



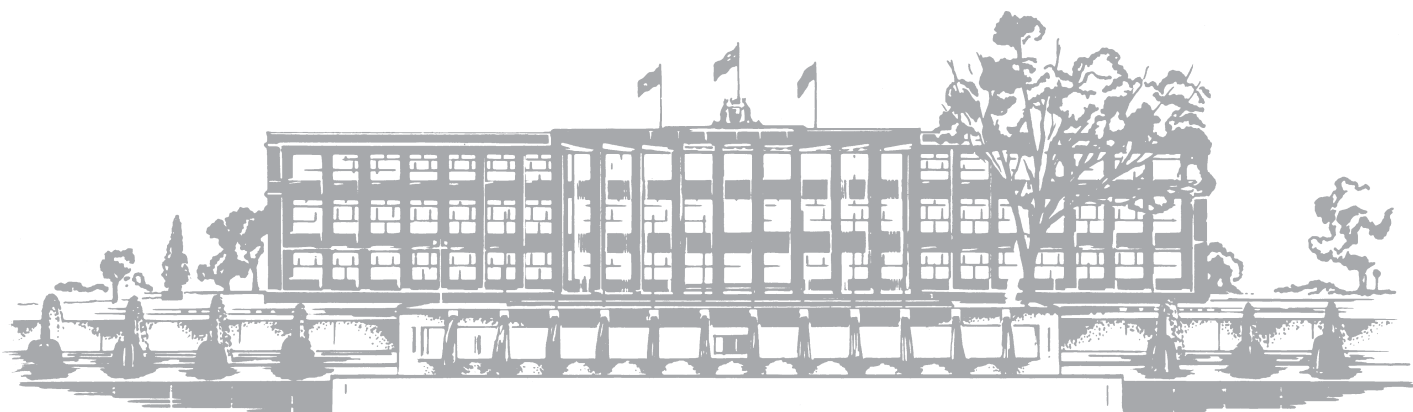
2006-07 BUDGET

BUDGET STATEMENTS

Budget Paper No.2

Volume 3

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



2006–07 Budget Statements

(Budget Paper No. 2 Volume 3)

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BUDGET STATEMENTS

TABLE OF CONTENTS

	Volume	Page
Chapter 1: Consolidated Fund Expenditure Estimates	1	1
Chapter 2: Net Appropriation Determinations	1	29
Chapter 3: Agency Information in Support of the Estimates	1	41
PART 1 – PARLIAMENT		
Parliament.....	1	45
Parliamentary Commissioner for Administrative Investigations.....	1	65
PART 2 - PREMIER; MINISTER FOR PUBLIC SECTOR MANAGEMENT; STATE DEVELOPMENT; FEDERAL AFFAIRS		
Premier and Cabinet	1	77
Industry and Resources.....	1	109
Office of Shared Services	1	139
Governor's Establishment	1	149
Office of the Public Sector Standards Commissioner.....	1	157
Salaries and Allowances Tribunal	1	168
PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PUBLIC SECTOR MANAGEMENT		
Treasury and Finance.....	1	179
Office of Native Title.....	1	211
Office of the Auditor General.....	1	219
Economic Regulation Authority	1	232
Western Australian Treasury Corporation	1	243
State Supply Commission	1	244
Gold Corporation.....	1	254
Insurance Commission of Western Australia	1	255
Lotteries Commission.....	1	256
PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT		
Agriculture and Food.....	1	259
Agriculture Protection Board of Western Australia.....	1	295
Western Australian Meat Industry Authority	1	303
Perth Market Authority	1	304
Rural Business Development Corporation.....	1	305
Forest Products Commission	1	312
Mid West Development Commission.....	1	313
Wheatbelt Development Commission	1	329
PART 5 - MINISTER FOR EDUCATION AND TRAINING		
Education and Training.....	1	341
Country High School Hostels Authority.....	1	363
Curriculum Council	1	371
Education Services	1	384

	Volume	Page
PART 6 - MINISTER FOR WATER RESOURCES; SPORT AND RECREATION		
Water and Rivers Commission	1	399
Water Corporation	1	416
Bunbury Water Board.....	1	418
Busselton Water Board	1	419
Sport and Recreation	1	420
Western Australian Sports Centre Trust	1	439
PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS		
Attorney General	2	451
Commissioner for Equal Opportunity.....	2	476
Corruption and Crime Commission	2	487
Parliamentary Inspector of the Corruption and Crime Commission.....	2	498
Law Reform Commission of Western Australia.....	2	504
Office of the Director of Public Prosecutions.....	2	511
Office of the Information Commissioner.....	2	522
Health	2	530
Western Australian Electoral Commission.....	2	593
PART 8 - MINISTER FOR HOUSING AND WORKS; CONSUMER PROTECTION; HERITAGE; LAND INFORMATION		
Housing and Works	2	603
State Housing Commission.....	2	616
Government Employees' Housing Authority	2	621
Country Housing Authority	2	622
Heritage Council of Western Australia.....	2	623
National Trust of Australia (WA).....	2	631
Land Information.....	2	640
PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE		
Planning and Infrastructure.....	2	655
Main Roads.....	2	684
Public Transport Authority	2	708
Armadale Redevelopment Authority	2	725
East Perth Redevelopment Authority	2	726
Midland Redevelopment Authority	2	727
Subiaco Redevelopment Authority	2	728
Albany Port Authority	2	729
Broome Port Authority	2	730
Bunbury Port Authority	2	731
Dampier Port Authority	2	732
Esperance Port Authority.....	2	733
Fremantle Port Authority.....	2	734
Geraldton Port Authority	2	737
Port Hedland Port Authority.....	2	738
Western Australian Land Authority.....	2	739
Eastern Goldfields Transport Board	2	741
Western Australian Planning Commission	2	742

	Volume	Page
PART 10 - MINISTER FOR INDIGENOUS AFFAIRS; TOURISM; CULTURE AND THE ARTS		
Indigenous Affairs	2	759
Western Australian Tourism Commission.....	2	771
Rottneest Island Authority.....	2	787
Culture and the Arts.....	2	788
PART 11 - MINISTER FOR THE ENVIRONMENT; RACING AND GAMING		
Conservation and Land Management	2	813
Botanic Gardens and Parks Authority	2	834
Environment	2	845
Swan River Trust.....	2	863
Zoological Parks Authority.....	2	875
Racing, Gaming and Liquor	2	886
Racing and Wagering Western Australia.....	2	897
Western Australian Greyhound Racing Authority.....	2	898
PART 12 - MINISTER FOR ENERGY; SCIENCE AND INNOVATION		
Office of Energy	3	903
Independent Market Operator.....	3	921
Western Power Corporation	3	922
Horizon Power	3	923
Synergy.....	3	925
Verve Energy.....	3	926
Western Power (Networks).....	3	927
PART 13 - MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN		
Consumer and Employment Protection	3	931
Registrar, Western Australian Industrial Relations Commission	3	954
Goldfields-Esperance Development Commission	3	964
Great Southern Development Commission	3	975
PART 14 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY		
Police Service	3	989
Fire and Emergency Services Authority of Western Australia.....	3	1019
Corrective Services.....	3	1033
Office of the Inspector of Custodial Services.....	3	1049
PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE		
Local Government and Regional Development	3	1059
Metropolitan Cemeteries Board	3	1075
Fisheries.....	3	1076
Kimberley Development Commission.....	3	1092
Pilbara Development Commission	3	1102
Gascoyne Development Commission.....	3	1113

	Volume	Page
PART 16 - MINISTER FOR DISABILITY SERVICES; CITIZENSHIP AND MULTICULTURAL INTERESTS; WOMEN'S INTERESTS; MINISTER ASSISTING THE MINISTER FOR FEDERAL AFFAIRS		
Disability Services Commission.....	3	1123
PART 17 - MINISTER FOR COMMUNITY DEVELOPMENT; SENIORS AND VOLUNTEERING; YOUTH; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE		
Community Development.....	3	1143
PART 18 - MINISTER FOR SMALL BUSINESS; PEEL AND THE SOUTH WEST; MINISTER ASSISTING THE MINISTER FOR EDUCATION AND TRAINING		
Small Business Development Corporation	3	1173
Peel Development Commission.....	3	1181
South West Development Commission	3	1193

CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 12 – Part 18

Part 12

Minister for Energy; Science and Innovation

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
903	Office of Energy			
	– Delivery of Services	22,264	25,460	17,798
	– Administered Grants, Subsidies and Other Transfer Payments	1,400	4,046	-
	Total	23,664	29,506	17,798
921	Independent Market Operator	-	-	-
922	Western Power Corporation	-	-	-
923	Horizon Power	-	-	-
925	Synergy	-	-	-
926	Verve Energy	-	-	-
927	Western Power (Networks)	-	-	-
	GRAND TOTAL			
	– Delivery of Services	22,264	25,460	17,798
	– Administered Grants, Subsidies and Other Transfer Payments	1,400	4,046	-
	Total	23,664	29,506	17,798

OFFICE OF ENERGY

PART 12 - MINISTER FOR ENERGY; SCIENCE AND INNOVATION

DIVISION 52

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 101 Net amount appropriated to deliver services.....	14,404	22,045	25,241	17,572	13,676	12,902	13,027
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	168	219	219	226	233	240	247
Total appropriations provided to deliver services	14,572	22,264	25,460	17,798	13,909	13,142	13,274
ADMINISTERED TRANSACTIONS							
Amount provided for Administered Grants, Subsidies and Other Transfer Payments...	1,276	1,400	4,046	-	-	-	-
GRAND TOTAL	15,848	23,664	29,506	17,798	13,909	13,142	13,274

- (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 Office of Energy is a change agent that leads the development and implementation of policy to meet the State's energy needs. It is committed to driving change in a way that achieves improved economic, social and environmental outcomes for Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- The Government has made substantial progress in reforming the State's electricity industry to introduce competition to put downward pressure on electricity prices and enhance reliability of supply as well as providing the necessary framework to protect small business and residential consumers of electricity. There is now a clear market and regulatory framework for competition in the new wholesale electricity market. The Government is committed to the ongoing reform of the electricity industry.
- The restructure of Western Power into four separate new entities Verve Energy (Generation), Western Power (Networks), Synergy (Retail) and Horizon (Regional) is encouraging significant new private sector investment in generation. The Government will need to manage its interest in these businesses in a more competitive environment.
- Commencement of the wholesale electricity market will increase the opportunities for new entrants to participate in meeting the requirements of electricity consumers. The market arrangements are already providing opportunities for competitors and competition is expected to increase.
- Western Power, the new networks business, is undertaking a record investment program to improve reliability and quality of supply for customers on the South West Interconnected System (SWIS) however, an ageing electricity distribution network in the regional areas in the south of the State, together with rising demand for better reliability and quality of electricity supply, will also require the development of innovative and cost effective solutions.

- Under the transitional Vesting Contract arrangements, Verve Energy, the Government owned generation business will supply electricity to Synergy, the Government owned electricity retailer and both entities will also commence trading in the Short Term Energy Market in 2006-07.
- Technology improvements and cost reductions are increasing the scope for consumer participation in the management of demand for electricity. The opportunity to deliver customer benefits from these technologies is being explored.
- Householders are purchasing a wider range of electrical and electronic equipment (including air-conditioners) and this is having an impact on electrical system peak demand requirements. The Government is working on demand management strategies and improving appliance and equipment energy efficiency.
- A reliable and competitive energy industry requires competitive tension between alternative generation fuels. Adequate gas transmission capability, generation capacity and best practice in the coal, gas and renewable energy industry will need to underpin this competition. The Government will monitor market and regulatory outcomes to ensure these deliver reliable competitively priced fuel supplies.
- Following on from the introduction of regulatory and market structures to support full retail contestability (FRC) in the Western Australian gas market, review of any barriers to competition in the State's gas market is required to maximise opportunities for competition and consumer benefits.
- There is growing awareness of the role of renewable energy in the state's electricity mix and the benefits that increasing its use offers. For instance, recent increases in the cost of diesel have led to a surge of rebate applications for, and growing interest in, renewable energy power systems serving pastoral stations, tourist operations, other businesses, Aboriginal outstations and households in remote areas.
- At the national level, the Ministerial Council on Energy (MCE) is moving towards national uniform regulation of the electricity and natural gas markets. As a consequence, new national governance and regulatory arrangements for the electricity and gas market have been established. In Western Australia, energy will continue to be regulated by the Economic Regulation Authority, with gas access arrangements being within the scope of the Australian Energy Market Commission.
- Following on from the National Framework for Energy Efficiency, the trend towards a national approach to sustainable energy policy and programs that affect the business and industry sector has continued.
- The Government will continue to work with the Commonwealth to regularise power supplies in large, permanent, remote Aboriginal 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
Renewable Energy Production Subsidy	2,000	1,000	-	-
Underground Power	2,500	-	-	-

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 implementation of energy policy.....	13,437	17,949	16,990	12,176			
<i>Service 2:</i>							
Development and implementation of sustainable energy policy and programs.....	11,410	10,600	16,978	12,288			
Total Cost of Services	24,847	28,549	33,968	24,464	19,613	18,897	19,029
<i>Less Income</i>	<i>7,501</i>	<i>5,663</i>	<i>5,663</i>	<i>5,614</i>	<i>5,625</i>	<i>5,695</i>	<i>5,695</i>
Net Cost of Services	17,346	22,886	28,305	18,850	13,988	13,202	13,334
Adjustments ^(a)	(2,774)	(622)	(2,845)	(1,052)	(79)	(60)	(60)
Appropriation provided to deliver Services.	14,572	22,264	25,460	17,798	13,909	13,142	13,274
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	1,276	1,400	4,046	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	15,848	23,664	29,506	17,798	13,909	13,142	13,274

(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, Coordinator of Energy 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.	A policy environment to achieve a competitive, efficient and secure energy sector.	1. Development and implementation of energy policy.
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	An increase in the adoption of renewable energy and energy efficiency.	2. Development and implementation of sustainable energy policy and programs.

Outcomes and Key Effectiveness Indicators ^(a)

	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 policy environment to achieve a competitive, efficient and secure energy sector.					
Progress with reform of the Western Australian electricity industry, indicated by the timely achievement of the following milestones:					
- Establishment of Electricity Ombudsman...	Jun 2005	n/a	n/a	n/a	
- Establishment of Western Australian Customer Service code.....	Dec 2004	n/a	n/a	n/a	
- Increased competition through reduction in the electricity contestability threshold to 50 megawatt hours per annum	Jan 2005	n/a	n/a	n/a	
- Approval of wholesale electricity market rules	Oct 2004	n/a	n/a	n/a	
- Subject to Parliamentary endorsement, implement a disaggregation of Western Power Corporation into four successor entities	n/a	Apr 2006	Apr 2006	n/a	
- Preparation completed for Commencement of the Wholesale Electricity Market	n/a	Jun 2006	n/a	Jul 2006	
- Establishment of an Electricity Quality and Reliability Code.....	n/a	Oct 2005	Jan 2006	n/a	The project was more complex than first anticipated.
- Aboriginal and Remote Communities Power Supply Project - negotiation of a Memorandum of Understanding for the implementation and service delivery of Phase One	n/a	Jun 2006	Jun 2006	n/a	
Contestability of the retail gas market, indicated by achievement of the following milestones:					
- A Customer Education Campaign.....	Sep 2004	n/a	n/a	n/a	
Amendments to the Gas Pipelines Access (Western Australia) Act to:					
- Implement changes arising from the Productivity Commission's Review of the Gas code	n/a	Jun 2006	Jan 2007	Jan 2007	The Ministerial Council of Energy has revised the timeline for implementation of the new national gas law.
- Introduce the Australian Energy Markets Commission into the Western Australia regulatory governance structure.....	n/a	Jun 2006	Jan 2007	Jan 2007	The Ministerial Council of Energy has revised the timeline for implementation of the new national gas law.
Progress with the State Underground Power Program (target 50 per cent of Perth metropolitan homes with underground power by 2010), indicated by the percentage of Perth metropolitan homes with underground power..					
	43%	45%	44%	45%	More accurate measure based on the latest Western Power estimates.
Amend Dampier to Bunbury Pipeline corridor legislation to facilitate pipeline expansion by improving the regulatory environment	n/a	n/a	n/a	Jun 2007	
Develop an information package for commercial and industrial developers outlining the current availability of key infrastructure, including energy, and the likely terms and conditions of access	n/a	n/a	n/a	Jun 2007	

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Implement decision of review of the moratorium preventing Western Power and its successor entities from competing in the small use gas market.....	n/a	n/a	n/a	Oct 2006	
Policy input in to the State's response to a National emissions trading scheme	n/a	n/a	n/a	Oct 2006	
Establish policy for the introduction of electricity smart meters.....	n/a	n/a	n/a	Jun 2007	
Outcome: An increase in the adoption of renewable energy and energy efficiency.					
Use of renewable energy through incentive programs, indicated by the displacement of fossil fuel, kilowatt/hour of fossil fuel energy displaced by:					
- Solar Hot Water Subsidy Scheme	10,360,222	5,700,000	9,200,000	2,500,000	Strong housing sector and changeover from the old Solar Water Heater scheme to the new scheme in 2005-2006.
- Renewable Remote Power Generation Program (RRPGP) Large Projects (off-grid and fringe of grid)	1,440,000	1,500,000	1,200,000	3,400,000	Can vary substantially from year to year dependent on completion of few projects.
- RRPGP - Remote Area Power Supply	510,008	300,000	450,000	400,000	
- RRPGP - Renewable Energy Water Pumping Program	123,230	150,000	115,000	100,000	
- RRPGP – Rural Renewable Energy Program (small projects) ^(b)	n/a	n/a	n/a	100,000	
- Photovoltaic Rebate Program (PVRP)	16,588	n/a	45,000	40,000	
Adoption of energy efficiency by business, indicated by the number of buildings rated under the Australian Greenhouse Building Rating Program	25	15	13	20	
Adoption of energy efficiency by government agencies, indicated by the following:					
- Percentage reduction in energy usage by State government agencies (target 12 per cent reduction against baseline by 2006-07)	4.6%	10%	4.3%	12%	Health and Education agencies heavily influencing result.
- Percentage of individual agencies meeting target reduction.....	55%	70%	56%	60%	
Adoption of energy efficiency by the community, indicated by the percentage of new houses approved under the House Energy Rating Scheme	n/a	15%	14.5%	18%	

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

(b) New Program.

