water guidelines, as endorsed by the Department of Health, \$26 million will be spent as part of a five year program. Additional to this amount, \$4.1 million will be spent on the construction of detention basin 3 as part of the Busselton Flood Protection project; a further \$14.0 million has been allocated for the continuing installation of SCADA monitoring equipment to enhance the management of infrastructure assets; and \$17 million will be spent to renew and enhance corporate information systems.

In addition to the Water Corporation's \$610.7 million capital works program, funding of \$24.5 million will be provided in 2006-07 for the Harvey Water Trading project. This opportunity is associated with the water savings achieved from replacing open channels with piping in the various South West irrigation areas and reducing water losses through evaporation and channel leakage. This current focus on water use efficiency in the irrigation industry provides an opportunity for the Corporation to access a share of resources currently allocated to Harvey Water, thus maximising the beneficial use of existing water sources.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Corporate Programs				
Wastewater Program				
Alkimos Wastewater Scheme	297,130	4,758	4,758	58,716
East Rockingham Wastewater Scheme.....	154,700	12,171	12,171	5,490
Water Programs				
Perth Seawater Desalination Project	387,000	327,241	289,000	58,759
South West Yarragedee - Investigation Costs	7,400	1,800	1,800	5,600
Water Sources	451,455	82,727	82,727	41,428
Corporate Support Program				
Information Technology	34,500	17,500	17,500	17,000
Other Corporate Programs	59,300	21,000	21,000	38,300
Recurrent Programs				
Irrigation and Drainage Program				
2005-06 Program	20,900	9,600	9,600	11,300
Wastewater Program				
Country Treatment and Conveyance	57,000	22,200	22,200	34,800
Metropolitan Treatment and Conveyance Sewerage	100,800	25,900	25,900	74,900
Water Program				
Country Water Distribution	137,100	47,600	47,600	89,500
Metropolitan Water Distribution.....	43,700	21,200	21,200	22,500
Strategic Programs				
Commercial Program				
Minor Commercial Projects	12,107	3,107	3,107	1,000
Wastewater Program				
Infill Sewerage	125,100	34,500	34,500	30,600
Sewerage Other	47,800	21,000	21,000	26,800
Water Program				
1996 Drinking Water Guidelines	47,500	21,500	21,500	26,000
Water Other	78,700	29,700	29,700	49,000
Support Programs				
Capital Overheads				
Capital Support Cost	178,000	16,000	16,000	16,000
NEW WORKS				
Strategic Programs -				
Wastewater Program				
Gnangara Mound Replenishment - Managed Aquifer Recharge -				
Investigation Costs	3,000	-	-	3,000
	2,243,192	719,504	681,263	610,693

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	336,516	714,800	681,263	610,693	605,092	548,623	564,618
	336,516	714,800	681,263	610,693	605,092	548,623	564,618
LESS							
Borrowings.....	(9,000)	396,005	451,005	290,000	305,000	220,000	195,000
Internal Funds and Balances	345,516	318,795	230,258	320,693	300,092	328,623	369,618
Capital Contribution	-	-	-	-	-	-	-

BUNBURY WATER BOARD

CAPITAL WORKS PROGRAM

Major projects in Aqwest-Bunbury Water Board's \$5.8 million proposed capital works program for 2006-07 are:

- \$2.8 million for distribution and reticulation costs for new developments;
- \$1.5 million to upgrade existing water treatment plants;
- \$0.8 million for replacement of the distribution and reticulation infrastructure; and
- \$0.3 million for plant and other purchases.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Works				
Distribution and Reticulation				
2001-02 Program.....	1,092	1,017	50	25
2003-04 Program.....	728	686	80	14
2004-05 Program.....	2,259	685	419	727
2005-06 Program.....	656	430	430	-
Reservoirs - 2005-06 Program.....	735	485	485	250
Treatment Plants				
2003-04 Program.....	1,170	915	90	85
2005-06 Program.....	1,724	1,284	1,284	440
COMPLETED WORKS				
Land Purchase - 2005-06 Program	1,200	1,200	1,200	-
Mains Subdivisions - 2005-06 Program	300	300	300	-
Plant and Other Purchases - 2005-06 Program.....	313	313	313	-
Works				
Treatment Plants - 2004-05 Program.....	36	36	36	-
NEW WORKS				
Mains Subdivisions - 2006-07 Program.....	155	-	-	155
Plant and Other Purchases - 2006-07 Program	309	-	-	309
Works				
Distribution and Reticulation - 2006-07 Program	3,833	-	-	2,810
Reservoirs - 2006-07 Program.....	50	-	-	50
Treatment Plants - 2006-07 Program.....	973	-	-	973
	15,533	7,351	4,687	5,838

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,820	1,849	4,687	5,838	2,126	4,069	5,450
	1,820	1,849	4,687	5,838	2,126	4,069	5,450
LESS							
Internal Funds and Balances	1,820	1,849	4,687	5,838	2,126	4,069	5,450
Capital Contribution	-	-	-	-	-	-	-

BUSSELTON WATER BOARD

CAPITAL WORKS PROGRAM

Included in Busselton Water Board's \$3.7 million capital works program for 2006-07 are the following:

- \$24 million for upgrades to water treatment facilities;
- \$0.8 million for the ongoing replacement of mains and the addition of new services; and
- \$0.4 million for plant and other purchases.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Buildings				
2005-06 Program	40	40	40	-
Land - Ambergate	60	60	60	-
New Mains and Services				
2005-06 Program	747	747	747	-
375 mm Mains Plant Linkage	224	224	33	-
Office Equipment				
2005-06 Program	1	1	1	-
Plant and Other Purchases				
2005-06 Program	425	425	425	-
Plant and Equipment				
Upgrade of Plant				
2004-05 Program	540	540	70	-
Works - Treatment Plants				
2005-06 Program	274	274	274	-
NEW WORKS				
Buildings				
2006-07 Program	50	-	-	50
New Mains & Services				
2006-07 Program	819	-	-	819
Plant and Other Purchases				
2006-07 Program	446	-	-	446
Works - Treatment Plants				
2006-07 Program	2,366	-	-	2,366
	5,992	2,311	1,650	3,681

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,612	1,146	1,650	3,681	1,782	2,237	2,739
	1,612	1,146	1,650	3,681	1,782	2,237	2,739
LESS							
Internal Funds and Balances	1,612	1,146	1,650	3,681	1,782	2,237	2,739
Capital Contribution	-	-	-	-	-	-	-

SPORT AND RECREATION

PART 6 - MINISTER FOR WATER RESOURCES; SPORT AND RECREATION

DIVISION 24

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 60 Net amount appropriated to deliver services	41,118	50,634	18,334	63,085	24,576	22,490	23,062
Item 61 Contribution to Community Sporting and Recreation Facilities Fund...	10,250	12,250	8,750	14,000	9,000	9,151	9,151
Amount Authorised by Other Statutes							
- Lotteries Commission Act 1990	9,851	9,833	10,096	10,252	10,413	10,578	10,745
- Salaries and Allowances Act 1975 ^(a)	149	183	183	188	194	200	200
Total appropriations provided to deliver services	61,368	72,900	37,363	87,525	44,183	42,419	43,158
CAPITAL							
Item 149 Capital Contribution	1,777	6,733	4,933	6,140	100	47	669
GRAND TOTAL	63,145	79,633	42,296	93,665	44,283	42,466	43,827

- (a) The recommendation by the Salaries and Allowance Tribunal on 7 April 2006 regarding senior public servants salaries' was received after the deadline for finalising agencies' individual financial projections. Accordingly, a provision for the total cost (estimated at around \$1.5 million per year from 2006-07) is reflected in the 'Authorised by Other Statutes' appropriations and financial statements of the administered activities of the Department of Treasury and Finance (Budget Paper 2, Volume 1). This provision will be reflected in agencies' estimates following the release of the 2006-07 Budget.

MISSION

Enhance the quality of life of Western Australians through their participation and achievement in sport and recreation.

SIGNIFICANT ISSUES AND TRENDS

- There is a growing awareness of the social, physical and health benefits of citizen participation in sport and recreation. Through sport and recreation, social values, norms and policies are upheld and reflected so that a safe and enjoyable environment is provided for those who participate, especially within the more vulnerable sectors of our community.
- Sport and recreation activities and facilities contribute to the wellbeing of a community and as such all infrastructure planning should be incorporated into broader community infrastructure planning. The allocation of adequate public open space in new and existing urban developments is a crucial factor in future provision of quality sport and recreation environments for Western Australian communities.
- Subtle demographic shifts e.g. increasing proportion of mature age persons, increasing proportion of single parent families, immigration from non-traditional localities, present specific challenges and opportunities for sport and recreation planners. These shifts also need factoring in to the delivery models of sport and recreation providers.
- Based on national figures, the costs attributable to the six major diseases (heart disease, stroke, non-insulin diabetes, colon cancer, breast cancer and depression disorders) due to physical inactivity is \$36.0 million a year in Western Australia. Lack of physical activity is also a major cause leading to an epidemic of obesity, with more than half of Australians now considered overweight or obese.

- Approximately 48 per cent of Western Australian adults (aged over 18 years) are obese and overweight. Research continues to show that moderate level physical activity provides significant physical and mental health benefits to individuals.
- The Body Mass Index of Western Australian school children over the past 18 years, across all age groups measured, has increased. Alarming, the number of children who are overweight and obese increased from just over nine per cent of males and 10 per cent of females in 1985 to 23 per cent of males and 30 per cent of females in 2003. While children are active in a variety of ways, levels of activity decline as children get older.
- Drugs in sport – the elite sport arena continues to be tainted by a small minority of athletes using performance enhancing drugs and illegal strategies, such as blood doping and potentially gene technology in the future. The Government has implemented legislation to strengthen drug testing in sport in Western Australia and this initiative supports the international efforts of eradicating artificial means of enhancing performance by elite athletes as per the World Anti-Doping Code. Ongoing education and monitoring programs will continue to ensure a sustainable drug free sport and recreation environment.
- The Australian Sports Commission continues its focus of the development of sport through national sporting organisations. In an attempt to ensure the continuation of State representation in national decision-making and implementation of travel cost equalisation policies / processes to support Western Australian athlete representation in national championships, the Department provides ongoing leadership on national working parties reviewing governance models and progressing travel fare equalisation principles in national and state level sporting organisations.
- The sustainability of the volunteer system underpinning community sport and recreation delivery cannot be assured over the long-term. There are different motivational factors for people to volunteer, however increasingly people are more likely to volunteer for smaller periods of time and demand more fulfilment from their role. Capacity to volunteer is also dependent on life-stage (e.g. parents are more likely to volunteer when their child is involved in the activity). A new paradigm for volunteers is required to more adequately recognise their importance in capacity building.
- There is a growing body of evidence that climate change is having some impact in Western Australia and may alter the way Western Australian's recreate and play sport in future. Whilst the effects are minimal at present, thought should be given towards the possible impacts of climate change on sport and recreation issues, especially the maintenance of grassed ovals, tennis courts and bowling greens in regional Western Australia, and the changes that may be necessary as temperatures rise and restrictions on water usage increase.
- There are ongoing community demands for improved sports facilities at all levels. The State Sporting Facilities Plan (SSFP) provides a strategic and systematic approach for the future development of Western Australia's infrastructure at the national and international level, based on community needs and sustainability.
- The State's sport and recreation infrastructure is ageing. A large number of facilities were built in the post war period resulting in an increasing need for refurbishment over the coming years. In addition, the requirement for needs assessments of ageing facilities in their current form and location will also increase.
- There is an increasing demand on major stadia with regards to capacity, functionality, risk management and health and safety. There is a need to ensure that an appropriate stadium hierarchy is maintained and that sporting venues are well managed to ensure continuity of service to a growing population. There is an increasing trend towards multi purpose venues capable of hosting more than one major tenant (e.g. cricket and football) and the governance of state level facilities by a single sport is providing a challenge to the industry with an increasing push for multi sport stadia.
- There is an increasing demand on local governments to manage their facilities within a more regulated environment, particularly in regard to compliance with risk and health and safety regulations. This demands better skilled sport and recreation facility managers to cope with the increasing demands of the increasing focus on risk management, changes in health and environmental management issues and an increasingly litigious society.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2005-06 Budget to Parliament on 26 May 2005 are outlined below.

	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Clubs are Families	500	500	500	500
Major Stadia Taskforce.....	500	500	-	-
Outdoor Recreation Industry	500	500	500	500
Premier's Physical Activity Taskforce	500	500	500	500
Talent Development.....	700	700	750	750

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Infrastructure and organisational development...	52,192	61,466	30,355	78,605			
<i>Service 2:</i>							
People development in sport and recreation.....	6,195	6,140	6,291	7,622			
<i>Service 3:</i>							
Recreation camps management	4,057	7,643	7,031	7,427			
Total Cost of Services	62,444	75,249	43,677	93,654	48,363	46,217	46,950
<i>Less Income.....</i>	<i>3,824</i>	<i>3,413</i>	<i>3,413</i>	<i>3,213</i>	<i>3,354</i>	<i>3,330</i>	<i>3,360</i>
Net Cost of Services	58,620	71,836	40,264	90,441	45,009	42,887	43,590
Adjustments ^(a)	2,748	1,064	(2,901)	(2,916)	(826)	(468)	(432)
Appropriation provided to deliver Services.	61,368	72,900	37,363	87,525	44,183	42,419	43,158
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	1,777	6,733	4,933	6,140	100	47	669
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	63,145	79,633	42,296	93,665	44,283	42,466	43,827

(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.

Government Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Enhanced quality of life of Western Australians through their participation and achievement in sport and recreation.	<ol style="list-style-type: none"> 1. Infrastructure and organisational development 2. People development in sport and recreation 3. Recreation camps management

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Enhanced quality of life of Western Australians through their participation and achievement in sport and recreation.					
Available grant funds allocated (Sports Lotteries Account and Community Sports and Recreation Facilities Fund).....	92%	100%	96%	100%	
Stakeholders reflecting social policy in their operations.....	87%	90%	90%	90%	
Satisfaction rating of the agency's consultation advice to clients	86%	85%	85%	85%	
Satisfaction rating of camps management and service delivery	94%	83%	84%	87%	Some reduction in 2005-06 for customer satisfaction due to anticipated disruptions during the major capital works program. Increase in 2006-07 target due to completion of some works.