Service 1: Development and Implementation of Energy Policy

The Government seeks to achieve a competitive, efficient and secure energy sector through the development and implementation of energy policy.

	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	13,437	17,949	16,990	12,176	Finalisation of the electricity reform agenda.
Less Income	234	790	182	80	
Net Cost of Service	13,203	17,159	16,808	12,096	
Adjustments ^(a)	(3,426)	96	(2,258)	(205)	
Appropriation for delivery of Service	9,777	17,255	14,550	11,891	

(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 item of Ministerial Support ..	\$1,359	\$1,325	\$4,416	\$4,083	Significantly fewer Ministerials than expected. More complex issues.
Average cost per strategic policy developed....	\$78,160	\$155,494	\$177,943	\$109,090	
Average cost of meeting major policy implementation milestones	\$550,528	\$504,670	\$409,479	\$385,890	
Full Time Equivalents (FTEs)	41	43	40	37	

Major Achievements For 2005-06

- The Office of Energy (the Office) led the implementation of the disaggregation of Western Power Corporation. Four new successor entities were established on 1 April 2006, trading as Verve Energy, Synergy, Horizon Power and Western Power.
- The restructure involved the legal transfer of other 8,000 individual transfer items to establish the assets rights and liabilities of the new entities. It also established arms-length contractual arrangements between the entities to manage the transition to their independent operation including Vesting Contracts and a range of inter-entity agreements for the supply of goods and services.
- Establishment of a Reliability and Quality of Supply Code in January 2006 which updated electricity supply standards and established a procedure for payment of an \$80 fee where power is out for more than 12 hours.
- The Tariff Equalisation Fund was established to support the continued supply of the uniform tariff to eligible customers outside the SWIS by Horizon Power.
- Significant preparation was undertaken for the commencement of a Wholesale Electricity Market for the SWIS in July 2006.

- The Office actively engaged with the MCE in 2005-06 on a range of issues to ensure Western Australia's perspective was well represented including:
 - revisions to the Australian Energy Market Agreement 2004;
 - preparing a MCE response to the Productivity Commission's review of the national gas access regime;
 - development of national legislation to confer gas functions on the Australian Energy Regulator and Australian Energy Markets Commission; and
 - investigation of gas market development models to increase competition in Australian gas markets.
- The Office participated in an inter-jurisdictional working group which examined a range of issues associated with developing an emissions trading scheme which could be implemented in the absence of a Commonwealth scheme. A stakeholder consultation paper was released in September 2005 and a series of consultative forums held around Australia in September and October, including in Perth.
- Horizon Power has commenced its network upgrade works for the implementation of Phase One of the Aboriginal and Remote Communities Power Supply Project. The Office has secured land tenure for power station sites.
- The Commonwealth Government has agreed to jointly fund the planning and development of Phase Two of the Aboriginal and Remote Communities Power Supply Project, which is expected to upgrade the power supply arrangements in all remaining communities with populations of about 200 people or more. The Office commenced working on Phase Two planning in March 2006.
- Major Residential Projects in Gosnells North, Victoria Park, Shenton Park and City Beach, under Round Three of the State Underground Power Program were completed in 2005-06. Round Three Localised Enhancement Projects in Geraldton, Bunbury and Mount Barker were completed this year and work will commence on projects in Balingup, Nannup and Lake Grace in 2006-07.
- Program guidelines for Round Four of Major Residential Projects under the State Underground Power Program were released in August 2005 and twenty-one local governments submitted eighty-nine proposals for evaluation. The evaluation process was more focussed on improving reliability and performance of electricity supply than previously. In February 2006, the Minister for Energy announced that seven Major Residential Projects were short listed for Round Four.

Major Initiatives For 2006-07

- The Office will monitor the consolidation of the operations of the new successor entities and their contractual arrangements. It will also manage the State's interest in Western Power's four separate new entities Verve Energy (Generation), Western Power (Networks), Synergy (Retail) and Horizon (Regional) as well as oversee the closure of the closing accounts of the former Western Power Corporation by the Western Power Administrator.
- The Office will manage the operation of the Tariff Equalisation Fund, which receives contributions from the Western Power networks business and makes payments to Horizon Power, to support the uniform tariff policy.
- The Office will facilitate the review by the Economic Regulation Authority of the network performance standards applicable to Horizon Power the Quality and Reliability of Supply Code 2005, in accordance with the *Electricity Industry Act 2004*.
- The Office will monitor the new Wholesale Electricity Market which is expected to be operational in July 2006.
- The Office will review the arrangements necessary for further increasing the scope of competition in the electricity retail market and investigate the opportunity for consumer market and system benefits from the introduction of new electricity metering technologies.
- Implementation of the remaining projects under Round Three of the State Underground Power Program will continue. On-site works on the first Round Four Major Residential Projects will commence in early-to-mid 2007.
- Proposals will be invited and selected for Round Four Localised Enhancement Projects within the Underground Power Program in late 2006.

- A funding agreement will be negotiated with the Commonwealth Government to provide a regularised power supply to all of the remaining major Aboriginal communities with populations of over 200 people. This agreement for Phase Two of the Aboriginal Remote Communities Power Supply Project is expected to cover about ten communities and be finalised in 2006-07, with implementation of new arrangements commencing in 2007-08.
- An energy subsidy will be designed and introduced for people with severe medical conditions requiring that the temperature of their immediate surroundings be artificially controlled. The subsidy will be administered by the Office of State Revenue.
- The *Gas Pipelines Access (WA) Act 1998* will be amended to apply gas access components of the new National Gas Law that implements enhancements to the national gas access regime such as light handed monitoring, greenfield pipeline incentives and improved guidance for regulatory decision making. The amendments will also confer functions on the Australian Energy Market Commission to administer regulatory rules for the gas access regime
- Continued engagement with the National Emissions Trading Taskforce, with an expected release date of a Green Paper for a national emissions trading scheme of July 2006.

Service 2: Development and Implementation of Sustainable Energy Policy and Programs

The Government's sustainable energy policy seeks to achieve an increase in the adoption of renewable energy and energy efficiency through the development and implementation of sustainable energy policy and programs.

	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	11,410	10,600	16,978	12,288	Introduction of Renewable Energy Production Subsidy. Grant funding varies between years.
Less Income	7,267	4,873	5,481	5,534	
Net Cost of Service	4,143	5,727	11,497	6,754	
Adjustments ^(a)	652	(718)	(587)	(847)	
Appropriation for delivery of Service	4,795	5,009	10,910	5,907	

(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 item of Ministerial support...	\$875	\$561	\$1,584	\$723	Fewer Ministerials than anticipated.
Average cost per strategic policy developed....	\$71,071	\$86,602	\$169,718	\$130,123	
Average cost of meeting major policy and program implementation milestones.....	\$108,299	\$116,580	\$144,033	\$100,094	Higher number of subsidies and some significant subsidies in value terms.
Average value of incentive grants paid	\$2,392	\$3,796	\$3,022	\$7,165	
Average cost per information and advice service	\$379,048	\$218,911	\$396,008	\$216,871	
Full Time Equivalents (FTEs)	23	23	22	23	

Major Achievements For 2005-06

- A new Solar Schools program was launched in November 2005. The program aims to support solar power systems for 100 State Government schools. The solar power systems will help students to learn about sustainable energy and enable schools to generate some of their own electricity.
- A new Solar Water Heater Subsidy scheme was implemented, targeting environmentally friendly gas-boosted solar water heaters. The scheme has proved very popular. A record number of rebate applications were received in 2005-06 including those finalised under the old rebate scheme.
- The Sustainable Energy Development Office (SEDO) Grants Program was substantially revised in 2005-06. Administration of the program was streamlined and new program guidelines were implemented, specifically targeting community based sustainable energy projects and research and development initiatives.
- Two new rebate programs targeting small (up to 30 kilowatts) and medium (30 kilowatts to 2 megawatts) renewable energy systems in areas on the fringes of the South West Interconnected Network have been developed as part of the Renewable Remote Power Generation Program.
- A Regional Energy Efficiency Program, providing incentives for people in off-grid areas to adopt energy efficient products and practices, has been developed as part of the Renewable Remote Power Generation Program. This program is subject to approval by the Australian Government.
- A draft Renewable Energy Strategy Options paper has been developed. A background paper was also prepared and will be made publicly available.
- A Renewable Energy handbook was developed and released. The handbook is designed to assist proponents with the steps involved in establishing a renewable energy project. It will also assist local governments in assessing proposals for renewable energy projects in their local area as well as providing information to the broader community, including on how they can get involved in the process.
- Implementation of the Renewable Energy Production Subsidy that provides a \$10 per megawatthours subsidy to eligible renewable energy generators connected to the SWIS was commenced.
- Increased awareness of appliance energy efficiency in the community has been achieved through the *Reach for the Stars* promotions program operated by SEDO. A recent national survey showed that when it comes to making a decision to purchase an appliance, more Western Australians said that energy efficiency was the major factor in the final purchase decision than in any other State or Territory. The Reach for the Stars program was only delivered in Western Australia.
- Government agencies continued their commitment to the Energy Smart Government program with 61 of the 62 agencies in the program collectively delivering reductions in energy consumption of 7.8 per cent against an 8 per cent target. While the Department of Health did not meet the target, it is now actively engaged with the program and has gained approval for a significant level of Capital Advance funding to implement a suite of energy efficiency projects.
- SEDO worked with national and local stakeholders to support the introduction of energy efficiency measures for commercial buildings and increased energy efficiency requirements for dwellings within the Building Code of Australia.
- The second generation House Energy Rating tool, *AccuRate*, was trialled, tested and introduced in Western Australia. The tool provides many new features and enhancements, is more accurate and allows house energy efficiency to be rated up to 10 stars.
- The Energy Smart Toolbox, a web-based resource for business owners and managers wishing to become more energy efficient, was developed and released. The toolbox provides a step-by-step guide for determining energy expenditure and suggests ways to reduce energy use. It also includes case studies and online calculators.
- SEDO's web-based tool – the Energy Smart Directory – was identified as a particularly effective tool from a consumer's point of view for identifying and connecting people with suppliers of sustainable energy products and services (*Energy Efficiency Information in Australia: Looking for the Tipping Point, Energies Strategies*).

Major Initiatives For 2006-07

- Work with schools and other key stakeholders to ensure that solar power systems supported through the Solar Schools Program deliver benefits, including sustainable energy education, reductions in fossil fuel energy use and raising awareness across the school community.
- Review the operation of the Renewable Remote Power Generation Program, including new and existing sub-programs and individual projects supported through the program. Develop strategies for the operation of the program over the next four to six years, to ensure the best outcomes are achieved.
- Promote energy efficiency in off-grid areas in Western Australia to reduce consumers' energy bills and the cost and environmental impact of energy supply in remote areas including roll out of the Regional Energy Efficiency Program that provides compact fluorescent globes, rebates for high efficiency appliances and audits for businesses progressively to target local governments in off-grid areas.
- Finalise and release the Renewable Energy Strategy.
- Work with other Australian jurisdictions to achieve more streamlined national greenhouse and energy reporting to reduce the burden on organisations reporting across a number of programs at the national, state and territory level.
- Develop a strategy to assist the Government in achieving its commitment for 6 per cent of electricity sold on the SWIS to be generated for renewable energy sources by 2010, including contributing to the work of the states and territories working group investigating the potential for a multi-state renewable energy target.
- Commence policy development for the next phase of the Energy Smart Government program, which reaches the end of its first phase in 2007-08.
- Progress work with national and local stakeholders to develop a strategy for implementing mandatory disclosure of house thermal energy efficiency at point of sale or lease for residential dwellings, consistent with the National Framework for Energy Efficiency.

CAPITAL WORKS PROGRAM

The Office's capital works program consists of the replacement of computing equipment, office equipment and furniture. In accordance with the Office's capital investment plan and depreciation policy, computing equipment is budgeted for replacement after three years, office equipment after five years and furniture as required.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Network System Security Software.....	68	34	-	34
COMPLETED WORKS				
Computer Hardware and Software Replacement				
2004-05 Program	292	292	52	-
2005-06 Program	251	251	251	-
NEW WORKS				
Computer Hardware and Software Replacement				
2006-07 Program	235	-	-	235
	846	577	303	269

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	240	251	303	269	255	268	226
	240	251	303	269	255	268	226
LESS							
Drawdowns from the Holding Account	189	193	193	166	197	165	226
Funding Included in Service Appropriations ^(a)	51	58	110	103	58	103	-
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)	4,314	4,693	5,054	3,902	3,609	3,780	3,592
Superannuation	465	451	462	394	352	352	352
Grants and subsidies ^(c)	12,846	11,698	15,006	15,535	11,977	11,007	11,007
Supplies and services	6,268	10,790	12,529	3,906	2,988	3,108	3,428
Accommodation	568	500	500	465	445	445	445
Capital user charge	165	91	91	42	7	8	8
Depreciation and amortisation	199	303	303	197	211	173	173
Other expenses	22	23	23	23	24	24	24
TOTAL COST OF SERVICES	24,847	28,549	33,968	24,464	19,613	18,897	19,029
Income							
User charges and fees	39	-	-	-	-	-	-
Regulatory fees and fines	-	68	68	89	100	100	100
Gain on disposal of non-current assets	1	-	-	-	-	-	-
Grants and subsidies	6,717	5,000	5,000	5,000	5,000	5,000	5,000
Other revenue	744	595	595	525	525	595	595
Total Income	7,501	5,663	5,663	5,614	5,625	5,695	5,695
NET COST OF SERVICES	17,346	22,886	28,305	18,850	13,988	13,202	13,334
INCOME FROM STATE GOVERNMENT							
Service appropriations	14,572	22,264	25,460	17,798	13,909	13,142	13,274
Resources received free of charge	98	100	100	60	60	60	60
Liabilities assumed by the Treasurer	36	45	45	45	45	45	45
TOTAL INCOME FROM STATE GOVERNMENT	14,706	22,409	25,605	17,903	14,014	13,247	13,379
SURPLUS (DEFICIENCY) FOR THE PERIOD	(2,640)	(477)	(2,700)	(947)	26	45	45

(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 64, 62 and 60 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	4,694	1,766	1,996	1,237	1,318	1,368	1,581
Restricted cash	2,644	2,514	2,497	2,452	2,464	2,477	2,490
Investments	477	3,572	3,634	4,641	2,641	641	470
Receivables	1,721	734	1,759	1,655	1,612	1,614	1,614
Amounts receivable for services.....	166	166	166	236	165	226	-
Prepayments	61	2	61	61	61	61	61
Total current assets	9,763	8,754	10,113	10,282	8,261	6,387	6,216
NON-CURRENT ASSETS							
Amounts receivable for services.....	601	782	704	660	695	687	1,008
Plant and equipment.....	133	127	177	162	48	22	47
Loans and advances	1,829	2,000	1,829	1,829	1,829	1,829	-
Other.....	207	85	105	89	189	207	195
Total non-current assets.....	2,770	2,994	2,815	2,740	2,761	2,745	1,250
TOTAL ASSETS.....	12,533	11,748	12,928	13,022	11,022	9,132	7,466
CURRENT LIABILITIES							
Payables	157	610	129	127	128	129	129
Provision for employee entitlements	739	819	734	727	686	705	724
Accrued salaries	-	35	18	33	45	58	71
Amounts due to the Treasurer.....	2,406	5,579	5,463	6,463	4,463	2,463	463
Other.....	231	767	231	231	231	231	456
Total current liabilities.....	3,533	7,810	6,575	7,581	5,553	3,586	1,843
NON-CURRENT LIABILITIES							
Provision for employee entitlements	392	466	445	480	482	514	546
Total non-current liabilities	392	466	445	480	482	514	546
TOTAL LIABILITIES.....	3,925	8,276	7,020	8,061	6,035	4,100	2,389
EQUITY							
Contributed equity	1,305	1,097	1,305	1,305	1,305	1,305	1,305
Accumulated surplus/(deficit)	7,303	2,375	4,603	3,656	3,682	3,727	3,772
Total equity.....	8,608	3,472	5,908	4,961	4,987	5,032	5,077
TOTAL LIABILITIES AND EQUITY.....	12,533	11,748	12,928	13,022	11,022	9,132	7,466