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

Service 1: Infrastructure and Organisational Development

Provide industry leadership and support for infrastructure and organisational development, through funding and advice to sport and recreation organisations statewide, including state and local government.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	52,192	61,466	30,355	78,605	The increase is mainly due to deferrals of major capital grants (Members Equity Stadium), deferral of CSRFF grants, funds to construct the new Athletics Stadium at AK Reserve and closure of Recreation Camps and Reserve Board.
Less Income	610	596	596	243	
Net Cost of Service	51,582	60,870	29,759	78,362	
Adjustments ^(a)	2,219	1,462	(1,964)	(2,097)	
Appropriation for delivery of Service	53,801	62,332	27,795	76,265	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost to manage grants	\$1,907	\$2,539	\$2,022	\$2,107	Significant additional funds have been provided to facilitate the redevelopment and upgrade of existing and new facilities.
Average cost of grants provided	\$32,017	\$42,029	\$15,127	\$44,363	
Average cost of providing consultancy to organisations	\$7,740	\$7,765	\$8,033	\$8,360	
Full Time Equivalents (FTEs)	76	78	76	86	

Major Achievements For 2005-06

- The State Sporting Facilities Plan (SSFP) continues to be used as a tool to encourage well planned facilities that meet both the training and competition requirements of Western Australian sport e.g. the State Gymnastics Centre and Western Australian Institute of Sport (WAIS).
- \$10.8 million was allocated to local governments and sport and recreation organisations through the Community Sport and Recreation Facilities Fund (CSRFF) – reinforcing the State Government's commitment to building healthy communities. An audit of 10 CSRFF projects was undertaken to ensure program compliance and to develop case studies to further improve future facility planning.
- The inaugural round of the Sport and Recreation Community Grants Scheme allocated \$1.0 million (\$600,000 from Sports Lotteries Account and \$400,000 from Sport Wagering Account) to local governments, educational institutions, sport and recreation clubs and other community organisations to support projects that increased physical activity or enhanced the skills of people who provide sport and recreation opportunities.

- Strategic facility plans for tennis and cricket were completed with Australian Rules Football and football (soccer) in progress. Strategies will be developed from these plans to inform land use planning at a local, regional and state level. Facility planning on election commitments made for recreation facilities in the Cities of Swan and Wanneroo is continuing.
- Completed research project on indoor air and water quality in aquatic centres in conjunction with local government and the University of Western Australia (UWA) School of Population Health.
- Implementation of the Future Directions of Trails Development in WA. Conducted a governance review of trails funding and managed the Trails Funding Program. Allocation of \$500,000 of Lotterywest funding to support trails development and marketing initiatives throughout Western Australia.
- Ongoing promotion / support of sustainability initiatives in the sport and recreation market place (e.g. sustainability of UWA Sports Park which uses waste water for reticulation).
- Compilation and launch of the sport and recreation industry Strategic Directions document for SD4 2006-10 on behalf of the industry in Western Australia.
- Conducted research to improve sport and recreation evidence base to support policy development and service delivery (e.g. workplace health and physical activity, regional participation, community perceptions of sport and recreation issues and sport / tourism).
- \$9.5 million was allocated from the Sports Lotteries Account to support organisations, including Western Australian Institute of Sport (WAIS) amongst others, in developing their organisational capacity and delivery of initiatives aimed at key result areas of the industry's strategic directions document SD3 2002-05, including participation, development and the achievement of the Government social outcome priorities such as 'youth at risk'.
- Development and implementation of an evidence based system for assessing state sporting associations (SSAs) for funding as well as identifying SSA and industry training and development needs, including a triennial funding component.
- Progressed replacement of aged Perry Lakes sporting facilities (athletics, basketball and rugby), with the passing of the Perry Lakes Redevelopment Bill 2005 through Parliament. Created a memorandum of understanding with UWA on joint planning land use and timeline management options for AK Reserve and the UWA Sport Park and completed precinct master plan.
- In conjunction with the Working with Children Screening Unit and the WA Sports Federation, implemented an awareness and education program to support the roll-out of the *Working with Children (Criminal Record Checking) Act 2004* for sport and recreation people working with children.
- Ongoing support of beach safety and water safety initiatives through both the Surf Life Saving Society and Royal Life Saving Society, and implementation of the State Water Safety Framework in conjunction with the Departments of Health and Education and Training. Aspects of the State Water Safety Framework have been implemented through support given to both the Surf Life Saving Society and Royal Life Saving Society.
- Continued delivery of the state-wide communications infrastructure (line costs and professional support) including the Sports House framework.
- Ongoing development of relationships with the Indian and Malaysian Governments regarding the provision of sporting expertise and assistance.
- Provision of the National Secretariat for the Sport and Recreation Minister's Council and Standing Committee on Recreation and Sport for the remainder of 2006.
- Implementation of a facility mapping pilot project. The Department is working in partnership with the Department of Land Administration and local government to produce a Geographical Information System (GIS) based system to map sport and recreation facilities in the State.

- Completed Stage 1 of the Major Stadia study, which is a strategic review of the medium to long-term needs of major stadia in Western Australia.
- Commenced a Service Delivery Agreement with the Indian Ocean Territories.
- Review of the recreation sector completed.
- Promoted sport and recreation to other agencies to assist in the achievement of their objectives e.g. crime prevention (Department of Justice), public open space planning (Department for Planning and Infrastructure) and capacity building (Department of Premier and Cabinet).

Major Initiatives For 2006-07

- Implementation of the state-wide Club Development Officer Program. \$1.5 million will be available over a three year period to fund local government to put people on the ground with the expertise to both coordinate activities and deliver programs to develop sport and recreation clubs within Western Australia.
- Allocation of \$1.0 million (\$600,000 from Sports Lotteries Account and \$400,000 from Sport Wagering Account), through the Sport and Recreation Community Grants Scheme to local governments, educational institutions, sport and recreation clubs and other community organisations, to support projects that increase physical activity or enhance the skills of people who provide sport and recreation opportunities.
- The State Sporting Facilities Plan will continue to be used as a tool to encourage well planned facilities that meet both the training and competition requirements of Western Australian sport e.g. the State Netball training centre.
- \$9.0 million will be allocated to local governments and sport and recreation organisations through the Community Sport and Recreation Facilities Fund (CSRFF) – reinforcing the State Government's commitment to building healthy communities.
- Complete the strategic facility plans for football (soccer) and Australian Rules Football, and develop strategies to inform land use planning at a local, regional and state level. Progress facility planning on election commitments made for recreation facilities in the Cities of Swan and Wanneroo.
- Initiate recommendations from the trails funding governance review.
- Ongoing promotion / support of sustainability initiatives in the sport and recreation market place (e.g. facility development and management, organisational development and building social capital).
- Evaluation and monitoring of the sport and recreation industry strategic directions document for SD4 2006-10 on behalf of the industry in Western Australia.
- Approximately \$9.6 million will be allocated from the Sports Lotteries Account (SLA) to support organisations, including Western Australian Institute of Sport (WAIS), in developing their organisational capacity and delivery of initiatives aimed at key result areas of the industry's strategic directions documents SD3 2002-05 / SD4 2006-10, including participation, development and the achievement of the Government social outcome priorities such as 'youth at risk'.
- Progress development of replacement Perry Lakes sporting facilities. Complete redevelopment plan and design process. Tender works on basketball and athletic facilities.
- Promote sport and recreation to other agencies to assist them in achieving their objectives (e.g. Departments of Justice, Health, Education and Training, and Tourism).
- Ongoing support of beach safety and water safety initiatives through both the Surf Life Saving Society and Royal Life Saving Society, and implementation of elements that are pertinent to a sport and recreation setting of the State Water Safety Framework.