(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	14,272	21,968	25,164	17,606	13,709	12,924	12,953
Holding account drawdowns	189	193	193	166	236	165	226
Net cash provided by State government	14,461	22,161	25,357	17,772	13,945	13,089	13,179
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(4,474)	(4,627)	(4,988)	(3,859)	(3,636)	(3,716)	(3,528)
Superannuation	(439)	(406)	(417)	(349)	(307)	(307)	(307)
Grants and subsidies	(12,846)	(11,698)	(15,006)	(15,535)	(11,977)	(11,007)	(11,007)
Supplies and services	(7,940)	(10,648)	(12,435)	(3,846)	(2,928)	(3,048)	(3,103)
Accommodation.....	(568)	(500)	(500)	(465)	(445)	(445)	(445)
Capital user charge.....	(165)	(91)	(91)	(42)	(7)	(8)	(8)
Goods and services tax	(886)	(1,030)	(964)	(517)	(344)	(357)	(358)
Other.....	(22)	(23)	(23)	(23)	(24)	(24)	(24)
Receipts							
User charges and fees.....	39	-	-	-	-	-	-
Regulatory fees and fines.....	-	68	68	89	100	100	100
Grants and subsidies	6,717	5,000	5,000	5,000	5,000	5,000	5,000
Goods and services tax	1,058	785	904	619	388	356	358
Other receipts	572	595	595	525	525	595	595
Net cash from operating activities	(18,954)	(22,575)	(27,857)	(18,403)	(13,655)	(12,861)	(12,727)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(98)	(193)	(245)	(166)	(197)	(165)	(226)
Proceeds from sale of non-current assets	5	-	-	-	-	-	-
Net cash from investing activities	(93)	(193)	(245)	(166)	(197)	(165)	(226)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(650)	(2,277)	(543)	(2,000)	(2,000)	(2,000)	(2,000)
Other payments for financing activities.....	(888)	(3,000)	(3,600)	(3,007)	-	-	-
Proceeds from borrowings	1,210	3,000	3,600	3,000	-	-	-
Other proceeds from financing activities.....	225	2,000	443	2,000	2,000	2,000	2,000
Net cash from financing activities	(103)	(277)	(100)	(7)	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(4,689)	(884)	(2,845)	(804)	93	63	226
Cash assets at the beginning of the reporting period	12,027	5,164	7,338	4,493	3,689	3,782	3,845
Cash assets at the end of the reporting period.....	7,338	4,280	4,493	3,689	3,782	3,845	4,071

(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	1,276	1,400	4,046	-	-	-	-
Payment to the Consolidated Fund on behalf of the Gas Corporation.....	408	-	-	-	-	-	-
Other expenses	1	-	-	-	-	-	-
TOTAL ADMINISTERED EXPENSES ^(b)..	1685	1,400	4,046	-	-	-	-
INCOME							
Interest revenue.....	28	-	-	-	-	-	-
Administered appropriations.....	1,276	1,400	4,046	-	-	-	-
TOTAL ADMINISTERED INCOME ^(c)	1,304	1,400	4,046	-	-	-	-

(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 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	(1,276)	(1,400)	(4,046)	-	-	-	-
Cash flow transfers	(408)	-	-	-	-	-	-
Other.....	(1)	-	-	-	-	-	-
TOTAL ADMINISTERED CASH OUTFLOWS	(1,685)	(1,400)	(4,046)	-	-	-	-
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Interest received.....	28	-	-	-	-	-	-
Administered appropriations.....	1,276	1,400	4,046	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	1,304	1,400	4,046	-	-	-	-
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(381)	-	-	-	-	-	-

(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
State's contribution to the Underground Power Project	4,820	4,820	4,820	7,320	4,820	4,820	4,820
Renewable Energy Production Subsidy	-	-	3,000	2,000	1,000	-	-
Commonwealth Specific Purpose Renewable Energy Funds - Renewable Remote Power Generation Program	-	4,950	4,950	4,950	4,950	4,950	4,950
Commonwealth Specific Purpose Renewable Energy Funds - Photovoltaic Rebate Program	30	-	-	-	-	-	-
Remote Area Power Systems Rebate Scheme (includes State's contribution to the Remote Regional Power Generation Program or RRPGP).....	5,670	-	-	-	-	-	-
Energy Smart Government Facilitation Grants	225	400	400	400	400	400	400
Other SEDO Grants	362	598	596	465	407	437	437
SEDO Grants Committee - Special Funding Round	221	30	-	-	-	-	-
Solar Hot Water Heater Incentive Scheme.....	1,108	500	840	-	-	-	-
Gas Boosted Solar Water Heater subsidy.....	-	400	400	400	400	400	400
Contributions to Energy Markets Working Group.....	171	-	-	-	-	-	-
Contributions to Energy Efficiency Working Group.....	202	-	-	-	-	-	-
Other grants, subsidies and transfer payments							
Energy Smart Community Grants	10	-	-	-	-	-	-
Community Partnership Grants	27	-	-	-	-	-	-
TOTAL.....	12,846	11,698	15,006	15,535	11,977	11,007	11,007

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							
Grants and subsidies	1,276	1,400	4,046	-	-	-	-
Payment to the Consolidated Fund on behalf of the Gas Corporation.....	408	-	-	-	-	-	-
Other.....	1	-	-	-	-	-	-
TOTAL.....	1,685	1,400	4,046	-	-	-	-

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 to Gas Corporation Administered							
Bank Accounts	28	-	-	-	-	-	-
Service appropriations	1,276	1,400	4,046	-	-	-	-
TOTAL.....	1,304	1,400	4,046	-	-	-	-

TRUST ACCOUNT DETAILS**SEDO Grants Committee Trust Account**

The purpose of this account is to hold funds for funding the operations of the SEDO Grants Committee, including the funding of renewable energy and energy efficiency demonstration and educational projects.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance.....	827	665	898	-
Receipts:				
Appropriations	523	523	-	-
Other.....	-	-	-	-
	1,350	1,188	898	-
Payments	452	688	898	-
CLOSING BALANCE	898	500	-	-

(a) The SEDO Grants Committee Trust was incorporated into the Office's Operating Trust Account from 1 July 2005.

Commonwealth Funded Initiatives and Programs Trust Account

The purpose of this account is to hold funds provided by the Commonwealth Government for the purpose of providing rebates under various programs undertaken in partnership with the Office and for the purpose of conducting any other programs that assist the implementation of energy efficiency initiatives throughout Western Australia.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance.....	2,305	1,979	1,805	2,148
Receipts:				
Appropriations	-	-	-	-
Other.....	5,787	5,000	5,000	5,000
	8,092	6,979	6,805	7,148
Payments	6,287	5,000	4,657	5,000
CLOSING BALANCE	1,805	1,979	2,148	2,148

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
Australian Greenhouse Building Rating Scheme	5	8	8	8
Contribution to Government Vehicle Scheme	20	20	20	20
Energy in WA Conference	-	70	35	35
First Rate Software assessor registration	29	60	60	60
Grants from Commonwealth (PVRP)	57	-	-	-
Grants from Commonwealth (RRPGP)	6,660	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
TOTAL	8,559	6,448	6,567	5,899

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

HORIZON POWER

CAPITAL WORKS PROGRAM

With the disaggregation of Western Power from 1 April 2006, Horizon Power was created to service the power needs of communities in regional Western Australia. The capital works program for 2006-07 year totals \$31.6 million, the program focuses on providing increased customer reliability, safety and increased capacity to serve new and existing customers.

Distribution

In 2006-07 a total of \$25.7 million will be spent on the following programs:

- Network Enhancement - \$11.0 million will be spent on upgrading regional electricity distribution networks to improve reliability.
- Aboriginal and Remote Communities Power Supply - \$3.7 million is being spent on 'regularisation' of power supplies to five permanent Aboriginal communities principally located in the Kimberley.
- Asset Replacement - \$3.5 million is for the replacement of older and less efficient assets to improve the reliability and safety of supply.
- State Underground Power Project - a further \$3.1 million is being spent in Port Hedland on undergrounding power supply to increase reliability due to regular cyclonic activity in the region.
- New Connections – Customer Driven, New Capacity - \$2.1 million is being spent on providing new connections to customers.
- Coral Bay Independent Power Provider - \$1.3 million is being spent in Coral Bay on establishing a distribution network and connection to the wind-diesel power supply being provided by Verve Energy.
- Overhead Customer Connections – Customer Driven, Public Safety - \$1.0 million will be spent on improving the reliability and safety of the system.

Other Works

Other proposed capital works amount to \$5.9 million and includes following:

- SCADA Network - \$2.2 million is being spent to allow monitoring of current loads and power stations to locate faults and minimise customer interruptions.
- Other projects amount to \$3.7 million and include \$1.1 million for a new linesman depot at Esperance, funding for the purchase of housing in the Pilbara for employees to rent and also the refurbishment of non-Pilbara housing.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
<i>Distribution</i>				
Aboriginal and Remote Communities Power Supply	8,263	4,525	4,525	3,738
Network Enhancement.....	71,609	2,542	2,542	10,955
State Underground Power Project	29,674	1,957	1,957	3,055
NEW WORKS				
<i>Distribution</i>				
Asset Replacement.....	15,666	-	-	3,475
Coral Bay - Independent Power Provider.....	1,318	-	-	1,318
New Connections - Customer Driven, New Capacity.....	32,109	-	-	2,076
Overhead Customer Connections - Customer Driven, Public Safety	4,159	-	-	1,047
<i>Other Works</i>				
Other Projects.....	30,549	-	-	3,766
SCADA Network.....	9,981	-	-	2,191
	203,328	9,024	9,024	31,621

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	-	-	9,024	31,621	18,821	27,211	21,921
	-	-	9,024	31,621	18,821	27,211	21,921
LESS							
Borrowings.....	-	-	9,024	12,840	-	-	-
Internal Funds and Balances.....	-	-	-	18,781	18,821	27,211	21,921
Capital Contribution	-	-	-	-	-	-	-

WESTERN POWER (NETWORKS)

CAPITAL WORKS PROGRAM

In 2006-07 Western Power's (Networks) \$483.2 million capital works program is focussed on improving the safety and reliability of electricity networks in the South West Interconnected System (SWIS), and developing the network infrastructure required to support the State's fast growing economy, new residential development and the introduction of the competitive SWIS electricity market.

Transmission

In 2006-07 a total of \$89.3 million has been allocated to transmission customer driven works and \$116.1 million for new capacity, asset replacement and public safety.

The \$89.3 million customer driven transmission works represents a significant investment by Western Power (Networks) for the ongoing development of the competitive SWIS electricity market. The transmission customer driven works program includes connecting new generators, supplying new sites and bulk loads, system upgrades and augmentations with a major component of the works focussing on the development of new transmission infrastructure to connect additional generation capacity to the SWIS. In 2006-07 Western Power (Networks) will invest in works to connect Alinta 3 and 4 at Wagerup, Bluewaters, and Wambo (Power Procurement 2). Partial funding for Western Power's (Networks) customer driven capital projects is provided by customer funded capital contributions.

Expenditure totalling \$116.1 million will be invested in new transmission capacity, asset replacement, and public safety and provide Western Power (Networks) with a solid basis to meet its regulatory obligations. Western Power's (Networks) investment in increased network system capacity is a key component of its challenge to supply the growing demand for electricity in the SWIS. These works include the establishment of new substations transmission lines, and works to increase the capacity of existing terminals, substations and lines. New substations will be established in 2006-07 at Clarkson, Rangeway, Padbury, Murdoch and Southern River.

Distribution

In 2006-07, \$84.6 million will be invested in distribution customer driven works, which will develop the electricity distribution infrastructure and support growth. Additional residential, commercial and industrial customers will be connected to the SWIS.

Western Power's (Networks) capital works program includes \$115.1 million in 2006-07 for the distribution new capacity, asset replacement and public safety capital works program. The objectives of the program are to target safety and reliability, increase capacity, and to replace and maintain existing assets. Public safety initiatives will include the continuation of the Bushfire Mitigation program. In addition, Western Power (Networks) will target areas with deteriorating reliability performance as part of an ongoing objective to improve reliability and enhance customer satisfaction. \$31.0 million will be invested in new capacity for the distribution network in 2006-07, driven by new subdivision developments, housing 'infill' in established suburbs and an increase in customer demand.

In addition to other safety and reliability initiatives, all feasible new connections in the metropolitan area and an increasing number of regional areas are being placed underground. Western Power (Networks) is retrospectively undergrounding power lines in the metropolitan area as part of the State Underground Power Program to improve reliability of supply. By 2010, 50 per cent of the metropolitan area will have underground power, with a similar improvement in regional areas of the State. In 2006-07, \$27.1 million will be invested in the State Underground Power Program.

Customers in regional areas of the SWIS are expected to benefit from improved reliability and performance as a result of the Rural Power Improvement Program. \$10.3 million in 2006-07 will be invested in upgrading equipment and distribution lines to provide additional capacity and backup capability and improve fault detection and isolation.

Mobile Plant, Motor Vehicle and IT Replacement

Approximately \$40.9 million in 2006-07 will be invested in maintenance and upgrades to existing technology, strategic technology projects, maintenance to existing workshops and additional mobile plant to support Western Power's business objectives. Western Power's (Networks) investment in strategic technology projects will enhance the effectiveness of operations and procurement and support market reform in the SWIS.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Distribution				
Customer Driven	366,245	46,953	46,953	84,571
New Capacity, Asset Replacement and Public Safety	562,602	23,335	23,335	115,058
Rural Power Improvement Program	35,012	2,390	2,390	10,266
State Undergrounding Power Program	82,054	3,981	3,981	27,121
Mobile Plant, Motor Vehicle and IT Replacement	158,278	11,007	11,007	40,851
Transmission				
Customer Driven	312,811	34,284	34,284	89,267
New Capacity, Asset Replacement and Public Safety	607,295	18,799	18,799	116,065
	2,124,297	140,749	140,749	483,199

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	-	-	140,749	483,199	481,759	526,520	492,070
	-	-	140,749	483,199	481,759	526,520	492,070
LESS							
Borrowings	-	-	34,756	300,410	246,825	268,426	281,491
Internal Funds and Balances	-	-	105,993	182,789	234,934	258,094	210,579
Capital Contribution	-	-	-	-	-	-	-

Part 13
Minister for Resources and Assisting the Minister for State
Development; Employment Protection; Goldfields-Esperance and
Great Southern

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
931	Consumer and Employment Protection			
	– Delivery of Services	62,094	66,221	63,485
	– Capital Contribution	3,150	3,150	2,950
	Total	65,244	69,371	66,435
954	Registrar, Western Australian Industrial Relations Commission			
	– Delivery of Services	10,969	10,583	10,753
	Total	10,969	10,583	10,753
964	Goldfields-Esperance Development Commission			
	– Delivery of Services	1,576	1,576	1,476
	– Capital Contribution	12	12	-
	Total	1,588	1,588	1,476
975	Great Southern Development Commission			
	– Delivery of Services	11,689	2,864	3,074
	– Capital Contribution	9,085	1,685	23
	Total	20,774	4,549	3,097
	GRAND TOTAL			
	– Delivery of Services	86,328	81,244	78,788
	– Capital Contribution	12,247	4,847	2,973
	Total	98,575	86,091	81,761

CONSUMER AND EMPLOYMENT PROTECTION

PART 13 - MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN

DIVISION 53

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 102 Net amount appropriated to deliver services.....	58,738	61,972	66,099	63,360	64,422	65,573	69,681
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	118	122	122	125	129	133	133
Total appropriations provided to deliver services.....	58,856	62,094	66,221	63,485	64,551	65,706	69,814
CAPITAL							
Item 172 Capital Contribution	1,928	3,150	3,150	2,950	3,780	2,770	1,420
GRAND TOTAL	60,784	65,244	69,371	66,435	68,331	68,476	71,234

- (a) The recommendation by the Salaries and Allowances 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 create an employment and trading environment that provides for the growth, safety and protection of the community by:

- *enhancing capacity;*
- *ensuring an effective regulatory environment; and*
- *enforcing the law.*

SIGNIFICANT ISSUES AND TRENDS

Consumer Protection

- The expected passage through Parliament of legislation in the areas of trade measurement, residential park living and public collections will have an impact upon the Department of Consumer and Employment Protection as new procedures and processes to support the administration of the legislation will need to be implemented.
- The expected implementation of the statutory review of the *Residential Tenancies Act 1987* will have an impact on a number of State Government agencies, including the Department of Consumer and Employment Protection, responsible for tenancy services under the Act. The review has been completed and recommended legislative and procedural changes will have resourcing, administration and community education implications.

- The Government decision to proceed with the implementation of the Review of Boards and Committees in the Consumer Protection portfolio will have an impact on the Consumer Protection Division of the Department.
- The expected implementation of the review of the *Fair Trading Act 1987* and the *Consumer Affairs Act 1971* will require legislative changes which will have procedural, resourcing and community education implications.
- The increasing use of credit by Western Australian consumers suggests that greater controls may be necessary to ensure quality advice is given to consumers to assist with credit decisions. Increasing debt will place an increased demand on the Department of Consumer and Employment Protection to assist in negotiating alternative repayment arrangements due to hardship. Excessive interest rates charged by some providers of short term credit requires amendment to the Uniform Consumer Credit Code to better protect vulnerable consumers.
- The expected implementation of the certification of repairers program under the Motor Vehicle Repairers legislation will have resourcing, administrative and community education implications and will engage a significant portion of the retail motor vehicle industry.
- Enactment of uniform trade measurement legislation will have a significant impact upon the Department of Consumer and Employment Protection as new procedures and processes to support the administration of the legislation are implemented, including a new online system.
- Proposals to reform the Australian consumer product safety system may alter the manner in which product safety is regulated within the marketplace. These reforms may substantially change the needs of traders and consumers for education and support from the Department of Consumer and Employment Protection change the extent and nature of the Department's role in this area of regulation.

Employment Protection

- Western Power's ageing electricity distribution infrastructure, particularly in respect of wood pole type overhead power lines, has become an increasing concern due to the potential risk it poses to public, stock and property safety.
- A recommendation of the Machinery of Government Review is that Energy Safety should be fully industry funded. The ability to raise funding in this way is dependent on the successful passage through Parliament of the required enabling legislation.
- Too many electricians and members of the Western Australian community are being injured (or worse) through electrical accidents. To address this, the Department of Consumer and Employment Protection will increase its focus on industry and community education.
- Western Australia joined other states to mount a constitutional challenge to the Federal Government's new industrial relations Work Choices legislation.
- Any resultant changes in working arrangements following the introduction of the Work Choices legislation will need to be assessed to ensure they do not adversely impact on the safety and health of workers. In addition, the passage of the *Building and Construction Industry Improvement Act* and resultant creation of the offices of the Australian Building and Construction Commissioner and Federal Safety Commissioner will impact on the way in which occupational safety and health is regulated and has the potential to result in confusion and duplication.
- Western Australia remains committed to national occupational safety and health targets which aim for at least a 20 per cent reduction in fatalities and a 40 per cent reduction in injuries between 2002-12.
- Changes to the working environment, most notably the changing labour market and complex employment arrangements (for example, through increased casualisation, more part-time workers and a move away from the traditional employment arrangements) continue to pose challenges and increase the complexity of the occupational safety and health environment. It is anticipated that the statutory review being carried out by Richard Hooker of the *Occupational Safety and Health Act 1984* will further examine the extent to which the Act is effective in an increasingly complex environment.

- Careful consideration of new means of providing the regulatory service across the full range of regulatory and advisory activity at an increased number of sites is required due to rapid expansion and diversification of the resources industry in the state.
- The current skills shortages across a number of industry sectors impacts upon the Department of Consumer and Employment Protection's ability to recruit and retain staff with the necessary technical skills and expertise. Strategies will be developed to attract and retain appropriate personnel.
- Extensive liaison and communication with industry and other stakeholders will be required on a range of legislation administered by the Department such as the new *Dangerous Goods Safety Act 2004* and associated regulations, and the regulations required to implement the National Standard for Construction Work.
- The Hicks' Review is considering the feasibility of establishing Resources Safety as a separate statutory authority, and the potential significant change to the regulatory regime that may result from safety case regulation of the minerals industry.

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
Attraction and Retention Benefit.....	2,078	2,140	2,205	2,279
Fatigue Management - Transport Inspectors.....	260	260	260	260
Public Sector Directorate - Agency Based Public Sector Agreements.....	440	440	440	440

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>							
Community Information and Assistance	23,596	24,168	25,147	25,111			
<i>Service 2:</i>							
Regulatory Framework	13,980	14,303	15,278	15,140			
<i>Service 3:</i>							
Regulation Enforcement	45,731	45,689	48,082	48,882			
Total Cost of Services	83,307	84,160	88,507	89,133	90,399	94,906	99,541
<i>Less Income</i>	<i>22,011</i>	<i>18,358</i>	<i>18,578</i>	<i>23,838</i>	<i>24,714</i>	<i>28,200</i>	<i>28,727</i>
Net Cost of Services	61,296	65,802	69,929	65,295	65,685	66,706	70,814
Adjustments ^(a)	(2,440)	(3,708)	(3,708)	(1,810)	(1,134)	(1,000)	(1,000)
Appropriation provided to deliver Services.	58,856	62,094	66,221	63,485	64,551	65,706	69,814
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	-	-	-	-	-	-	-
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	1,928	3,150	3,150	2,950	3,780	2,770	1,420
TOTAL CONSOLIDATED FUND APPROPRIATIONS	60,784	65,244	69,371	66,435	68,331	68,476	71,234

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

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

(c) Figures reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

RESOURCE AGREEMENT

The following outcome, service and financial information is the subject of Resource Agreements signed by the Minister for Consumer Protection, Minister for Employment Protection, 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.	A community in which members meet their responsibilities and where the rights of all parties are protected in relation to the various areas of DOCEP's responsibility: consumer protection, labour relations, occupational safety and health and energy safety.	<ol style="list-style-type: none"> 1. Community Information and Assistance 2. Regulatory Framework 3. Regulation Enforcement

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: A community in which members meet their responsibilities and where the rights of all parties are protected in relation to the various areas of DOCEP's responsibility: consumer protection, labour relations, occupational safety and health and energy safety.					
The extent to which members of the community comply with the requirements of regulations in the various areas of the Department's responsibility.....	86%	80%	80%	80%	
The proportion of key measures exhibiting desirable trends in the various areas of the Department's responsibility.....	100%	80%	80%	80%	

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

Service 1: Community Information and Assistance

Access to knowledge, information and support so that members of the community can exercise their rights and meet their obligations in the various areas of the Department of Consumer and Employment Protection's responsibility.

	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	23,596	24,168	25,147	25,111	
Less Income	3,563	2,631	2,798	3,053	
Net Cost of Service.....	20,033	21,537	22,349	22,058	
Adjustments ^(a)	(691)	(1,065)	(1,054)	(513)	
Appropriation for delivery of Service	19,342	20,472	21,295	21,545	

(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 response to customer enquiry..	\$8.18	\$8.98	\$8.82	\$9.21	
Average cost per information and education service	\$1.97	\$2.73	\$2.22	\$2.06	
Average cost per advice or assistance service	\$93.58	\$92.81	\$101.79	\$103.41	
Full Time Equivalents (FTEs)	219	224	242	241	

(a) Figures reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

Major Achievements For 2005-06**Consumer Protection**

- Implemented the Indigenous Consumer Education Plan and worked as the lead agency in the implementation of the National Indigenous Consumer Strategy.
- Completed a major redevelopment of the Western Australian ScamNet website which now includes different types of scams, advice on fighting back, frequently asked questions, testimonials, useful links and weekly listings of new scams. ScamNet media alerts are regularly published by newspapers and radio.
- Developed and implemented innovative education strategies for young consumers including supporting a competition for the best short film made with a consumer theme, and working in partnership with university students developing multi-media games with consumer and financial literacy themes.
- Continued implementation of the Senior Consumers Education Plan in line with the recommendations of the Active Aging Taskforce by participating in Seniors Week and arranging for information about consumer protection and FuelWatch to be included in the Seniors Directory which is distributed to 192,000 households and reaches more than 228,000 Western Australian seniors.

Employment Protection

- Developed a Code of Practice on the prevention and management of violence, aggression and bullying in the workplace.
- A Code of Practice on Working Hours has been developed by the Commission for Occupational Safety and Health to promote a holistic, risk management approach to identifying hazards and assessing risks associated with extended working hours in workplaces. It is anticipated that the Code will be released by mid 2006.
- Conducted a range of educational activities and events including conferences, forums, award ceremonies, awareness raising campaigns and promotion of new initiatives, in addition to implementing major changes to key websites.
- Delivered free occupational safety and health assistance to over 390 small businesses in high-risk industry sectors, provided additional capacity to deliver the program in regional areas and the construction and transport sectors and appointed an independent research company to conduct a formal evaluation of the program.
- The final phases of the recruitment of additional WorkSafe inspectors completed with a total of 20 new inspectors out in the field increasing WorkSafe's visibility and presence.
- Launched the re-vamped WorkSafe website to ensure comprehensive information and advice on occupational safety and health is available to workplaces. This initiative was complemented with a new web-based resource for primary, secondary and tertiary students.

- Significantly improved safety awareness levels in the mining industry, through industry roadshows, enhanced liaison with safety and health representatives, enhancements to the MineSafe magazine and the Resources Safety website, and publication of safety brochures, posters and other guidance material.
- Advice in relation to public risk associated with new construction and resource industry development projects was provided on over 200 development submissions, including to the Department for Planning and Infrastructure, Western Australian Planning Commission, Environmental Protection Authority and other approving agencies.

Major Initiatives For 2006-07

Consumer Protection

- Implement an information program for businesses addressing consumer protection rights and responsibilities.
- Continue to implement Indigenous Consumer Protection strategies that have been identified through the Indigenous Community Education Program and work as lead agency for the National Indigenous Consumer Strategy Action Plan for 2005-10.
- Enhance community education initiatives targeted towards vulnerable groups such as young consumers, seniors and recent migrants.
- Develop and conduct intensive information campaigns to support the passage and implementation of new legislation in the areas of residential parks, public collections, cooperatives, associations, motor vehicle repairers and boards and committees.
- Undertake an education campaign to warn the public about credit options such as debt consolidation and reverse equity loans, and the need to carefully analyse long term impacts.
- Progress a range of grants to metropolitan and regional service providers from the community sector for the provision of tenancy education and advocacy services under the *Residential Tenancies Act 1987* Rental Accommodation Fund.

Employment Protection

- Strengthen information and assistance provided to those involved with the supervision, management and practice of work safety.
- Provide industry specific occupational safety and health information to small business as part of the ThinkSafe Small Business Strategy and to the farming sector through farm safety strategy and targeted assistance to the shearing sector.
- Introduce additional Work Safety Awards to recognise outstanding occupational safety and health management, solutions and innovation in Western Australian workplaces that reduces the risk of work-related injury and disease.
- Organise a major safety and health representatives' forum to better support representatives in their role.
- Undertake an advertising campaign to promote electrical and gas safety in the community to reduce the number of electrical and gas accidents and fatalities.
- Develop and launch the Work Life Balance Policy Statement.
- Develop pay equity resource package with best practice guidelines.
- Provide advice to employers and employees on impact of Work Choices legislation via a Fair Go telephone service.
- Develop education tools to raise community awareness of employment obligations and the interaction with the State industrial relations system as a result of Work Choices legislation.

Service 2: Regulatory Framework

Development and maintenance of policy and legislation which reflect community expectations in relation to the various areas of the Department of Consumer and Employment Protection's responsibility.

	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	13,980	14,303	15,278	15,140	
Less Income	873	564	690	1,234	
Net Cost of Service	13,107	13,739	14,588	13,906	
Adjustments ^(a)	(409)	(630)	(640)	(295)	
Appropriation for delivery of Service	12,698	13,109	13,948	13,611	

(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 major policy project.....	\$309,822	\$349,916	\$340,366	\$252,740	The target reflects an increase to the number of major policy projects delivered within existing resources. This will result in reduced unit costs.
Average cost per policy project	\$40,326	\$41,607	\$27,455	\$32,843	The target reflects an increase to the number of major policy projects delivered and a corresponding reduction in the number of other projects delivered. This will result in increased unit costs.
Average cost per policy task.....	\$1,809	\$1,931	\$2,020	\$2,042	
Full Time Equivalents (FTEs)	122	130	129	134	

(a) Figures reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

Major Achievements For 2005-06

Consumer Protection

- Completed the Residential Parks (Long-stay) Tenants Bill 2005, which was passed by the Legislative Assembly in October 2005. The Bill balances the needs of residential park residents for greater security of tenure while supporting the maintenance of existing, and the development of new, residential parks.
- Completed the Consumer Protection Legislation Amendment and Repeal Bill 2005 passed by the Legislative Assembly in November 2005. The Bill amends a number of Acts in the Consumer Protection portfolio. The amendments correct anomalies, improve consumer protection, streamline administrative practices and remove unnecessary legislation. The Bill repeals one Act and amends 11 other Acts.

- Completed the Retail Shops and Fair Trading Legislation Amendment Bill 2005, which was passed by the Legislative Assembly in November 2005. The Bill confirms existing arrangements for retail trading hours in Western Australia and introduces the Small Business Legislative Protection Package.
- Progressed drafting of the Association Incorporation Act Amendment Bill and completed drafting of the Cooperatives Bill, for consultation.
- Completed reviews of the *Residential Tenancies Act 1987*, the *Auction Sales Act 1973* and the *Builders Legislation Amendment Act 2000*.
- Commenced a general review of building legislation. Prepared and released an Issues Paper on the *Home Building Contracts Act 1991*.
- Progressed the reviews of the *Fair Trading Act 1987*, the *Consumer Affairs Act 1971* and the *Retirement Villages Act 1992*.
- Established the Finance Brokers Control (General) Regulations 2005.
- Established regulations supporting the introduction of infringement notices in the area of consumer protection.

Employment Protection

- Developed briefings, provided instruction and liaised with other relevant states for the High Court challenge to the Federal Government's Work Choices legislation.
- Drafted the Labour Relations Legislation Amendment Bill 2006. The draft Bill amends existing Acts to improve leave entitlements, prescribe 38 ordinary working hours per week, prohibit employers from unduly pressuring employees to cash-out annual leave, improve long service leave entitlements and other minor amendments.
- Drafted amendments to the *Industrial Relations Act 1979* to enable the Western Australian Industrial Relations Commission to hold its own independent State Wage Cases.
- Drafted amendments to the Government's Minimum Standards and Conditions of Employment Policy 2002 to protect award conditions and to promote collective bargaining in light of the Work Choices legislation.
- Established the Pay Equity Unit to develop a work plan to reduce the gender pay gap in Western Australia.
- Developed a wages policy for the public sector for 2005-07, which provides the parameters for negotiations between Government, agencies and unions.
- Provided advice regarding interpretation and application of award and agreements matters, including the establishment of an awards database to facilitate the transition and establishment of the Office of Shared Services.
- Commenced the 2005 Statutory Review of the *Occupational Safety and Health Act 1984*.
- Developed regulations to support implementation of changes to the *Occupational Safety and Health Act 1984* arising from the 2000 statutory review.
- Introduced mandatory safety awareness induction training for the construction industry.
- Made improvements to the Gas and Electricity Safety Legislation Amendment Bill, which is expected to be reintroduced into Parliament and seeks to improve Energy Safety's electricity and gas safety enforcement capabilities.
- Continued to monitor the work being undertaken by gas appliance manufacturers in relation to the effect of emissions on indoor air quality from the new generation of low emissions, flue-less gas heaters and took steps to restrict the future use of flue-less gas space heaters in schools and similar institutions.

- Continued to progress amendments to Part IX of the Electricity Regulations 1947 in order to improve the electrical safety of electrician work practices, and to introduce strict controls on performing electrical work on or close to 'live' parts.
- Through the National Oil Supply Emergency Committee, developed improvements for existing Commonwealth and State / Territory legislation and operational plans to deal with possible national, local and cross-border liquid fuel shortages.
- Completed drafting instructions and public consultation for dangerous goods regulations and associated Codes of Practice, under the *Dangerous Goods Safety Act 2004*. This reform covers regulation of explosives; Major Hazard Facilities; Security Risk Substances (counter-terrorism); and the transport, storage and use of dangerous goods.
- Successful implementation of significant changes to the *Mines Safety and Inspection Act 1994*, including procedural reforms, changes in regard to Safety and Health Representatives, and establishment of a new Mining Industry Advisory Committee.
- Successfully transferred Resources Safety functions and responsibilities from the Department for Industry and Resources.

Major Initiatives For 2006-07

Consumer Protection

- Implement the recommendations of the statutory review of the *Residential Tenancies Act 1987*.
- Complete a comprehensive review of building legislation in the Consumer Protection portfolio and begin implementation of the recommendations.
- Amend legislation to enable the implementation of the Review of Boards and Committees in the Consumer Protection portfolio.
- Implement a voluntary accreditation scheme for the holiday accommodation industry in partnership with Tourism Western Australia and the Tourism Council of Western Australia.
- Implement a range of infringement notices, as an alternative to formal proceedings, under all appropriate Consumer Protection legislation.
- Respond to the predatory lending issue by increasing regulatory controls.
- Explore opportunities to improve the coverage and regulation for investment and credit advice.
- Finalise the Finance Brokers Code of Conduct.
- Undertake a review of the *Retirement Villages Act 1992* and the code of Fair Practice for Retirement Villages.
- Implement a certification scheme for motor vehicle tradespersons and complete the development of a licensing framework for motor vehicle repair businesses.

Employment Protection

- Commence a review of the Occupational Safety and Health Regulations 1996.
- Implement changes to the *Occupational Safety and Health Act 1984* and associated regulations as a result of the 2005 statutory review of the Act.
- Implement the regulatory changes required as a result of the declaration of the National Standard for Construction Work and the anticipated declaration of new national standards relating to Licensing Persons Performing High Risk Work.
- Amend the respective regulations dealing with electricity transmission / distribution system safety and the gas distribution system safety to make safety cases mandatory for large network operators, improve safety performance and reduce reliance on regulatory action and oversight.
- Finalise and implement amendments to Part IX of the Electricity Regulations 1947 in order to improve the electrical safety of electrician work practices.
- Amend the electricity and gas technical and safety regulatory framework to allow the use of infringement notices for routine breaches of regulatory requirements by energy industry operatives and businesses.
- Participate in the review of the national electrical appliance safety regime in conjunction with other Electrical Regulatory Authorities Council (ERAC) members and support the industry consultation phases.
- Undertake a Liquid Fuel Shortage Emergency Desktop Exercise, as part of obligations under the state's emergency management framework.
- Provide industrial assistance to the Skills Formation Taskforce to amend awards to reflect changes to the state training system and meet obligations under the National Council of Australian Governments' Agreement.
- Develop recommendations for the reform of the *Construction Industry Portable Paid Long Service Leave Act 1985*.
- Monitor and analyse the impact of Work Choices legislation on wages and conditions outcomes for Western Australian workers and assess the High Court decision about the constitutional validity of Work Choices legislation and its impact on the state system.
- Develop a model pay equity audit tool for use within public and private sectors in Western Australia.
- Represent the Government's position in award negotiations conducted by public sector agencies for agency specific occupational groups.
- Proclaim and implement dangerous goods legislative reform package, including new guidance material and training courses relating to counter-terrorism measures, explosives management, fireworks events, and risk assessments.
- Implement agreed reforms resulting from the Hicks' Review including, where necessary, development of amendments to existing legislation.

Service 3: Regulation Enforcement

Enforcement of regulation governing the various areas of the Department of Consumer and Employment Protection's responsibility.