- Continued delivery of the state-wide communications infrastructure (line costs and professional support) including the Sports House framework.
- Ongoing development of relationships with the Indian and Malaysian Governments regarding the provision of sporting expertise and assistance. Development of partnerships towards the attraction of major international sporting events to Western Australia.
- Provision of the National Secretariat for the Sport and Recreation Minister's Council and Standing Committee on Recreation and Sport for the remainder of 2006.
- Completion of a Geographical Information System sport and recreation facilities mapping program in partnership with Department Land Information and local government.
- Host the Premier's Physical Activity Taskforce to progress implementation of the four year strategic plan.
- Develop and implement an advocacy initiative dealing with issues at the 'grass roots' of local sport and recreation delivery. Areas include volunteerism, participation and capacity building within communities.
- Conduct a full analysis of the outdoor recreation sector. Priority initiatives include a combination of planning, organisational development and people development programs. Continued support will be given to expedite the take-up of the National Outdoor Leadership Recognition Scheme in partnership with 'Outdoors WA'.

Service 2: People Development in Sport and Recreation

Provide information, advice and education support to personnel involved in sport and recreation service delivery (e.g. coaches, officials, local governments, facility and trails managers, administrators and volunteers).

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	6,195	6,140	6,291	7,622	The increase is due to funding for new initiatives including those outlined in the Major Policy Decisions table.
Less Income	1,321	1,240	1,240	1,040	
Net Cost of Service	4,874	4,900	5,051	6,582	
Adjustments ^(a)	287	(7)	(158)	(169)	
Appropriation for delivery of Service	5,161	4,893	4,893	6,413	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost of providing the contact type services	\$577	\$626	\$476	\$569	The increase is due to funding for new initiatives including those outlined in the Major Policy Decisions table.
Full Time Equivalents (FTEs)	33	32	32	36	

Major Achievements For 2005-06

- Support for sport and recreation volunteers and community-based organisations through the Rio Tinto Volunteer Management Scheme and Club Development initiatives, resources and grants.
- Support for high performance athletes attending WAIS and to provide assistance to state sporting organisations regarding the development of sport performance plans for athlete development in line with the Future Success, Strategic Plan for High Performance Sport in Western Australia.
- Continued to administer and expand the Academy of Sport Program supporting athletes with potential in regional and remote areas.
- Development of resources and information to support improved promotion and marketing of sport and recreation activities to seniors e.g. expansion of the Add Life To Your Years directory.
- Facilitated Indigenous participation and skill development initiatives in partnership with the Federal Government's Indigenous Coordination Centres e.g. new Indigenous Community Sport program in the metropolitan area.
- Strengthened state-wide delivery mechanisms for coaches, officials and women in sport initiatives e.g. launched a high performance coaching scholarship program.
- Hosted the 'Active 2005' sport and recreation industry conference, the 2005 Sport and Recreation Industry Awards, and 'Clubs United' 2006 Clubs Conference.
- Conducted education forums for sport and recreation facility managers and updated resources.
- Conducted state trails day.
- Consolidated a partnership between the UWA, Rio Tinto and Department of Sport and Recreation to place third year university practicum students in regional Western Australia.
- Completed a review of coaching programs and initiated a High Performance Scholarship scheme, targeted at coaches working with state sporting associations who have the potential and desire for further development.
- Negotiated Memorandum of Understanding (MOU) with local government, Indigenous organisations and resource companies to support the delivery of the Indigenous Sport Program in the Western Desert and Pilbara regions. These are the first such MOUs in Australia.
- Delivery of youth leadership initiatives within the school and community environments including conduct of pilot programs e.g. expanded 'Sportsfun' through a new program called 'Sportsfun Across Generations', in partnership with the School Volunteer Program, five local governments and over 15 schools. The program is designed to get more young children participating in sport, build a better cross generational rapport and increase the skills of seniors in the community.
- In conjunction with the Disability Services Commission, the Department of Sport and Recreation launched the state-wide Strategic Framework for Inclusive Sport and Recreation. Whilst its initial focus is on people with a disability, the framework will evolve to encompass everyone in the community. It will be underpinned by a wide range of strategies designed to achieve specific outcomes in the priority areas identified by industry.
- Significant progress in the development of a new website facility including the establishment of an implementation strategy for a web content management system.

Major Initiatives For 2006-07

- Ongoing support for sport and recreation volunteers and community based organisations through the Rio Tinto Volunteer Management Scheme and Club Development initiatives, resources and grants.
- Implement a comprehensive training and development strategy for staff and key volunteers engaged in the industry with a focus on improving governance, management and administration e.g. leadership and mentoring programs to support key employees within associations and peak bodies.
- Increased delivery of youth leadership initiatives within the school and community environments including conduct of pilot programs with education.
- Development of resources and information to support improved promotion and marketing of sport and recreation activities to seniors.
- Facilitate Indigenous participation and skill development initiatives in partnership with the Federal Government's Indigenous Coordination Centres.
- Strengthen state-wide delivery mechanisms for coaches, officials and women in sport initiatives.
- Host the 'Active 2006' sport and recreation industry conference.
- Enhance website capability and functionality including installation of a web content management system.
- Promotion of program initiatives that increase participation in sport and recreation by people from culturally and linguistically diverse backgrounds.
- Ongoing support for high performance athletes attending WAIS and provide assistance to state sport organisations regarding the development of sport performance plans for athlete development in line with Future Success, Strategic Plan for High Performance Sport in Western Australia.
- Implement a state-wide high performance program that will create an environment to give developing athletes, coaches and officials the opportunity to maximise their potential, especially those based regionally.
- The Department will establish talent identification and development opportunities for young athletes, especially regionally-based athletes.

Service 3: Recreation Camps Management

The Department of Sport and Recreation is responsible for six recreation camps, of which five are in operation and the remainder, Tone River, is set for disposal. One camp, Quaranup, is leased to a private operator. The four metropolitan camps offer outdoor recreation programs which are designed to provide experiential opportunities to the community.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	4,057	7,643	7,031	7,427	An increase in activity is expected as a result of completion of the majority of the capital works program.
Less Income	1,893	1,577	1,577	1,930	
Net Cost of Service	2,164	6,066	5,454	5,497	
Adjustments ^(a)	242	(391)	(779)	(650)	
Appropriation for delivery of Service	2,406	5,675	4,675	4,847	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per bednight	\$47	\$125	\$125	\$101	The reduction is due to an increase in the number of bednights after completion of major capital works.
Average cost per participation	\$17	\$23	\$21	\$29	The increase is due to restorative maintenance works on program equipment and facilities.
Full Time Equivalents (FTEs)	19	21	21	25	

- (a) Program participations were introduced in 2003-04 as an effectiveness indicator. It reflects the number of activities participants undertake across a range of programs (i.e. one person may undertake three programs in one day which is recorded as three participations).