	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	45,731	45,689	48,082	48,882	
Less Income	17,575	15,163	15,090	19,551	
Net Cost of Service	28,156	30,526	32,992	29,331	
Adjustments ^(a)	(1,340)	(2,013)	(2,014)	(1,002)	
Appropriation for delivery of Service	26,816	28,513	30,978	28,329	

(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 registration service	\$5.88	\$5.40	\$6.37	\$6.43	
Average cost per licensing service	\$102.82	\$109.16	\$110.05	\$106.34	
Average cost of inspections and audits	\$66	\$77	\$71	\$71.13	
Average cost of investigations and compliance conciliation	\$758	\$761	\$794	\$806	
Average cost of prosecution, legal actions and proceedings	\$1,495	\$1,459	\$1,623	\$1,446	Target reflects an increase to the quantity of services to be delivered within existing resources. This will result in reduced unit costs.
Full Time Equivalents (FTEs)	461	486	479	476	

(a) Figures reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

Major Achievements For 2005-06**Consumer Protection**

- Completed a series of successful prosecutions against traders who were found to be involved in making false and / or misleading representations in relation to goods, services and land. The prosecutions covered a diverse range of issues including fish substitution, failure to disclose terms and conditions in advertisements, false representations about modelling services, false testimonials about a real estate service and misleading representations about the legal requirements to possess safety equipment.
- Transferred responsibilities for finance brokers from the Finance Brokers Supervisory Board to the Department of Consumer and Employment Protection.
- Conducted proactive compliance inspections at the Perth Royal Show, numerous metropolitan shows and throughout the metropolitan region in the lead up to Christmas in the areas of product safety and trade measurement regulation, which have resulted in a number of prosecution actions.

Employment Protection

- Targeted occupational safety and health intervention activities in line with the national and state based priority hazard / risk areas in workplaces, including national occupational safety and health compliance initiatives in the agriculture, manufacturing and demolition industries.
- Finalised prosecution matters including the recovery of underpayment of wages and the suspension of union officials' right of entry authorities.
- Carried out a proactive compliance inspection campaign in the roof tiling industry and a follow-up inspection program, during which employers with previous individual unpaid wages complaints, were revisited.
- Continued implementation of Safety Case methodologies to new and existing Major Hazard Facilities and onshore oil and gas facilities. Major projects included ammonia production plants; ammonium nitrate production plant; liquid natural gas (LNG) power plant projects; petroleum exploration and production; and the Dampier to Bunbury Natural Gas Pipeline expansion.
- Continued the audit of Western Power's wood pole management systems for compliance with regulatory safety requirements.
- Implemented new procedures for summary disciplinary proceedings against licensed electrical and gas operatives, and for referring more serious proceedings to the State Administrative Tribunal.
- Continued to actively participate in the national Energy Industry Assurance Advisory Group, which aims to improve the resilience of critical energy industry infrastructure, covering electricity, liquid fuels and gas supplies, by attendance, information exchange and organising local workshops.
- Coordinated a number of highly successful intervention campaigns to address the issue of driver fatigue in the commercial sector. These interventions were part of a collaborative approach involving a range of Government agencies, particularly involving Police and Main Roads.

Major Initiatives For 2006-07**Consumer Protection**

- Implement a licensing and compliance regime for motor vehicle repairers.
- Implement new procedures and compliance arrangements to support the administration of legislation in the areas of public collections, residential park living, cooperatives and associations.
- Improve the licensing and compliance regime in respect of credit providers, debt collectors and finance brokers.
- In conjunction with the Real Estate and Business Agents Supervisory Board, implement compulsory professional development for licensed real estate agents.

Employment Protection

- Target occupational safety and health intervention activities in line with priority compliance initiatives including those in the manufacturing, construction, health and community services, agriculture, forestry and fishing, transport and storage, retail and wholesale trade industries; and in the State priority areas of work at height, manual handling, electricity, slips and trips, hazardous substances, new and young workers, machine guarding and mobile plant.
- Review with Western Power the outcomes of Energy Safety's wood pole management systems compliance audit, with particular focus on increasing the proportion of the 800,000 ageing wood poles being replaced.

- Provide general technical support to the Economic Regulation Authority and the Energy Ombudsman in relation to electricity and gas supply industry regulation, network safety and network performance (quality and reliability), and carry out investigations as appropriate to support these functions. Finalise proposed memoranda of understanding (MoUs) with each of these bodies.
- Undertake proactive compliance campaigns in the retail and hospitality industries in metropolitan areas and in regional specific industries.
- Improve control of explosives and security risk substances throughout Western Australia in line with new regulations.
- Investigate instances of alleged underpayment of wages and conditions of overseas skilled workers who have come to Australia on special visas.

CAPITAL WORKS PROGRAM

The Department's capital works program in 2006-07 will continue to enhance the access by the public to the Department via the web and ongoing asset replacement of computer equipment.

Work will commence on enhancing and expanding the Hazardous Materials Management System (HAZMAN) to enable the Department to implement the *Dangerous Goods Safety Act 2004*. Another significant project is the upgrading and replacement of supporting safety regulatory services to enable the capture and analysis of data across all of the resources regulatory disciplines.

	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 Systems Development and Enhancement -				
Business Names System (Western Australia) (BNWA)	2,000	500	500	-
Integrated Document Management System (IDMS)	1,600	800	800	800
Information Technology Infrastructure				
Business Systems and Online Infrastructure	1,100	250	250	350
PC Replacement Plan -				
PC Replacement Program 2005-06 to 2009-10.....	800	160	160	160
COMPLETED WORKS				
Business Systems Development and Enhancement -				
2001-02 Program	2,069	2,069	366	-
Computer Hardware and Software -				
2003-04 Program	791	791	588	-
2004-05 Program	127	127	127	-
2005-06 Program	80	80	80	-
Corporate Infrastructure -				
2002-03 Program	648	648	123	-
DOCEP Online Services -				
2001-04 Program	1,540	1,540	996	-
Other Works -				
Additional Security at Kalgoorlie and Baldivis Explosive Reserves.....	1,600	1,600	1,600	-
Minor Equipment Purchases	952	952	322	-
Upgrading of Security at Kalgoorlie and Baldivis Explosives Reserves.....	200	200	200	-
PC Replacement Plan -				
2004-06 Program	1,500	1,500	1,260	-
NEW WORKS				
Business Systems Development and Enhancement -				
HAZMAN	1,470	-	-	500
Safety Regulation System Improvement	4,800	-	-	300
Worksafe Information System Environment (WISE)	3,000	-	-	1,000
PC Replacement Plan -				
2006-07 Program	750	-	-	750
	25,027	11,217	7,372	3,860

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	2,914	2,380	7,372	3,860	4,900	3,890	2,540
	2,914	2,380	7,372	3,860	4,900	3,890	2,540
LESS							
Drawdowns from the Holding Account	1,016	830	990	910	1,120	1,120	1,120
Internal Funds and Balances	(30)	-	3,232	-	-	-	-
Capital Contribution	1,928	1,550	3,150	2,950	3,780	2,770	1,420

FINANCIAL STATEMENTS

INCOME STATEMENT
(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
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	48,665	48,802	51,385	51,960	52,284	54,987	55,757
Superannuation	5,423	4,837	4,868	4,900	4,949	5,012	5,012
Grants and subsidies ^(c)	761	433	2,129	670	670	355	355
Supplies and services	18,964	19,721	19,722	20,693	20,760	22,832	26,674
Accommodation	5,466	5,516	5,552	5,667	5,782	5,897	5,897
Capital user charge	1,930	1,632	1,632	1,696	1,873	2,043	2,043
Depreciation and amortisation	2,047	3,015	3,015	3,342	3,623	3,560	3,560
Other expenses	51	204	204	205	458	220	243
TOTAL COST OF SERVICES	83,307	84,160	88,507	89,133	90,399	94,906	99,541
Income							
User charges and fees	9,587	9,962	10,182	10,204	10,231	11,239	11,458
Regulatory fees and fines	11,304	7,876	7,876	13,104	13,948	16,421	16,718
Other revenue	1,120	520	520	530	535	540	551
Total Income	22,011	18,358	18,578	23,838	24,714	28,200	28,727
NET COST OF SERVICES	61,296	65,802	69,929	65,295	65,685	66,706	70,814
INCOME FROM STATE GOVERNMENT							
Service appropriations	58,856	62,094	66,221	63,485	64,551	65,706	69,814
Resources received free of charge	950	915	915	925	930	935	935
Liabilities assumed by the Treasurer	1,055	738	738	748	758	768	768
TOTAL INCOME FROM STATE GOVERNMENT	60,861	63,747	67,874	65,158	66,239	67,409	71,517
SURPLUS (DEFICIENCY) FOR THE PERIOD	(435)	(2,055)	(2,055)	(137)	554	703	703
Extraordinary items	15	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(420)	(2,055)	(2,055)	(137)	554	703	703

(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 802, 850 and 851 respectively.

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

(d) Figures reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

**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	8,347	3,010	4,420	5,488	6,576	7,764	8,467
Restricted cash	767	140	787	807	827	847	847
Receivables	4,718	1,689	3,718	3,018	2,918	3,018	3,018
Amounts receivable for services	1,929	910	910	1,120	1,120	1,120	-
Prepayments	489	650	539	489	439	389	389
Total current assets	16,250	6,399	10,374	10,922	11,880	13,138	12,721
NON-CURRENT ASSETS							
Amounts receivable for services	2,773	5,368	5,817	8,039	10,542	12,982	16,542
Land and buildings	5,962	5,962	5,962	5,962	5,962	5,962	5,962
Plant and equipment	5,120	4,644	7,393	6,795	5,649	3,851	1,411
Intangibles	-	530	530	1,087	1,672	2,286	3,286
Other	17	4,315	2,980	3,539	5,377	6,891	7,311
Total non-current assets	13,872	20,819	22,682	25,422	29,202	31,972	34,512
TOTAL ASSETS	30,122	27,218	33,056	36,344	41,082	45,110	47,233
CURRENT LIABILITIES							
Payables	1,816	1,802	1,639	1,777	1,654	1,674	1,674
Provision for employee entitlements	7,566	7,965	7,665	7,861	8,063	8,270	8,270
Monies in trust	708	140	728	748	768	788	788
Accrued salaries	-	180	180	180	360	540	540
Other	11	11	11	11	11	11	11
Total current liabilities	10,101	10,098	10,223	10,577	10,856	11,283	11,283
NON-CURRENT LIABILITIES							
Provision for employee entitlements	5,181	4,644	5,298	5,419	5,544	5,672	5,672
Other	5	5	5	5	5	5	5
Total non-current liabilities	5,186	4,649	5,303	5,424	5,549	5,677	5,677
TOTAL LIABILITIES	15,287	14,747	15,526	16,001	16,405	16,960	16,960
EQUITY							
Contributed equity	12,022	15,027	16,627	19,577	23,357	26,127	27,547
Accumulated surplus / (deficit)	2,813	(2,556)	903	766	1,320	2,023	2,726
Total equity	14,835	12,471	17,530	20,343	24,677	28,150	30,273
TOTAL LIABILITIES AND EQUITY	30,122	27,218	33,056	36,344	41,082	45,110	47,233

(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 reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget 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	56,427	59,079	63,206	60,143	60,928	62,146	66,254
Capital contribution	1,928	3,150	3,150	2,950	3,780	2,770	1,420
Holding account drawdowns	1,016	990	990	910	1,120	1,120	1,120
Net cash provided by State government	59,371	63,219	67,346	64,003	65,828	66,036	68,794
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(49,797)	(48,343)	(50,926)	(51,615)	(51,749)	(54,472)	(55,747)
Superannuation	(4,367)	(4,099)	(4,130)	(4,152)	(4,191)	(4,244)	(4,244)
Grants and subsidies	(761)	(433)	(2,129)	(670)	(670)	(355)	(355)
Supplies and services	(17,701)	(18,566)	(18,447)	(19,489)	(20,806)	(22,656)	(26,492)
Accommodation.....	(5,466)	(5,516)	(5,552)	(5,667)	(5,782)	(5,897)	(5,897)
Capital user charge.....	(1,930)	(1,632)	(1,632)	(1,696)	(1,873)	(2,043)	(2,043)
Goods and Services Tax	(2,172)	(1,640)	(1,640)	(1,650)	(1,660)	(1,670)	(1,670)
Other.....	(407)	(205)	(205)	(216)	(229)	(236)	(259)
Receipts							
User charges and fees.....	7,028	8,367	8,382	8,552	8,728	9,726	9,890
Regulatory fees and fines.....	11,914	10,005	9,990	15,215	16,054	18,526	18,872
Goods and Services Tax	1,833	1,668	1,668	1,683	1,698	1,713	1,713
Other receipts	1,453	640	640	650	660	670	681
Net cash from operating activities.....	(60,373)	(59,754)	(63,981)	(59,055)	(59,820)	(60,938)	(65,551)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(2,523)	(4,340)	(7,372)	(3,860)	(4,900)	(3,890)	(2,540)
Net cash from investing activities.....	(2,523)	(4,340)	(7,372)	(3,860)	(4,900)	(3,890)	(2,540)
CASH FLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities.....	-	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(3,525)	(875)	(4,007)	1,088	1,108	1,208	703
Cash assets at the beginning of the reporting period	12,469	3,625	8,914	5,207	6,295	7,403	8,611
Net cash transferred to / from other agencies.....	-	-	300	-	-	-	-
Cash assets at the end of the reporting period.....	8,944	2,750	5,207	6,295	7,403	8,611	9,314

(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) (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
EXPENSES							
Grants and subsidies	1,688	1,600	1,600	1,605	1,610	1,615	1,615
Supplies and services	3,187	2,000	2,000	2,900	3,000	3,100	3,100
Receipts paid into consolidated fund.....	7,145	6,625	7,186	7,472	7,511	8,019	8,024
TOTAL ADMINISTERED EXPENSES ^(b)..	12,020	10,225	10,786	11,977	12,121	12,734	12,739
INCOME							
Regulatory fees and fines.....	7,145	6,625	6,759	7,045	7,084	7,131	7,136
Interest revenue.....	4,534	3,700	4,575	4,625	4,675	4,725	4,725
Other revenue.....	-	-	427	427	427	888	888
TOTAL ADMINISTERED INCOME ^(c)	11,679	10,325	11,761	12,097	12,186	12,744	12,749

(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'.

(d) Figures reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

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	143	143	143	143	143	143	143
Restricted cash	64,608	57,272	69,012	72,361	76,055	80,094	80,104
Receivables	57	235	67	77	87	97	97
Total Administered Current Assets	64,808	57,650	69,222	72,581	76,285	80,334	80,344
ADMINISTERED NON-CURRENT ASSETS							
Total Administered Non-Current Assets	-	-	-	-	-	-	-
TOTAL ADMINISTERED ASSETS.....	64,808	57,650	69,222	72,581	76,285	80,334	80,344
ADMINISTERED CURRENT LIABILITIES							
Payables	3,997	2,998	4,447	4,697	4,897	5,097	5,097
Monies in trust	59,613	53,906	62,602	65,591	69,030	72,869	72,869
Total Administered Current Liabilities.....	63,610	56,904	67,049	70,288	73,927	77,966	77,966
ADMINISTERED NON-CURRENT LIABILITIES							
Total Administered Non-Current Liabilities	-	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES..	63,610	56,904	67,049	70,288	73,927	77,966	77,966

- (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 reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget estimates.

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	(1,688)	(1,600)	(1,600)	(1,605)	(1,610)	(1,615)	(1,615)
Supplies and services	(1,256)	(2,000)	(2,000)	(2,900)	(3,000)	(3,100)	(3,382)
Goods and services tax	(110)	(255)	(255)	(260)	(265)	(270)	(295)
Rental bonds disbursed	(28,366)	(30,826)	(30,826)	(31,526)	(31,626)	(31,726)	(35,448)
Receipts paid into consolidated fund.....	(7,145)	(6,625)	(7,186)	(7,472)	(7,511)	(8,019)	(8,024)
Transfer of Assets / Liabilities.....	-	-	143	-	-	-	-
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(38,565)	(41,306)	(41,724)	(43,763)	(44,012)	(44,730)	(48,764)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	7,145	6,625	6,759	7,045	7,084	7,131	7,136
Interest received.....	4,534	3,700	4,575	4,625	4,675	4,725	4,725
Goods and services tax	234	255	255	260	265	270	270
Rental bonds received.....	40,051	34,255	34,682	35,182	35,682	36,643	36,643
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH INFLOWS.....	51,964	44,835	46,271	47,112	47,706	48,769	48,774
NET CASH INFLOWS / (OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	13,399	3,529	4,547	3,349	3,694	4,039	10

(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 reflect the 1 July 2005 transfer of the Resources Safety Division from the Department of Industry and Resources. Comparatives are provided for 2004-05 Actual and 2005-06 Budget 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
Consumer Credit Legal Service (WA) Inc	55	-	-	-	-	-	-
Asbestos Disease Society	83	83	83	83	83	83	83
Safety and Health - Chamber of Commerce and Industry WA	60	60	60	60	60	60	60
Safety and Health - Unions WA	60	60	-	-	-	-	-
Trades and Labor Council of WA	-	-	60	60	60	60	60
Farmsafe WA Alliance	70	70	70	70	70	70	70
Workplace Reform - Unions and Employer Association	205	105	274	315	315	-	-
WA Council of Social Services (Inc)	200	-	-	-	-	-	-
Transport Forum WA Inc	-	-	5	5	5	5	5
The Union Education Foundation	-	-	1,500	-	-	-	-
Other Miscellaneous	28	55	77	77	77	77	77
TOTAL	761	433	2,129	670	670	355	355

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							
Rental Accommodation Fund - Grants	1,688	1,600	1,600	1,605	1,610	1,615	1,615
OTHER STATE SERVICES							
Rental Accommodation Fund - Recoup of administration costs	3,187	2,000	2,000	2,900	3,000	3,100	3,100
Receipts paid into Consolidated Fund	7,145	6,625	7,186	7,472	7,511	8,019	8,024
TOTAL	12,020	10,225	10,786	11,977	12,121	12,734	12,739

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
TAXATION							
Business Names Registrations	5,134	4,659	4,659	4,726	4,726	4,727	4,727
Other Registration Fees	111	116	116	121	126	131	131
Credit Providers	588	610	610	610	620	630	630
Employment Agents	97	88	88	191	198	205	207
Finance Brokers	200	257	257	259	269	282	282
Land Valuers	164	15	150	167	173	169	170
Motor Vehicle Dealers	646	680	680	705	712	718	719
Travel Agents	156	95	150	205	201	207	208
Other Regulatory Fees	46	105	46	57	56	58	58
FINES							
Regulatory Fines	3	-	3	4	3	4	4
OTHER							
Rental Accommodation Fund - Interest	4,534	3,700	4,575	4,625	4,675	4,725	4,725
Other Miscellaneous	-	-	427	427	427	888	888
TOTAL	11,679	10,325	11,761	12,097	12,186	12,744	12,749

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
Bill of Sale	16	26	18	39
Business Names Searches	1,079	385	417	395
Corporate Fees	95	108	80	109
Licenses and other regulatory fees	8,478	8,357	8,357	13,224
Register of Encumbered Vehicles (REVS)	1,942	861	865	1,054
Trade Measurement	304	253	253	394
Federal investigation and advisory service	319	265	365	265
Proceeds from services provided to the Commonwealth in respect of Indian Ocean Territories	212	112	292	112
Recoups from the Rental Accommodation Fund	-	1,755	706	1,765
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board	6,319	6,192	6,866	6,352
GST Input Tax Credits	1,388	1,466	1,466	1,476
GST receipts on sales	445	202	202	207
Business Names Certificates	34	43	51	43
Departmental - Miscellaneous	1,583	655	742	665
Education kit for Landlords	14	-	-	-
TOTAL	22,228	20,680	20,680	26,100

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

REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

PART 13 - MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN

DIVISION 54

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 103 Net amount appropriated to deliver services.....	7,867	8,507	8,407	8,206	8,264	8,442	8,425
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	2,258	2,462	2,176	2,547	2,299	2,362	2,432
Total appropriations provided to deliver services.....	10,125	10,969	10,583	10,753	10,563	10,804	10,857
GRAND TOTAL	10,125	10,969	10,583	10,753	10,563	10,804	10,857

(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 support the Western Australian Industrial Relations Commission to provide our community with a means of preventing and resolving conflict in respect to industrial matters.

SIGNIFICANT ISSUES AND TRENDS

- The introduction of the Federal 'Work Choices' legislation will impact on the activities of the Western Australian Industrial Relations Commission. However, the extent of this impact will be determined throughout the year.
- The Commission has fully implemented an online lodgement system. Parties are now able to lodge an application and monitor the progress of their application online. Documents pertaining to a general wage increase can now also be lodged and accessed online.
- The Department is progressing towards the shared services model for corporate services and ensuring agency readiness for full compliance with this Government strategic initiative.
- The resources currently used in providing services to regional Western Australians are being deployed in a broader program to service a greater number of communities. The use of technology will provide improved access to the Commission for the State's regional population.
- The Department continues to make good progress in developing its information technology systems to sophisticated levels using in-house resources. The Western Australian Industrial Gazette is now compiled and can be published with significantly less involvement by staff.

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>							
Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court.....	4,729	5,115	5,423	4,995			
<i>Service 2:</i>							
Conciliation and arbitration by the Western Australian Industrial Relations Commission.	5,211	5,349	5,521	5,711			
Total Cost of Services	9,940	10,464	10,944	10,706	10,685	10,916	10,944
<i>Less Income</i>	422	356	407	130	130	130	130
Net Cost of Services	9,518	10,108	10,537	10,576	10,555	10,786	10,814
Adjustments ^(a)	607	861	46	177	8	18	43
Appropriation provided to deliver Services.	10,125	10,969	10,583	10,753	10,563	10,804	10,857
TOTAL CONSOLIDATED FUND APPROPRIATIONS	10,125	10,969	10,583	10,753	10,563	10,804	10,857

(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 and Treasurer.

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

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

Government Goal	Desired Outcome	Services
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	The prevention and resolution of industrial relations matters.	<ol style="list-style-type: none"> Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court Conciliation and arbitration by the Western Australian Industrial Relations Commission

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 prevention and resolution of industrial relations matters.					
Percentage of employee, employers, representatives and Commission members satisfied with the service provided by the Department of the Registrar in relation to:					
Timeliness	80%	90%	90%	90%	
Accuracy and relevance of information	82%	85%	85%	85%	

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

Service 1: Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court

To provide effective and efficient support to the Western Australian Industrial Relations Commission, allowing that tribunal to provide the community with an efficient means of preventing or resolving industrial relations matters. This output includes the provision of services and support to the Industrial Magistrates Court.

	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	4,729	5,115	5,423	4,995	
Less Income	422	356	407	130	
Net Cost of Service	4,307	4,759	5,016	4,865	
Adjustments ^(a)	377	(43)	(277)	(43)	
Appropriation for delivery of Service	4,684	4,716	4,739	4,822	

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

Key Efficiency Indicators

	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 registered and recorded.....	\$1,686	\$1,420	\$2,230	\$5,513	The 2006-07 target is based on an estimated 60 per cent reduction in applications, however this will be reviewed in the context of the impact of the Federal 'Work Choices' legislation.
Full Time Equivalents (FTEs)	54	50	48	43	

Major Achievements For 2005-06

- A report was commissioned into the organisation's use of energy, and many of the recommendations have been adopted which will bring about significant energy savings in the near future.
- An online lodgement system has been fully deployed, allowing significantly improved access to the Commission for the community, particularly the regional community.
- A system has been implemented to ensure all new documents are captured electronically. There has also been significant progress towards the digitalisation of archived documents. This allows for the improved management and tracking of all application related material via the Commission's core case management software.
- Establishment of an award review group which reviewed and improved a number of significant awards. The focus of this review group is to assist the Commission to consolidate and improve all existing awards.

Major Initiatives For 2006-07

- Re-modelling Commission processes, maximising the use of technology, and effective staff and vacancy management, to respond to the changing environment brought about by the Federal 'Work Choices' legislation.
- Develop a communication strategy to inform the public about the services and role of the Commission in light of the Federal 'Work Choices' legislation.
- Deploy a series of automated kiosks in major regional centres to improve access to the Commission.
- Create an entirely automated process for the publication of all Commission output in a variety of media options.
- Strategic development of key human resources to ensure the organisation is well placed in terms of appropriately skilled and knowledgeable personnel both today and into the future.

Service 2: Conciliation and Arbitration by the Western Australian Industrial Relations Commission

This output relates to the activities of the Western Australian Industrial Relations Commission. The Commission provides processes for dealing with the prevention and resolution of conflict in respect of industrial matters. The Commission relies on the Department of the Registrar, Western Australian Industrial Relations Commission to manage its financial affairs but is not subject to any form of operational control by the Department and acts independently.

	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	5,211	5,349	5,521	5,711	
Less Income	-	-	-	-	
Net Cost of Service	5,211	5,349	5,521	5,711	
Adjustments ^(a)	230	904	323	220	
Appropriation for delivery of Service	5,441	6,253	5,844	5,931	

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

CAPITAL WORKS PROGRAM

The Department of the Registrar, Western Australian Industrial Relations Commission's planned capital works expenditure in 2006-07 is for the replacement of computer hardware and software including assets that service the courts.

	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 - Information Technology				
2004-05 Program	150	150	87	-
2005-06 Program	150	150	150	-
Electronic Transcript System.....	245	245	45	-
NEW WORKS				
Asset Replacement - Information Technology				
2006-07 Program	150	-	-	150
	695	545	282	150

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	263	150	282	150	180	180	180
	263	150	282	150	180	180	180
LESS							
Drawdowns from the Holding Account	150	150	150	150	180	180	180
Internal Funds and Balances	113	-	132	-	-	-	-
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)	5,643	5,953	6,126	5,904	6,023	6,145	6,340
Superannuation	696	700	740	775	775	788	826
Consultancies expense	43	20	40	42	42	42	42
Supplies and services	1,523	1,658	1,794	1,646	1,687	1,754	1,699
Accommodation	1,567	1,628	1,628	1,699	1,508	1,498	1,498
Depreciation and amortisation	198	279	279	290	300	330	180
Other expenses	270	226	337	350	350	359	359
TOTAL COST OF SERVICES	9,940	10,464	10,944	10,706	10,685	10,916	10,944
Income							
User charges and fees	422	356	407	130	130	130	130
Total Income	422	356	407	130	130	130	130
NET COST OF SERVICES	9,518	10,108	10,537	10,576	10,555	10,786	10,814
INCOME FROM STATE GOVERNMENT							
Service appropriations	10,125	10,969	10,583	10,753	10,563	10,804	10,857
Resources received free of charge	23	15	15	15	15	15	15
Liabilities assumed by the Treasurer	33	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	10,181	10,984	10,598	10,768	10,578	10,819	10,872
SURPLUS (DEFICIENCY) FOR THE PERIOD	663	876	61	192	23	33	58

(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 81, 76 and 71 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	574	248	205	121	146	186	266
Receivables	123	159	123	123	123	123	123
Amounts receivable for services.....	150	150	150	180	180	180	-
Prepayments	297	263	297	297	297	297	297
Total current assets	1,144	820	775	721	746	786	686
NON-CURRENT ASSETS							
Amounts receivable for services.....	252	561	561	671	791	941	1,121
Plant and equipment.....	774	530	507	458	429	371	372
Intangibles.....	-	271	271	181	91	-	-
Other.....	31	25	30	29	28	27	26
Total non-current assets.....	1,057	1,387	1,369	1,339	1,339	1,339	1,519
TOTAL ASSETS.....	2,201	2,207	2,144	2,060	2,085	2,125	2,205
CURRENT LIABILITIES							
Payables	62	39	67	78	80	87	87
Provision for employee entitlements	1,843	1,469	1,698	1,389	1,389	1,389	1,389
Accrued salaries	-	20	22	44	44	44	66
Total current liabilities.....	1,905	1,528	1,787	1,511	1,513	1,520	1,542
NON-CURRENT LIABILITIES							
Provision for employee entitlements	341	241	341	341	341	341	341
Total non-current liabilities	341	241	341	341	341	341	341
TOTAL LIABILITIES.....	2,246	1,769	2,128	1,852	1,854	1,861	1,883
EQUITY							
Contributed equity	495	495	495	495	495	495	495
Accumulated surplus/(deficit)	(555)	(72)	(494)	(302)	(279)	(246)	(188)
Reserves	15	15	15	15	15	15	15
Total equity.....	(45)	438	16	208	231	264	322
TOTAL LIABILITIES AND EQUITY	2,201	2,207	2,144	2,060	2,085	2,125	2,205

(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	9,765	10,510	10,124	10,463	10,263	10,474	10,677
Holding account drawdowns	150	150	150	150	180	180	180
Net cash provided by State government	9,915	10,660	10,274	10,613	10,443	10,654	10,857
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(6,036)	(6,487)	(6,249)	(6,191)	(6,023)	(6,145)	(6,318)
Superannuation	(651)	(700)	(740)	(775)	(775)	(788)	(826)
Consultancies payments	(42)	(20)	(40)	(42)	(42)	(42)	(42)
Supplies and services	(1,568)	(1,569)	(1,705)	(1,542)	(1,592)	(1,663)	(1,608)
Accommodation	(1,453)	(1,715)	(1,715)	(1,795)	(1,604)	(1,594)	(1,594)
Goods and services tax	(321)	(314)	(314)	(314)	(314)	(314)	(321)
Other	(380)	(208)	(319)	(332)	(332)	(332)	(332)
Receipts							
User charges and fees	434	356	407	130	130	130	130
Goods and services tax	376	314	314	314	314	314	314
Net cash from operating activities	(9,641)	(10,343)	(10,361)	(10,547)	(10,238)	(10,434)	(10,597)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(263)	(150)	(282)	(150)	(180)	(180)	(180)
Net cash from investing activities	(263)	(150)	(282)	(150)	(180)	(180)	(180)
CASH FLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	11	167	(369)	(84)	25	40	80
Cash assets at the beginning of the reporting period	563	81	574	205	121	146	186
Cash assets at the end of the reporting period	574	248	205	121	146	186	266

(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	-	3	3	3	3	3	3
TOTAL ADMINISTERED EXPENSES	-	3	3	3	3	3	3
INCOME							
Industrial Magistrate Fines	-	3	3	3	3	3	3
TOTAL ADMINISTERED INCOME.....	-	3	3	3	3	3	3

(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							
Receipts paid into Consolidated Fund	-	(3)	(3)	(3)	(3)	(3)	(3)
TOTAL ADMINISTERED CASH OUTFLOWS	-	(3)	(3)	(3)	(3)	(3)	(3)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Industrial Magistrate Fines	-	3	3	3	3	3	3
TOTAL ADMINISTERED CASH INFLOWS.....	-	3	3	3	3	3	3
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	-	-	-	-	-	-	-

(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
Service charges, transcript and Award sales and other revenue	157	79	130	130
Fee for service Australian Industrial Registry	277	277	277	-
GST input credits	336	311	311	311
GST receipts on sales.....	40	3	3	3
TOTAL.....	810	670	721	444

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

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION

PART 13 - MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN

DIVISION 55

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 104 Net amount appropriated to deliver services.....	3,887	1,576	1,576	1,476	1,515	1,515	1,539
Total appropriations provided to deliver services.....	3,887	1,576	1,576	1,476	1,515	1,515	1,539
CAPITAL							
Capital Contribution	33	12	12	-	9	-	-
GRAND TOTAL	3,920	1,588	1,588	1,476	1,524	1,515	1,539

MISSION

To increase investment in and attract population to our region.

SIGNIFICANT ISSUES AND TRENDS

- Resource and sustainable infrastructure issues that affect the region include the:
 - provision of a cheaper water supply to the mining industry;
 - provision of transport infrastructure throughout the region continues to be an area of high priority;
 - cost, availability and reliability of power; and
 - lack of telecommunications coverage in many areas of the region.
- The shortage of professionals, tradespeople and para professionals continues to cause concern over the ability to attract and retain these people in the region.
- The increase in activity in the resources sector has exacerbated the impact of skill shortages that is being experienced both nationally and internationally.
- A number of communities in the Goldfields-Esperance region continue to be apprehensive about the social impact of fly-in/fly-out operations in the region. The Goldfields-Esperance Development Commission is chairing a mining taskforce to address the issues of fly-in / fly-out.
- Increases in the gold and nickel price continue to strengthen mining activity in the Goldfields.
- The tourism industry continues to expand and diversify the economic base of the region.
- A review of the taxation zone rebates and fringe benefits tax is required to enable the Region to attract suitably skilled personnel to regional areas.
- Attract flow-through shares taxation incentives to encourage more green-field exploration.

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>							
Facilitation of the provision of appropriate infrastructure and industry services	3,580	2,098	1,654	1,316			
<i>Service 2:</i>							
Promotion of region and its investment opportunities.....	836	656	1,014	807			
Total Cost of Services	4,416	2,754	2,668	2,123	2,122	2,134	2,264
<i>Less Income</i>	<i>177</i>	<i>769</i>	<i>683</i>	<i>630</i>	<i>620</i>	<i>622</i>	<i>722</i>
Net Cost of Services	4,239	1,985	1,985	1,493	1,502	1,512	1,542
Adjustments ^(a)	(352)	(409)	(409)	(17)	13	3	(3)
Appropriation provided to deliver Services.	3,887	1,576	1,576	1,476	1,515	1,515	1,539
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	33	12	12	-	9	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	3,920	1,588	1,588	1,476	1,524	1,515	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.

(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 regional Western Australia is strong and vibrant.	An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.	<ol style="list-style-type: none"> Facilitation of the provision of appropriate infrastructure and industry services Promotion of region and its investment opportunities

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 which is conducive to the balanced economic and social development of the Goldfields-Esperance region.					
Survey Satisfaction - The Commission Contributed to the economic development of the region:					
- Strongly Agree/Agree.....	81%	80%	80%	81%	
- Neutral.....	13%	15%	14%	14%	
- Disagree/Strongly Disagree.....	6%	5%	5%	5%	
Contributed to the social development of the region:					
- Strongly Agree/Agree.....	75%	70%	75%	75%	
- Neutral.....	19%	22%	19%	20%	
- Disagree/Strongly Disagree.....	6%	8%	6%	5%	
Contributed to the balanced economic and social development of the region:					
- Strongly Agree/Agree.....	69%	67%	69%	70%	
- Neutral.....	18%	25%	23%	23%	
- Disagree/Strongly Disagree.....	13%	8%	8%	7%	

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

Service 1: Facilitation of the Provision of Appropriate Infrastructure and Industry services

To co-ordinate the identification of appropriate infrastructure, industries and enterprise services to the region so as to ensure that they are provided effectively and efficiently to meet the expanding needs of the region.

	2004-05 Actual \$'000	2005-06 ^(a) Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	3,580	2,098	1,654	1,316	Principally due to a reduction in grants by \$387,000
Less Income	156	659	573	550	
Net Cost of Service.....	3,424	1,439	1,081	766	
Adjustments ^(b)	(277)	(359)	(359)	(14)	Principally due to a reduction in grants by \$387,000
Appropriation for delivery of Service	3,147	1,080	722	752	

(a) 2005-06 Budget column figures differ from that presented in 2005-06 Budget Papers due to changes in service structure.