Major Achievements For 2005-06

- Successful delivery of ongoing core services during capital works upgrade to realise accommodation bed nights of 49,500 and program participation target of 72,000.
- Completion of Capital Works upgrade at the Point Walter Recreation Camp and Camp Quararup.
- Implemented a pilot project directed at 'youth at risk' in partnership with key government agencies and community organisations working in the field i.e. Departments of Justice and Community Development.
- Completion of a workforce planning study at the Ern Halliday recreation camp to assist the future operational planning requirements of the camp.
- Conducted a review of sustainable 'bush' sites for a new location to replace the Bickley recreation camp.
- Commencement of capital works program at Woodman Point and Ern Halliday.
- Continued to work towards achieving accreditation of all camps within the Australian Campsite and Outdoor Activity Provider Accreditation Program under the auspices of the Australian Camping Association benchmarks.
- Review of staff structure at an operational level due to new expanded facilities at each camp.
- Update specifications for an online booking system, which will be incorporated into the Department of Sport and Recreation's new core systems development.
- Manage Tone River on a minimal maintenance basis. Lodged site for disposal on Department for Planning and Infrastructure - Property Asset Clearing House.

Major Initiatives For 2006-07

- Complete the capital works program at Woodman Point and Ern Halliday recreation camps.
- Launch the new Adventure Training Centre at Woodman Point Recreation Camp.
- Improve the accommodation bed nights target to 52,000 with the opening of new dormitories across the camps chain.
- Provide 75,000 participations in camp-based programs across the chain.
- Continue development of the 'youth at risk' program in conjunction with core stakeholders i.e. Department of Community Development and Department of Justice.
- Continue to manage the Tone River Wilderness camp on a minimal maintenance basis whilst progressing its disposal through the Department for Planning and Infrastructure - Property Asset Clearing House.
- Introduce across the camps network a new online booking system that supports the camps resource management and reporting requirements and interface with departmental systems.
- Conduct a review of pricing strategies across Department of Sport and Recreation camps core services.

CAPITAL WORKS PROGRAM

The 2006-07 capital works program comprises three major elements:

Camps

Funding of \$8.1 million comprising \$5.3 million for the Ern Halliday Recreation Camp (Hillarys) and \$2.8 million for the Woodman Point Recreation Camp to provide facilities and amenities that meet current community expectations.

Camps will also receive \$296,000 to implement the first year of the plant and equipment replacement program. In addition, \$50,000 will be allocated across all camps for program equipment replacement.

Major Facilities

State Sporting Facilities Plan (SSFP) projects:

- the allocation of \$2.0 million in 2006-07 towards the Netball State Training Centre, which takes the total project commitment to \$5.0 million; and
- the allocation of \$24.5 million in 2006-07 towards Members Equity Stadium, bringing the total government commitment to \$25.0 million.

Internal Management

The allocation of \$272,000 for computer hardware / software and \$135,000 for regional information access relates to a focus on upgrading the network infrastructure consistent with industry standards and to ensure regional offices continue to have access to a contemporary communications environment.

The allocation of \$57,000 for the office equipment replacement program to ensure effective infrastructure is in place to support metropolitan and regional output delivery.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Bed Replacement -				
2006-07 Program	15	14	-	1
Camps Reinvestment Project -				
Bickley Camp Improvements	200	186	142	14
Ern Halliday Recreation Camp	6,469	2,152	1,917	4,317
Ern Halliday Recreation Camp - Restorative Maintenance	1,476	476	476	1,000
Woodman Point Recreation Camp - Restorative Maintenance.....	4,933	2,146	1,839	2,787
State Sporting Facilities Plan				
Members Equity Stadium - Stage 2.....	25,000	500	-	24,500
COMPLETED WORKS				
Camps Reinvestment Project -				
Bickley Outdoor Recreation Camp.....	260	260	260	-
Bickley Outdoor Recreation Camp - Restorative Maintenance	184	184	184	-
Point Walter Recreation and Conference Centre - New Works	1,435	1,435	1,318	-
Point Walter Recreation and Conference Centre - Restorative.....	635	635	635	-
Quaranup Camp	468	468	468	-
Quaranup Camp - Maintenance Upgrade	539	539	447	-
Woodman Point Recreation Camp	1,895	1,895	1,895	-
Camps Upgrade General -				
2004-05 Program	250	250	144	-
2005-06 Program	250	250	250	-
Computer Hardware and Software -				
2004-05 Program	200	200	6	-
2005-06 Program	200	200	200	-
New Computer Booking System	150	150	8	-
Office Accommodation - Relocation from Perry Lakes				
Fit-Out	1,877	1,877	166	-
Office Equipment Replacement Program -				
2005-06 Program	80	80	80	-
Regional Information Access Program -				
2005-06 Program	70	70	70	-
State Sporting Facilities Plan				
Multi-purpose 'boutique' Stadium.....	3,700	1,700	1,700	-
NEW WORKS				
Camps Plant and Equipment Ongoing Replacement Program				
2006-07 Program	450	-	-	296
Computer Hardware and Software -				
2006-07 to 2008-09 additional requirements	519	-	-	72
2006-07 Program	200	-	-	200
Office Equipment Replacement Program -				
2006-07 Program	57	-	-	57
Program Equipment -				
2006-07 Program	50	-	-	50
Regional Information Access Program -				
2006-07 to 2007-08.....	210	-	-	45
2006-07 Program	90	-	-	90
State Sporting Facilities Plan				
Netball State Training Centre	5,000	-	-	2,000
	56,862	15,667	12,205	35,429

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	6,241	40,481	12,205	35,429	3,629	4,543	4,838
	6,241	40,481	12,205	35,429	3,629	4,543	4,838
LESS							
Drawdowns from the Holding Account	558	2,410	2,410	322	409	336	336
Funding Included in Service Appropriations ^(a)	3,755	31,258	3,258	28,467	3,120	4,160	3,833
Internal Funds and Balances	151	80	1,604	500	-	-	-
Capital Contribution	1,777	6,733	4,933	6,140	100	47	669

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	7,645	8,049	8,156	9,567	9,299	9,415	9,585
Superannuation	832	718	734	815	813	829	847
Grants and subsidies ^(c)	46,065	54,638	23,874	70,094	28,264	26,163	26,322
Supplies and services	4,312	4,534	4,550	6,410	5,477	5,229	5,426
Accommodation	1,324	4,314	3,466	3,487	1,156	1,161	1,282
Capital user charge	1,462	1,744	1,744	2,094	2,116	2,158	2,158
Depreciation and amortisation	608	1,084	1,084	1,117	1,168	1,192	1,260
Costs of disposal of non-current assets	1	-	-	-	-	-	-
Other expenses	195	168	69	70	70	70	70
TOTAL COST OF SERVICES	62,444	75,249	43,677	93,654	48,363	46,217	46,950
Income							
User charges and fees	2,048	1,730	1,730	2,065	2,201	2,177	2,207
Grants and subsidies	1,251	1,391	1,391	1,078	1,078	1,078	1,078
Other revenue	525	292	292	70	75	75	75
Total Income	3,824	3,413	3,413	3,213	3,354	3,330	3,360
NET COST OF SERVICES	58,620	71,836	40,264	90,441	45,009	42,887	43,590
INCOME FROM STATE GOVERNMENT							
Service appropriations	61,368	72,900	37,363	87,525	44,183	42,419	43,158
Resources received free of charge	2	420	-	-	-	-	-
Liabilities assumed by the Treasurer	112	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	61,482	73,320	37,363	87,525	44,183	42,419	43,158
SURPLUS (DEFICIENCY) FOR THE PERIOD	2,862	1,484	(2,901)	(2,916)	(826)	(468)	(432)
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	2,862	1,484	(2,901)	(2,916)	(826)	(468)	(432)