(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	2005-06 ^(a) Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per chargeable hour	\$111	\$107	\$112	\$121	
Full Time Equivalents (FTEs)	8	9	9	8	

(a) 2005-06 Budget column figures differ from that presented in 2005-06 Budget Papers due to changes in service structure.

Major Achievements For 2005-06

- Continued to support the Shire of Ravensthorpe and Ravensthorpe Nickel Operations in their preparations for nickel mining, including the renewed appointment of the Project Manager for Ravensthorpe.
- Successfully organised the Indigenous People in Mining project that promotes Indigenous business to the mining sector by developing an Indigenous People in Mining directory and promoting the businesses at the Goldfields Mining Expo.
- Supported the Desert Knowledge Australia Mining Service Consortium's attendance at the Goldfields Mining Expo.
- Facilitated the Desert Knowledge Australia project that aims to facilitate the development and growth of business networks across Desert Australia.
- Provided advice and assistance to employers relating to the Migration initiatives to address skills shortages and certified regional migration applications.
- Provided Curriculum Vitae from the skills matching database to employers who are having difficulty filling skilled positions.
- Supported diversification opportunities for primary industries including agro-forestry, strategic tree farming program, containerised freight and the potential for a bio-fuels project.
- Facilitated Indigenous business enterprise development by providing an Aboriginal Economic Development Officer to assist businesses.
- Supported projects that improve social infrastructure and general quality of life through projects that include Nulsen urban renewal, Men in Sheds and funding for the Goldfields Art Centre and the Leonora Childcare centre. Through support provided to the Shire of Leonora, the Childcare facility is now ready for operation.
- Further upgraded the Industry Development Centre website, a site that contains a database of local suppliers and businesses that developers can utilise to access the services of local companies and also assists local and state government by promoting tender opportunities to business.
- Re-invigorated the Regional Economic Modelling service.
- Monitored power issues in the Region.
- Lobbied for the extension of telecommunications coverage throughout the region.
- Monitored and progressed investigation into transport infrastructure issues impacting on the region, including working with stakeholders on the proposed Kalgoorlie-Boulder Intermodal Transport Hub.
- Encouraged the development of tourism infrastructure to support the expansion of the tourism industry.
- Supported the Economic Regulation Authority in undertaking consultation with local stakeholders on the Inquiry into the provision of Bulk Water to Kalgoorlie Boulder and the Inquiry into Country Water and Waste Water Pricing.
- Assisted the Shire of Leonora with their co-location project.
- Worked with the City of Kalgoorlie-Boulder in preparing an Expression of Interest for the Commonwealth's Solar Cities programme. The Expression of Interest was successful and the City has been invited to progress to the next stage of the bid process.

Major Initiatives For 2006-07

- Continue to support the development of the Ravensthorpe Nickel Project through placement of a project manager to work in conjunction with the Shire of Ravensthorpe until October 2006.
- Continue to endeavour to attract new businesses to the Shark Lake Industrial Park Esperance and the Mungari Industrial Estate Kalgoorlie by promoting advantages to the relevant business communities.

- Continue to enhance partnerships with Local Government Authorities and other agencies within the region.
- Continue to partner the Goldfields-Esperance Area Consultative Committee in the Desert Knowledge Australia project to ensure efficient use of resources and to maximise the benefits of the project.
- Assist the Department of Industry and Resources with development projects these may include the United Utilities water pipeline project from Esperance to Kalgoorlie and the Kalgoorlie Nickel Project.
- Facilitate diversification and value-adding opportunities, such as aquaculture industries, containerisation and forestry.
- Continue to enhance opportunities for Indigenous business, art and heritage development and expand Indigenous employment opportunities.
- Promote the Regional Migration initiatives as an avenue to address current skills shortages.
- Support projects that improve social infrastructure and general quality of life through projects that include the Leonora Childcare Centre, Childcare facilities for Ravensthorpe and Hopetoun, Arts festivals, new arrivals integration events, lobbying for improved education facilities, police facilities and recreational facilities.
- Monitor the Goldfields-Esperance water situation and assist with the Kalgoorlie-Boulder bulk water project.
- Assist the City of Kalgoorlie-Boulder with the Solar Cities and Technology Hub projects.
- Continue to promote and lobby for the upgrading of transport infrastructure in the region.
- Facilitate the equitable access to telecommunications and other infrastructure throughout the region.
- Continue to encourage the development of sustainable tourism infrastructure.
- Encourage the provision of residential and industrial land to meet the needs of the development of towns within the region.
- Work with the Office of Project Approvals on evaluating the Ravensthorpe Nickel project.
- Work with the City of Kalgoorlie-Boulder to bring the grass golf course and resort project to fruition.

Service 2: Promotion of Region and its Investment Opportunities

To promote the region's advantages and attractions by way of appropriate policies, strategies and plans, so as to encourage investment that will contribute to economic growth, employment and an increased population base in the region.

	2004-05 Actual \$'000	2005-06 ^(a) Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	836	656	1,014	807	Principally due to a reduction in grants by \$100,000
Less Income	21	110	110	80	
Net Cost of Service	815	546	904	727	
Adjustments ^(b)	(75)	(50)	(50)	(3)	
Appropriation for delivery of Service	740	496	854	724	

(a) 2005-06 Budget column figures differ from that presented in 2005-06 Budget Papers due to changes in service structure.

(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	2005-06 ^(a) Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Average cost per chargeable hour	\$125	\$115	\$126	\$124	
Full Time Equivalents (FTEs)	6	5	5	5	

(a) 2005-06 Budget column figures differ from that presented in 2005-06 Budget Papers due to changes in service structure.

Major Achievements For 2005-06

- Ensured that activities were conducted according to the State Government's ethos of 'responsive government' e.g. Ministerial Briefings and Co-ordinating with other State Government Agencies.
- Provided a regional grants information service to local government authorities, government agencies and community groups to enable access to grant funds to increase social and economic development in the region.
- Facilitated and administered grants for the Goldfields-Esperance Regional Development Scheme.
- Commenced work on establishing the Goldfields-Esperance Community Foundation, under the umbrella of the Western Australian Community Foundation.
- Participated on the Goldfields-Esperance Regional Planning and Infrastructure Co-ordinating Committees to progress infrastructure developments across the region.
- Contributed as a member of the Kalgoorlie-Boulder Chamber of Commerce and Industry's City and Regional Development and Education and Training Sub Committees.
- Provided a statistical information service to stakeholders in relation to the economic data and demographics of the region.
- Completed the development and publishing of the 'Reward Yourself' brochure, including an interactive compact disc that promotes the benefits of the region to assist in attracting people to the region.
- Continued to have involvement in general initiatives to attract and retain professional staff to the region including marketing the region.
- Promoted the region's activities by producing quarterly newsletters and through an updated website.
- Continued to support the tourism industry through involvement with the Tourism Western Australia, Golden Quest Trails Association and the Northern Goldfields Tourism Working Group.
- Remodelled the Goldfields-Esperance Development Commission client survey in order to generate feedback on which the Commission can act.
- All Goldfields-Esperance Development Commission staff trained in the art of facilitation, and this service has been added to those offered by the Commission.

Major Initiatives For 2006-07

- Continue to provide strategic advice to government and monitor government's policy and commitment to the region.
- Research and disseminate information on funding and grants availability to promote funding opportunities to support development and community initiatives.

- Continue to facilitate the delivery of grants through the Goldfields-Esperance Regional Development Scheme.
- Monitor and report on the implementation of the Regional Development Policy and the State Sustainability Strategy.
- Provide comprehensive and accurate information on the region through publications, the Goldfields-Esperance Development Commission website and statistical information.
- Promote the region as a destination for living, working and recreation opportunities.
- Monitor the shortage of staff in the region and undertake projects to alleviate the situation.
- Continue to encourage and support community actions that positively contribute to the quality of life in the region.
- Work with the Perth International Arts Festival for the 2007 focus on desert Australia.
- Work with education and training providers to secure better outcomes for students and employers.
- Support the Shire of Coolgardie in holding the Pacific Rim Land Sailing Championships 2006.
- Continue work on establishing the Goldfields-Esperance Community Foundation, under the umbrella of the Western Australian Community Foundation.

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				
Communications Equipment Replacement 2005/06 Program.....	18	18	18	-
Office Equipment Replacement 2005-06 Program	20	20	20	-
	38	38	38	-

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	85	38	38	-	85	10	-
	85	38	38	-	85	10	-
LESS							
Drawdowns from the Holding Account	52	26	26	-	68	10	-
Internal Funds and Balances		-	-	-	8	-	-
Capital Contribution	33	12	12	-	9	-	-

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)	880	920	920	871	886	901	920
Superannuation	80	78	78	79	79	79	79
Grants and subsidies ^(c)	2,702	987	887	400	400	400	500
Consultancies expense	21	10	10	10	10	10	10
Supplies and services	477	525	525	525	509	505	510
Accommodation	181	161	161	154	154	154	154
Capital user charge	18	12	12	9	9	10	16
Depreciation and amortisation	18	24	38	38	38	38	38
Motor vehicle fleet expense	18	15	15	15	15	15	15
Other expenses	21	22	22	22	22	22	22
TOTAL COST OF SERVICES	4,416	2,754	2,668	2,123	2,122	2,134	2,264
Income							
User charges and fees	121	100	114	121	111	113	113
Grants and subsidies	537	615	515	480	480	480	580
Other revenue	39	54	54	29	29	29	29
Total Income	697	769	683	630	620	622	722
NET COST OF SERVICES	3,719	1,985	1,985	1,493	1,502	1,512	1,542
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,887	1,576	1,576	1,476	1,515	1,515	1,539
Resources received free of charge	2	-	-	-	-	-	-
Liabilities assumed by the Treasurer	-	3	3	3	3	3	3
TOTAL INCOME FROM STATE GOVERNMENT	3,889	1,579	1,579	1,479	1,518	1,518	1,542
SURPLUS (DEFICIENCY) FOR THE PERIOD	170	(406)	(406)	(14)	16	6	-
Extraordinary items	1	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	171	(406)	(406)	(14)	16	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 14,14 and 13 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	81	168	86	64	72	64	26
Restricted cash	412	-	245	245	245	245	245
Receivables	271	18	23	23	31	23	23
Amounts receivable for services.....	26	-	-	68	10	-	-
Prepayments.....	4	46	4	4	4	4	4
Total current assets	794	232	358	404	362	336	298
NON-CURRENT ASSETS							
Amounts receivable for services.....	46	72	92	70	74	134	172
Plant and equipment.....	79	89	67	46	94	75	75
Intangibles.....	-	-	10	5	-	17	17
Other.....	25	17	32	28	24	20	20
Total non-current assets	150	178	201	149	192	246	284
TOTAL ASSETS.....	944	410	559	553	554	582	582
CURRENT LIABILITIES							
Payables	57	32	60	60	60	60	60
Provision for employee entitlements	94	145	97	102	88	106	106
Accrued salaries	-	32	-	-	-	-	-
Other.....	-	3	-	-	-	-	-
Total current liabilities.....	151	212	157	162	148	166	166
NON-CURRENT LIABILITIES							
Superannuation	40	40	40	40	40	40	40
Provision for employee entitlements	35	26	38	41	31	35	35
Total non-current liabilities	75	66	78	81	71	75	75
TOTAL LIABILITIES.....	226	278	235	243	219	241	241
EQUITY							
Contributed equity	33	45	45	45	54	54	54
Accumulated surplus/(deficit)	685	87	279	265	281	287	287
Total equity.....	718	132	324	310	335	341	341
TOTAL LIABILITIES AND EQUITY	944	410	559	553	554	582	582

(c) 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	3,861	1,550	1,530	1,430	1,501	1,455	1,501
Capital contribution	33	12	12	-	9	-	-
Holding account drawdowns	52	26	26	-	68	10	-
Net cash provided by State government	3,946	1,588	1,568	1,430	1,578	1,465	1,501
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(961)	(918)	(918)	(871)	(886)	(901)	(920)
Superannuation	(82)	(72)	(75)	(76)	(76)	(76)	(76)
Grants and subsidies	(2,702)	(987)	(887)	(400)	(400)	(400)	(500)
Consultancies payments.....	(21)	(25)	(25)	(25)	(20)	(10)	(10)
Supplies and services	(486)	(533)	(524)	(527)	(515)	(505)	(527)
Accommodation.....	(172)	(161)	(161)	(153)	(153)	(153)	(153)
Capital user charge.....	(8)	(12)	(12)	(9)	(9)	(10)	(16)
Goods and services tax	(339)	(118)	(118)	(102)	(111)	(111)	(111)
Other.....	(21)	(22)	(22)	(22)	(40)	(22)	(22)
Receipts							
User charges and fees.....	15	105	33	33	33	33	26
Grants and subsidies	497	615	555	480	480	480	580
Goods and services tax	159	123	313	119	111	111	111
Other receipts	114	47	149	101	101	101	79
Net cash from operating activities.....	(4,007)	(1,958)	(1,692)	(1,452)	(1,485)	(1,463)	(1,539)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(95)	(38)	(38)	-	(85)	(10)	-
Net cash from investing activities.....	(95)	(38)	(38)	-	(85)	(10)	-
NET INCREASE/(DECREASE) IN CASH HELD	(156)	(408)	(162)	(22)	8	(8)	(38)
Cash assets at the beginning of the reporting period	649	576	493	331	309	317	309
Cash assets at the end of the reporting period.....	493	168	331	309	317	309	271

(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
Kalgoorlie-Boulder Development Fund	250	187	123	60	-	-	-
Goldfields-Esperance Regional Development Scheme	350	670	634	340	400	400	500
Shire of Coolgardie - Heritage Building Works	500	-	-	-	-	-	-
Shire of Coolgardie - Kambalda Recreation Centre	1,000	-	-	-	-	-	-
Kalgoorlie Miners Memorial	50	-	-	-	-	-	-
Curtin University - Goldfields Arts Centre	550	-	-	-	-	-	-
City of Kalgoorlie-Boulder - Kalgoorlie Oval .	-	130	130	-	-	-	-
Kayili Artists Gibson Desert - Art Building	1	-	-	-	-	-	-
Goldfields Arts Centre - 2004 City of Kalgoorlie-Boulder Art Prize	1	-	-	-	-	-	-
TOTAL	2,702	987	887	400	400	400	500

GREAT SOUTHERN DEVELOPMENT COMMISSION

PART 13 - MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION; GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN

DIVISION 56

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 105 Net amount appropriated to deliver services.....	1,602	11,689	2,864	3,074	14,204	1,630	1,587
Total appropriations provided to deliver services.....	1,602	11,689	2,864	3,074	14,204	1,630	1,587
CAPITAL							
Item 173 Capital Contribution.....	5,249	9,085	1,685	23	8	60	-
GRAND TOTAL.....	6,851	20,774	4,549	3,097	14,212	1,690	1,587

MISSION

The sustainable development of our region's natural and built environment for the long- term wellbeing of all.

SIGNIFICANT ISSUES AND TRENDS

- While the region's economic base remains focussed on primary production, (42 per cent), within the agricultural sector there has been increasing levels of farm diversification over the past decade. The region's wine industry has tripled in size and consistently produces premium wines. Horticultural activity continues to increase and has significant potential for further growth. On-farm aquaculture has grown with the production of marron, yabbies and finfish.
- The maturing of the plantation timber industry is generating increasing harvest tonnages across large areas of the higher rainfall belt, leading to the processing of one million tonnes of woodchips. New \$20 million loading facilities at the Albany Port makes it the largest woodchip export facility in Australia.
- The increased plantation activity is driving major heavy haulage transport and handling initiatives leading to increased employment. According to an impact study, conducted in 2005 by the Bureau of Regional Sciences on the plantation sector, the industry contributed 500 new jobs in the region, up to 2004.
- The timber industry is contributing to further diversification of the economy through new value adding projects such as the proposed engineered strand lumber plant and proposed 45 megawatt biofuel processing plant. The planning approvals are now in place at the Mirambeena Timber Processing Precinct for these new industries.
- In 2005 the resident population for the Great Southern was estimated to be 53,738 (2.7 per cent of the State). By 2026 the population is projected to increase to 63,400 that equates to an average annual growth rate of 0.7 per cent over the next 20 years. However, new industrial developments including the proposed Southdown Magnetite Mine and the proposed timber processing developments are expected to be significant employers. This could result in a higher population growth rate.
- While the overall population for the region is increasing, the distribution is changing with the three coastal local government authorities of Albany, Denmark and Plantagenet now accounting for 77 per cent of the population. The changing distribution reflects nationwide trends of population shifts to the coast. This is sometimes referred to as the 'sea change' phenomenon. The decline or slower growth of some inland Shires is tied to changing farming practices such as increasing capitalisation and the trend toward fewer, but larger farms. Despite the population shift, agricultural production is expected to continue to increase as reflected in the new \$100 million grain handling expansion by Co-operative Bulk Handling at Albany Port.