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.
- (b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 128, 129 and 147 respectively.
- (c) Refer Details of Controlled Grants and Subsidies table for further information.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	2,124	387	1,141	267	402	540	540
Restricted cash	6,646	5,433	6,189	5,026	4,456	3,886	3,483
Investments	390	-	780	330	-	-	-
Receivables	3,152	1,507	1,576	1,576	1,576	1,576	1,576
Inventories.....	28	18	28	28	28	28	28
Amounts receivable for services.....	2,410	347	347	409	336	336	336
Prepayments	179	75	179	179	179	179	179
Total current assets	14,929	7,767	10,240	7,815	6,977	6,545	6,142
NON-CURRENT ASSETS							
Amounts receivable for services.....	263	1,007	1,007	1,715	2,547	3,403	4,327
Land and buildings.....	6,098	14,223	12,852	18,479	18,334	18,189	18,044
Plant and equipment.....	2,065	2,225	2,223	2,262	2,382	2,337	2,702
Intangibles.....	-	35	35	15	-	-	-
Loans and advances	1,110	3,710	330	-	-	-	-
Other.....	-	-	-	275	232	189	290
Total non-current assets.....	9,536	21,200	16,447	22,746	23,495	24,118	25,363
TOTAL ASSETS.....	24,465	28,967	26,687	30,561	30,472	30,663	31,505
CURRENT LIABILITIES							
Payables	1,035	1,029	970	976	1,000	1,005	1,005
Provision for employee entitlements	910	963	927	929	931	933	933
Accrued salaries	-	29	29	58	87	116	145
Other.....	409	310	370	407	413	413	413
Total current liabilities.....	2,354	2,331	2,296	2,370	2,431	2,467	2,496
NON-CURRENT LIABILITIES							
Provision for employee entitlements	628	640	619	619	619	619	619
Total non-current liabilities	628	640	619	619	619	619	619
TOTAL LIABILITIES.....	2,982	2,971	2,915	2,989	3,050	3,086	3,115
EQUITY							
Contributed equity	3,866	(137)	8,799	14,939	15,039	15,086	15,755
Accumulated surplus/(deficit)	10,536	18,795	7,635	4,719	3,893	3,425	2,993
Reserves	7,081	7,338	7,338	7,914	8,490	9,066	9,642
Total equity.....	21,483	25,996	23,772	27,572	27,422	27,577	28,390
TOTAL LIABILITIES AND EQUITY	24,465	28,967	26,687	30,561	30,472	30,663	31,505

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	60,531	71,809	36,272	86,408	43,015	41,227	41,898
Capital contribution	1,777	6,733	4,933	6,140	100	47	669
Holding account drawdowns	558	2,410	2,410	347	409	336	336
Net cash provided by State government	62,866	80,952	43,615	92,895	43,524	41,610	42,903
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(7,828)	(8,017)	(8,124)	(9,536)	(9,268)	(9,384)	(9,525)
Superannuation	(711)	(718)	(734)	(815)	(813)	(829)	(847)
Grants and subsidies	(46,106)	(54,638)	(23,874)	(70,094)	(28,264)	(26,163)	(26,322)
Supplies and services	(4,440)	(4,138)	(4,574)	(6,404)	(5,453)	(5,224)	(5,457)
Accommodation	(1,394)	(4,314)	(3,466)	(3,487)	(1,156)	(1,161)	(1,282)
Capital user charge	(1,462)	(1,744)	(1,744)	(2,094)	(2,116)	(2,158)	(2,158)
Goods and Services Tax	(4,871)	(3,310)	(3,150)	(3,371)	(2,364)	(2,074)	(2,074)
Other	(273)	(168)	(69)	(70)	(70)	(70)	(70)
Receipts							
User charges and fees	2,050	1,738	1,738	2,102	2,207	2,177	2,207
Grants and subsidies	1,561	1,391	1,271	1,078	1,078	1,078	1,078
Goods and Services Tax	3,127	3,310	4,726	3,371	2,364	2,074	2,074
Other receipts	471	292	292	70	75	75	75
Net cash from operating activities	(59,876)	(70,316)	(37,708)	(89,250)	(43,780)	(41,659)	(42,301)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(2,317)	(9,223)	(7,737)	(6,462)	(509)	(383)	(1,005)
Purchase of investments	(1,500)	(600)	-	-	-	-	-
Proceeds from sale of investments	-	390	390	780	330	-	-
Net cash from investing activities	(3,817)	(9,433)	(7,347)	(5,682)	(179)	(383)	(1,005)
CASH FLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(827)	1,203	(1,440)	(2,037)	(435)	(432)	(403)
Cash assets at the beginning of the reporting period	9,597	4,617	8,770	7,330	5,293	4,858	4,426
Cash assets at the end of the reporting period	8,770	5,820	7,330	5,293	4,858	4,426	4,023

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
Commonwealth Grants	416	424	424	424	424	424	424
Community Sporting and Recreational Facilities Fund	9,751	9,750	7,718	14,150	8,700	8,851	8,851
Sports Financial Grants	25,963	34,113	4,789	45,040	8,842	6,425	6,417
Sports Lotteries Account	9,935	10,351	10,943	10,480	10,298	10,463	10,630
TOTAL	46,065	54,638	23,874	70,094	28,264	26,163	26,322

TRUST ACCOUNT DETAILS**Community Sporting and Recreation Facilities Trust Fund**

The Fund holds moneys appropriated for the purpose of making grants for the development of public sporting and recreation facilities and for the management and administration of those grants.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance	2,689	599	2,516	3,248
Receipts:				
Appropriations	10,250	12,250	8,750	14,000
Other	-	-	-	-
	12,939	12,849	11,266	17,248
Payments	10,423	10,050	8,018	14,450
CLOSING BALANCE	2,516	2,799	3,248	2,798

Sports Lotteries Trust Fund

The purpose of the Account is to hold moneys received, pursuant to section 22(2)(c) and 22(3) of the *Lotteries Commission Act*, to be applied in such proportions and among such bodies engaged in the conduct of sport in the State.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance	4,175	2,937	3,820	2,559
Receipts:				
Appropriations	9,851	9,833	10,096	10,252
Other	-	-	-	-
	14,026	12,770	13,916	12,811
Payments	10,206	10,765	11,357	10,894
CLOSING BALANCE	3,820	2,005	2,559	1,917

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:

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
GST input credits	2,604	2,869	4,285	2,923
GST receipts on sales.....	523	441	441	448
Other.....	471	292	292	70
Proceeds from the provision of sport development services to industry bodies.....	780	707	595	444
Proceeds from the provision of sport participation services to the Commonwealth	781	837	837	806
Revenue received for provision of accommodation and recreation programs	2,050	1,585	1,577	1,930
TOTAL.....	7,209	6,731	8,027	6,621

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

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

PART 6 - MINISTER FOR WATER RESOURCES; SPORT AND RECREATION

DIVISION 25

APPROPRIATION AND FORWARD ESTIMATES

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 62 Net amount appropriated to deliver services	14,688	14,226	14,226	14,818	15,264	15,375	15,466
Total appropriations provided to deliver services	14,688	14,226	14,226	14,818	15,264	15,375	15,466
CAPITAL							
Capital Contribution	1,115	900	900	-	85	100	100
GRAND TOTAL	15,803	15,126	15,126	14,818	15,349	15,475	15,566

MISSION

To manage and promote major state owned sporting, recreation and entertainment facilities for the benefit of all Western Australians by delivering excellence in venue presentation, customer service and financial management.

SIGNIFICANT ISSUES AND TRENDS

- The completion of the sporting precinct structure plan and imminent construction of athletics, basketball and rugby facilities by the State Government on land adjacent to Challenge Stadium, provide an opportunity to formulate a development plan for Challenge Stadium based on the outcome of the Challenge Stadium feasibility study needs assessment and the Challenge Stadium / Western Australian Institute of Sport Study.
- The development of future major sporting and entertainment venues may provide an opportunity for the Trust to expand its venue management responsibilities.
- The Trust continues to work with all key stakeholders to ensure an equitable balance for venue access for both elite and community users.

SERVICE AND APPROPRIATION SUMMARY

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Management of elite sport facilities	12,389	12,300	12,500	12,900			
<i>Service 2:</i>							
Management of community sport, entertainment and recreation facilities.....	18,103	16,635	18,686	19,222			
Total Cost of Services	30,492	28,935	31,186	32,122	32,977	33,616	33,707
<i>Less Income.....</i>	<i>16,135</i>	<i>14,973</i>	<i>17,224</i>	<i>17,564</i>	<i>17,903</i>	<i>18,241</i>	<i>18,241</i>
Net Cost of Services	14,357	13,962	13,962	14,558	15,074	15,375	15,466
Adjustments ^(a)	331	264	264	260	190	-	-
Appropriation provided to deliver Services.	14,688	14,226	14,226	14,818	15,264	15,375	15,466
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	1,115	900	900	-	85	100	100
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	15,803	15,126	15,126	14,818	15,349	15,475	15,566

(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.

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcomes	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Provision of facilities for elite sports training and competition.	1. Management of elite sport facilities
	Provision of facilities for community sport, entertainment and recreation.	2. Management of community sport, entertainment and recreation facilities

Outcomes and Key Effectiveness Indicators ^(a)

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Outcome: Provision of facilities for elite sports training and competition.					
Customer satisfaction of participants of elite sports training facilities.....	79%	81%	80%	80%	
Outcome: Provision of facilities for community sport, entertainment and recreation.					
Customer satisfaction at Challenge Stadium....	83%	82%	82%	82%	
Customer satisfaction at Arena Joondalup	84%	84%	83%	83%	
Customer satisfaction at SpeedDome	87%	84%	83%	83%	

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

Service 1: Management of Elite Sport Facilities

Manage and maintain facilities of an international level for elite sport programs.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	12,389	12,300	12,500	12,900	
Less Income	1,006	860	900	920	
Net Cost of Service	11,383	11,440	11,600	11,980	
Adjustments ^(a)	331	264	264	260	
Appropriation for delivery of Service	11,714	11,704	11,864	12,240	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per hour of providing elite training and competition	\$271	\$345	\$273	\$282	
Full Time Equivalents (FTEs)	99	95	100	100	

Major Achievements For 2005-06

- Western Australian Sports Centre Trust venues continue to attract local, national and international events, providing a multitude of benefits to the Western Australian community. Increased visitor numbers to the facilities generates additional revenue for the Trust to reinvest in infrastructure and facility management. The additional funds generated by increased visitor numbers to the state benefits local businesses and creates jobs.

- In 2005-06, the Western Australian Sports Centre Trust:
 - hosted the Wildcat's National Basketball League home fixtures at Challenge Stadium;
 - hosted the Perth Oriels Commonwealth Bank Trophy National Netball League fixtures at Challenge Stadium;
 - staged the Perth International Track Cycling Grand Prix at the SpeedDome;
 - hosted Joondalup Falcons Football Club home games at Arena Joondalup;
 - hosted the State Touch Football Championships at Arena Joondalup;
 - hosted the National Junior Diving Championships at Challenge Stadium;
 - hosted the National Under 16 Water Polo Club Championships at Challenge Stadium;
 - hosted the Indian Pacific Rim University Games at Challenge Stadium;
 - hosted the National Junior Track Cycling Championships at the SpeedDome;
 - hosted the Commonwealth Water Polo Championships at Challenge Stadium;
 - hosted the World Cup Darts Championships at Challenge Stadium; and
 - secured the hosting rights to the 12th Federation Internationale de Natation (FINA) World Masters Championships 2008.

Major Initiatives For 2006-07

- In 2006-07, the Western Australian Sports Centre Trust is planning to:
 - host the Wildcat's National Basketball League home fixtures at Challenge Stadium;
 - host the Perth Oriels Commonwealth Bank Trophy National Netball League fixtures at Challenge Stadium;
 - host Joondalup Falcons Football Club home games at Arena Joondalup;
 - host the State Touch Football Championships at Arena Joondalup;
 - host the National Swimming Age Championships at Challenge Stadium;
 - host the World Ultimate Club Championships at Challenge Stadium;
 - host the International Gymnastic Championships at Challenge Stadium; and
 - continue planning and preparation for hosting of the 12th FINA World Masters Championships 2008.

Service 2: Management of Community Sport, Entertainment and Recreation Facilities

Manage and market facilities which encourage community sport, entertainment and recreation to maximise utilisation, revenue and reduce net operating cost.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	18,103	16,635	18,686	19,222	
Less Income	15,129	14,113	16,324	16,644	
Net Cost of Service	2,974	2,522	2,362	2,578	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	2,974	2,522	2,362	2,578	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per patron visit to Challenge Stadium	\$8.30	\$8.25	\$8.60	\$8.80	
Average cost per patron visit to Arena Joondalup	\$8.57	\$8.05	\$8.80	\$9.05	
Full Time Equivalents (FTEs)	99	95	100	100	

Major Achievements For 2005-06

- Western Australian Sports Centre Trust venues continue to provide a great number of community-based programmes for both the young and older citizens of Western Australia.
- In 2005-06, The Western Australian Sports Centre Trust:
 - staged two major rock concerts at Arena Joondalup attracting total attendances in excess 40,000 people; and
 - staged a number of concerts at Challenge Stadium.

Major Initiatives For 2006-07

- Continue to stage major rock concerts and regular community entertainment events at Arena Joondalup.
- Continue to stage concerts and entertainment events at Challenge Stadium.
- Identify opportunities to expand community-based programmes.

CAPITAL WORKS PROGRAM

The Capital Works Program for 2006-07 comprises \$1.4 million for capital upgrades, restorative maintenance and replacements at the Trust's venues. Specific budgets for each venue consist of: Arena Joondalup \$405,000, Challenge Stadium \$839,000 and Midvale SpeedDome \$106,000.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Capital Upgrades and Maintenance 2005-06 Program	900	900	900	-
NEW WORKS				
2006-07 Capital Upgrades and Maintenance				
Arena Joondalup	405	-	-	405
Challenge Stadium	839	-	-	839
Midvale SpeedDome	106	-	-	106
	2,250	900	900	1,350

CAPITAL CONTRIBUTION

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	2007-08 Forward Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,990	900	900	1,350	1,665	1,727	1,727
	1,990	900	900	1,350	1,665	1,727	1,727
LESS							
Drawdowns from the Holding Account	10	-	-	1,025	1,190	1,627	1,627
Funding Included in Service Appropriations ^(a)	-	-	-	325	390	-	-
Internal Funds and Balances	865	-	-	-	-	-	-
Capital Contribution	1,115	900	900	-	85	100	100

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	8,139	8,257	8,257	8,653	8,979	9,333	9,445
Superannuation	743	694	744	764	784	805	805
Cost of goods sold	2,052	2,000	2,000	2,050	2,090	2,140	2,140
Supplies and services	7,158	5,246	7,447	7,805	8,207	8,355	8,334
Accommodation	1,048	1,150	1,150	1,180	1,210	1,240	1,240
Capital user charge	8,095	8,190	8,190	8,247	8,268	8,283	8,283
Depreciation and amortisation	2,447	2,531	2,531	2,531	2,531	2,531	2,531
State taxes	499	510	510	525	540	550	550
Other expenses	311	357	357	367	368	379	379
TOTAL COST OF SERVICES	30,492	28,935	31,186	32,122	32,977	33,616	33,707
Income							
User charges and fees	14,071	13,000	15,051	15,351	15,651	15,951	15,951
Grants and subsidies	289	400	400	400	400	400	400
Interest revenue	105	70	70	70	70	70	70
Other revenue	1,670	1,503	1,703	1,743	1,782	1,820	1,820
Total Income	16,135	14,973	17,224	17,564	17,903	18,241	18,241
NET COST OF SERVICES	14,357	13,962	13,962	14,558	15,074	15,375	15,466
INCOME FROM STATE GOVERNMENT							
Service appropriations	14,688	14,226	14,226	14,818	15,264	15,375	15,466
TOTAL INCOME FROM STATE GOVERNMENT	14,688	14,226	14,226	14,818	15,264	15,375	15,466
SURPLUS (DEFICIENCY) FOR THE PERIOD	331	264	264	260	190	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	331	264	264	260	190	-	-

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 198, 200 and 200 respectively.

BALANCE SHEET
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CURRENT ASSETS							
Cash and cash equivalents	751	722	815	855	855	655	455
Receivables	524	871	674	674	674	674	674
Inventories.....	456	523	506	506	506	506	506
Amounts receivable for services.....	-	1,025	1,025	1,190	1,627	1,627	-
Prepayments.....	46	89	96	96	96	96	96
Total current assets	1,777	3,230	3,116	3,321	3,758	3,558	1,731
NON-CURRENT ASSETS							
Amounts receivable for services.....	8,289	9,795	9,795	11,146	12,050	12,954	15,485
Land and buildings.....	94,917	90,475	92,993	91,039	89,085	87,131	87,131
Receivables	100	-	-	100	100	100	100
Plant and equipment.....	2,394	4,303	2,687	3,135	3,833	4,983	4,179
Total non-current assets.....	105,700	104,573	105,475	105,420	105,068	105,168	106,895
TOTAL ASSETS.....	107,477	107,803	108,591	108,741	108,826	108,726	108,626
CURRENT LIABILITIES							
Payables	1,660	1,359	1,660	1,650	1,650	1,650	1,650
Provision for employee entitlements	835	589	750	760	760	760	760
Accrued salaries	-	359	-	-	-	-	-
Other.....	905	1,130	1,140	1,230	1,240	1,240	1,240
Total current liabilities.....	3,400	3,437	3,550	3,640	3,650	3,650	3,650
NON-CURRENT LIABILITIES							
Provision for employee entitlements	303	354	257	257	257	257	257
Borrowings.....	1,000	800	800	600	400	200	-
Other.....	168	256	214	214	214	214	214
Total non-current liabilities	1,471	1,410	1,271	1,071	871	671	471
TOTAL LIABILITIES.....	4,871	4,847	4,821	4,711	4,521	4,321	4,121
EQUITY							
Contributed equity	3,999	4,899	4,899	4,899	4,984	5,084	5,184
Accumulated surplus / (deficit)	81,213	81,423	81,477	81,737	81,927	81,927	81,927
Reserves	17,394	16,634	17,394	17,394	17,394	17,394	17,394
Total equity.....	102,606	102,956	103,770	104,030	104,305	104,405	104,505
TOTAL LIABILITIES AND EQUITY	107,477	107,803	108,591	108,741	108,826	108,726	108,626

(a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

CASHFLOW STATEMENT
(Controlled)

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate ^(a) \$'000	2007-08 Forward Estimate ^(a) \$'000	2008-09 Forward Estimate ^(a) \$'000	2009-10 Forward Estimate ^(a) \$'000
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	12,284	11,695	11,695	12,277	12,733	12,844	12,935
Capital contribution	1,115	900	900	-	85	100	100
Holding account drawdowns	10	-	-	1,025	1,190	1,627	1,627
Net cash provided by State government	13,409	12,595	12,595	13,302	14,008	14,571	14,662
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(8,404)	(8,388)	(8,388)	(8,643)	(8,979)	(9,333)	(9,445)
Superannuation	(743)	(694)	(744)	(764)	(784)	(805)	(805)
Supplies and services	(9,016)	(7,152)	(9,353)	(9,912)	(10,325)	(10,495)	(10,474)
Accommodation	(1,048)	(1,150)	(1,150)	(1,180)	(1,210)	(1,240)	(1,240)
Capital user charge	(8,095)	(8,190)	(8,190)	(8,247)	(8,268)	(8,283)	(8,283)
State taxes	(499)	(510)	(510)	(525)	(540)	(550)	(550)
Goods and Services Tax	(1,477)	(1,300)	(1,300)	(1,350)	(1,380)	(1,410)	(1,410)
Other	(311)	(357)	(357)	(367)	(368)	(379)	(379)
Receipts							
User charges and fees	14,124	13,000	15,051	15,351	15,651	15,951	15,951
Grants and subsidies	289	400	400	400	400	400	400
Interest received	105	70	70	70	70	70	70
Goods and Services Tax	1,491	1,300	1,300	1,350	1,380	1,410	1,410
Other receipts	1,670	1,540	1,740	1,780	1,820	1,820	1,820
Net cash from operating activities	(11,914)	(11,431)	(11,431)	(12,037)	(12,533)	(12,844)	(12,935)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,990)	(900)	(900)	(1,025)	(1,275)	(1,727)	(1,727)
Proceeds from sale of non-current assets	100	-	-	-	-	-	-
Net cash from investing activities	(1,890)	(900)	(900)	(1,025)	(1,275)	(1,727)	(1,727)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	-	(200)	(200)	(200)	(200)	(200)	(200)
Net cash from financing activities	-	(200)	(200)	(200)	(200)	(200)	(200)
NET INCREASE / (DECREASE) IN CASH HELD	(395)	64	64	40	-	(200)	(200)
Cash assets at the beginning of the reporting period	1,146	658	751	815	855	855	655
Cash assets at the end of the reporting period	751	722	815	855	855	655	455

- (a) 2004-05 amounts are presented on the basis of previous 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 2004-05.

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