- The most pronounced shift in age distribution over the next 20 years will be in the 65+ age group, which is projected to grow from 15 per cent to 24 per cent of the region's total population. In response there has been a significant increased investment in housing for the elderly in the form of retirement villages and associated healthcare services. The Albany Hospital is undergoing a \$20 million upgrade and the planning for a new \$15 million facility in Denmark is well advanced.
- Tourism remains a significant contributor to the Great Southern regional economy generating \$203 million in expenditure for the region. The Great Southern Development Commission (the Commission) is a significant industry supporter, through the funding of the Great Southern Region Marketing Association (GSRMA). The cross-sector marketing program led by the GSRMA and now in its fifth year, is designed to lift the market profile of the Great Southern region and its products in key markets.
- The expanding economy is impacting on a number of other industry sectors with new retail developments, a more sophisticated service industry, a jump in demand for housing in Albany and other nodal development such as Denmark, Bremer Bay and Katanning.
- Industry across the board is experiencing skills shortages and there is a high demand for the Commission's skilled immigration service working in close cooperation with the Department for Immigration.
- The State Government is providing a timely response to industry and community growth in meeting associated infrastructure demands. Projects include:
 - the Albany Waterfront Development - \$28 million;
 - Albany Entertainment Centre - \$14.9 million;
 - establishment of the Mirambeena Timber Processing Precinct;
 - establishment of a Bremer Bay wind power diesel system - \$6.0 million;
 - proposed 220kV transmission line to Southdown mine project near Wellstead;
 - funding for the Mt Barker northern by-pass and Albany ring road - \$12.5 million;
 - State Government support for local timber industry roads - \$4.6 million;
 - Albany Justice and Police Complex - \$20 million;
 - Albany Hospital Redevelopment - \$20 million;
 - Denmark Health Facility - \$16.5 million;
 - Mt Barker CBD development - \$2.1 million;
 - Jerramungup Community Centre - \$1.0 million;
 - Mt Barker One Community One College - \$7.0 million;
 - Frankland Community Centre - \$1.0million; and
 - Wellstead Community Centre - \$1.0million.
- Access to improved energy supplies, to assist in supporting industry development remains a priority for the region.
- Significant Government attention has been given to managing the transport task for the new timber industry through the funding of the Albany ring road, Mt Barker northern bypass road and Local Government roads. However the increased transport task from both the timber and grain industries are impacting on the region's key arterial roads, in particular; Muirs Highway from Rocky Gully to the proposed Mt Barker northern by-pass, South Coast Highway from Manypeaks to Cheynes Beach Road and Chester Pass Road from Borden to southern boundary of the Stirling Range National Park.
- A significant cultural tourist attraction is the UWA Perth International Arts Festival – Great Southern Programme, now in its fourth year. It has led to the development of privately funded convention and event facilities, anchoring the region as a significant centre for arts and culture.
- Indigenous communities across the region are seeking to improve their cultural, social, economic and environmental wellbeing. Projects in which Indigenous people are wholly or partly the owners tend to be in the areas of the arts, tourism and the retailing of traditional products.
- The benefits of broadband telecommunications continue to be realised as services are extended beyond the larger towns, to Bremer Bay with Gairdner, Jerramungup and Kendenup expected to be connected shortly.
- While soil and water degradation continue to challenge the region's natural resource managers, the University of Western Australia's (UWA) Centre of Excellence in Natural Resource Management, provides a focus for research and development into the problem and strategies for action.

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>							
Regional Development	2,474	12,869	4,119	3,994			
Total Cost of Services	2,474	12,869	4,119	3,994	15,124	2,550	2,457
<i>Less Income</i>	858	1,102	940	940	940	940	900
Net Cost of Services	1,616	11,767	3,179	3,054	14,184	1,610	1,557
Adjustments ^(a)	(14)	(78)	(315)	20	20	20	30
Appropriation provided to deliver Services.	1,602	11,689	2,864	3,074	14,204	1,630	1,587
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	5,249	9,085	1,685	23	8	60	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	6,851	20,774	4,549	3,097	14,212	1,690	1,587

(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	Service
To ensure that regional Western Australia is strong and vibrant.	The sustainable development of our region's natural and built environment for the wellbeing of all.	1. Regional 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: The sustainable development of our region's natural and built environment for the wellbeing of all.					
Favourable responses from a minimum of 75 per cent of clients from the Client Survey	81%	75%	76%	77%	

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

Service 1: Regional Development

This output incorporates project management work, the facilitation and support of new and existing enterprises and businesses, promotional and information services, and the development of strategic partnerships with government, business and the community groups to ensure the development of the Great Southern 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	2,474	12,869	4,119	3,994	
Less <i>Income</i>	858	1,102	940	940	
Net Cost of Service	1,616	11,767	3,179	3,054	
Adjustments ^(a)	(14)	(78)	(315)	20	
Appropriation for delivery of Service	1,602	11,689	2,864	3,074	

(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	\$46,900	\$180,000	\$55,000	\$85,000	The first tranche of the Albany Entertainment and Convention Centre will be paid in 2006-07
Number of projects completed or progressed during the year	43	45	45	42	
Cost per service hour	\$88.16	\$95.00	\$95.00	\$95.00	
Full Time Equivalents (FTEs)	15	15	15	14	

Major Achievements For 2005-06

- The Government has significantly expanded the Albany Waterfront Development to a \$27 million project. LandCorp has been engaged as the project manager for the next phase with the successful transfer of project moneys from the Commission. The Structure Plan has been approved by the City of Albany and tenders let for the footbridge.
- The Commission continued its coordinating role through chairing the Timber Precinct Working Group and the Southdown Magnetite Working Group to progress the development of significant timber processing projects and the proposed magnetite mine. The Commission also contributed to a study assessing the feasibility of extending the Precinct's rail spur.
- Worked with the South East Shires Regional Power Group to examine ways to address gaps in power supply capacity in the Jerramungup, Bremer Bay and Ravensthorpe areas.
- Delivered in partnership with the UWA Perth International Arts Festival (PIAF) the Great Southern PIAF programme that was attended by 11,000 people. Now in its fourth year, the centrepiece event was the Koorah Coolingah celebration in Katanning featuring the internationally recognised exhibition of the "lost works" of Noongar artists from the Carrolup Mission.
- In partnership with Jaycees, completed the breakwater and associated marine facilities at Whale World.
- In partnership with the Department of Health completed Stage 2 of the Day Hospital Centre for the Aged building.
- In partnership with CALM, progressed the next stage of the Breaksea Island heritage restoration project, which aims to develop the site as a niche eco-tourism and community education and research facility.

- Provided executive support to the Timber Industry Road Evaluation Strategy Committee that has attracted \$5 million of State Government support for Local Government timber roads.
- Facilitated meetings with the City of Albany to advance the proposal for establishment of a regional art gallery in Albany.
- Liaised with State and Commonwealth Governments and provided planning assistance for the redevelopment of the Katanning Saleyards.
- Continued the successful TradeStart program, operated jointly with the assistance from Austrade, to bring positive impacts on job creation and business from the expansion of export orientated business. It led to the Art of Good Living event in the Philippines in January which was supported by 10 companies from the Great Southern, five in the art sector and five in the tourism sector.
- Continued to directly assist regional employers in addressing skills shortages through nominations to the Regional Sponsored Migration Scheme and the Regional Temporary Employees to Australia visa subclasses. One hundred and fifty applications were processed
- Continued work with the Western Australian Local Government Association, Telstra and other telecommunication carriers to extend low cost broadband services throughout the region.
- Assisted the South Coast Regional Initiative Planning Team Inc. to develop and implement natural resource management projects funded through NAP/NHT.
- Developed tourism strategies and partnerships with Australia's South West Inc. and Tourism WA to maximise tourist volumes and yield to the region.
- Continued to fund the cross-sector regional marketing initiatives, through the Great Southern Regional Marketing Association to promote the region's wine, food, cultural and tourism products.
- Continued working with the northern shires of the Great Southern to implement their Heritage Trails tourism strategy.
- Promoted excellence in natural resource management through the Commission's natural resource management medal and \$10,000 award money.
- Developed new primary products and land and water preservation strategies in conjunction with the Centre of Excellence in Natural Resource Management, to diversify and expand the region's research capability to address local, national and international NRM issues.
- Worked with government agencies and Indigenous stakeholders to complete the feasibility study of a Mountain Discovery Centre near Bluff Knoll in the Stirling Range National Park.
- Continued to support Indigenous arts development in the Great Southern by consolidating the product and marketing development role of the Mungart Boodja Art Centre in Katanning and establishing a sustainable Noongar Arts Development Fund. Mungart Boodja became the first Indigenous art organisation in Noongar Country to sign a Shared Responsibility Agreement with the Commonwealth for financial support.
- Secured capital funding for the restoration of the old Noongar Centre in Gnowangerup as a Heritage Museum in partnership with the Gnowangerup Aboriginal Corporation, Department of Indigenous Affairs (DIA) and Shire of Gnowangerup.
- In partnership with State Government agencies, assisted with the development of an Indigenous Employment Strategy for the Great Southern, focusing on the building and construction sector.
- Supported an Indigenous cultural heritage research program for the Stirling Range National Park in partnership with UWA, DIA and CALM.
- Assisted the Southern Horse Council, a regional equine industry representative body, to undertake a pre-feasibility study for the proposed establishment of a regional equine facility.
- With regional stakeholders funded a research and development plan to develop commercial opportunities for the timber species *Casuarina obesa*.

- Assisted the Albany Maritime Foundation Inc. to carry out infrastructure enhancement to the Albany Boat Shed tourism facility.
- The Commission in partnership with the South West and Peel Development Commissions developed the Southern Regions Community Leadership Strategy.
- Supported the City of Albany to develop an Enhancement Master Plan for the Amity Heritage Precinct.
- Supported the WA Museum, Albany to develop the Albany and South Coast Maritime Heritage plan.
- Assisted Southern Edge Arts to develop the Indigenous Performing Arts Development Project, which includes plans for a Regional Arts Development Officer to be located in the Great Southern.
- Assisted the fine wood designer-maker group, DesignXchange, to undertake a diagnostic study to identify barriers to growing commercialisation and export capacity.

Major Initiatives For 2006-07

- Progress the funding partnership with the City of Albany to facilitate the design and construction of the Albany Entertainment Centre.
- As a member of the Stakeholder Reference Group coordinated by Landcorp, provide input into the design and construction of the Albany Waterfront Development.
- Work with proponents such as Lignor and Beacons in developing timber processing projects, designed to create value-adding opportunities for the region's vast plantation timber resource.
- Continue to work with members of the Southdown Magnetite Working Group to assist the proponents to progress the development of the Southdown mining project.
- In partnership with the UWA Perth International Arts Festival, undertake a major sculptural landscape installation project and develop a tourism promotion strategy and implement the 5th annual Festival in the Great Southern in 2007.
- Continue to work with the Shire of Katanning on the planning and capital works funding arrangements for the redevelopment of the Katanning Saleyards.
- Directly assist regional employers in their sponsorship of skilled migrants and continue the partnership with the Department of Immigration and Multicultural Affairs (DIMA). The activity in the visa subclasses certified by the Commission (Regional Sponsored Migration Scheme, Regional Temporary Employees, Skilled Independent Regional, Trade Skills Training and State/Territory Nominated Independent) will continue to expand.
- Support and assist local government, major regional employers and other stakeholders to develop strategies and projects that can address an ongoing shortage of appropriate employee rental accommodation.
- In conjunction with the Western Australian Community Foundation, establish a number of philanthropic community foundations in the Great Southern Region.
- Continue to assist the South Coast Regional Initiative Planning Team Inc. in implementing strategic natural resource management projects outlined in their Second Investment Plan.
- Maintain the successful Tradestart export assistance program, a joint initiative with Austrade, which assists local businesses with export potential to export their products to overseas markets.
- Continue to work with the fine wood designer-maker group, DesignXchange, to implement the recommendations of their diagnostic study to improve commercialisation and export capacity, which will include a skills mentoring program.
- Assist CALM and the Albany Islands Foundation group to carry out Stage 2 of the Breaksea Island heritage restoration project, which aims to develop the site as a niche eco-tourism and community research and education facility.

- In conjunction with the Centre of Excellence in Natural Resource Management, undertake projects which bolster the region's research capacity and capability to develop new products and to address the local, national and international research effort to preserve land and water assets.
- Undertake further development and implementation of Indigenous employment strategies for the resource sector, agricultural and building construction industries, including linkages to local government and major public works projects.
- Continue to work with government agencies and Indigenous stakeholders to attract resources for the construction of a Discovery Centre for the Stirling Range.
- Support enhancement of Indigenous business support services through the Central Great Southern Business Enterprise Centre in Tambellup.
- Support ongoing development of the Gnowangerup Heritage Museum and the Mungart Boodja Art Centre in Katanning.
- Support the development of the Indigenous Cultural Heritage Management Plan for the Stirling Range National Park.
- Continue working with the Department of Industry and Resources to progress the development of a common user infrastructure package for the Mirambeena Timber Processing Precinct.
- Work with members of the South East Shires Regional Power Group to ensure that power supply benefits are leveraged for the Jerramungup, Bremer Bay and Ravensthorpe areas from the proposed 220kV Muja to Southdown transmission line.
- Scope and plan for the development of an Indigenous bush products supply chain for the Australian Native Foods industry in partnership with Indigenous stakeholders, SCRIPT and the Centre of Excellence in Natural Resource Management.
- Work with all of the local governments of the central Great Southern to develop sustainable operating cost savings through resource sharing and joint projects.

CAPITAL WORKS PROGRAM

The Commission's capital works program for 2006-07 includes the second tranche for the Albany Entertainment and Convention Centre and its on going asset replacement program of its computers and 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				
Community Facilities				
- Albany Leisure and Aquatic Centre	500	500	500	-
- Albany University Centre.....	800	800	75	-
Computer and Office Equipment Replacement				
- Asset replacement program	192	192	99	-
Day Therapy for the Aged	820	820	795	-
Vancouver Waterways Project				
- Infrastructure Projects	991	991	754	-
WORKS IN PROGRESS				
Albany Entertainment and Convention Centre ^(a)	14,900	-	-	1,475
NEW WORKS				
Computer and Office Equipment Replacement -				
- 2006-07 Program	53	-	-	53
	18,256	3,303	2,223	1,528

(a) The original budget estimates of \$10million and \$4.9million in 2005-06 and 2006-07 reflected a State Election commitment. The re-positioning of the project from 2006-07 to 2008-09 reflects project construction realities.

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	416	19,118	2,223	1,528	12,888	310	404
	416	19,118	2,223	1,528	12,888	310	404
LESS							
Drawdowns from the Holding Account	30	30	30	30	45	-	64
Funding Included in Service Appropriations ^(a)	-	10,000	500	1,475	12,835	250	340
Internal Funds and Balances	(4,863)	3	8	-	-	-	-
Capital Contribution	5,249	9,085	1,685	23	8	60	-

(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)	879	1,062	1,073	1,095	1,114	1,130	1,138
Superannuation	92	86	87	86	86	86	94
Grants and subsidies ^(c)	457	10,800	1,813	2,065	13,165	565	400
Consultancies expense	132	-	-	-	-	-	-
Supplies and services	573	456	435	463	471	471	495
Accommodation	95	121	121	121	121	121	131
Capital user charge	213	233	233	53	56	56	56
Depreciation and amortisation	33	30	30	30	30	30	30
Other expenses	-	81	327	81	81	91	113
TOTAL COST OF SERVICES	2,474	12,869	4,119	3,994	15,124	2,550	2,457
Income							
Grants and subsidies	765	980	820	820	820	820	780
Interest revenue	2	-	-	-	-	-	-
Rent	17	-	-	-	-	-	-
Other revenue	74	120	120	120	120	120	120
Total Income	858	1,100	940	940	940	940	900
NET COST OF SERVICES	1,616	11,769	3,179	3,054	14,184	1,610	1,557
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,602	11,689	2,864	3,074	14,204	1,630	1,587
Resources received free of charge	3	-	-	-	-	-	-
Liabilities assumed by the Treasurer	-	2	2	2	2	2	-
TOTAL INCOME FROM STATE GOVERNMENT	1,605	11,691	2,866	3,076	14,206	1,632	1,587
SURPLUS (DEFICIENCY) FOR THE PERIOD	(11)	(78)	(313)	22	22	22	30
Extraordinary items	2	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(9)	(78)	(313)	22	22	22	30

(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 15, 15 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	232	64	136	140	144	148	193
Restricted cash	6,852	907	3,117	3,117	3,117	3,117	3,117
Receivables	130	56	150	170	190	210	210
Amounts receivable for services.....	30	30	30	45	-	-	-
Prepayments.....	6	-	6	6	6	6	6
Total current assets	7,250	1,057	3,439	3,478	3,457	3,481	3,526
NON-CURRENT ASSETS							
Amounts receivable for services.....	118	131	131	129	172	215	181
Plant and equipment.....	93	146	113	136	159	189	223
Infrastructure	339	14,686	25	25	25	25	25
Total non-current assets	550	14,963	269	290	356	429	429
TOTAL ASSETS.....	7,800	16,020	3,708	3,768	3,813	3,910	3,955
CURRENT LIABILITIES							
Payables	45	59	45	45	45	45	45
Provision for employee entitlements	214	231	222	230	238	246	261
Accrued salaries	-	2	2	4	6	8	8
Other.....	600	555	600	600	600	600	600
Total current liabilities.....	859	847	869	879	889	899	914
NON-CURRENT LIABILITIES							
Provision for employee entitlements	106	76	111	116	121	126	126
Total non-current liabilities	106	76	111	116	121	126	126
TOTAL LIABILITIES.....	965	923	980	995	1,010	1,025	1,040
EQUITY							
Contributed equity	5,700	14,786	1,906	1,929	1,937	1,997	1,997
Accumulated surplus/(deficit)	1,135	311	822	844	866	888	918
Total equity.....	6,835	15,097	2,728	2,773	2,803	2,885	2,915
TOTAL LIABILITIES AND EQUITY	7,800	16,020	3,708	3,768	3,813	3,910	3,955

(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	1,559	11,646	2,821	3,031	14,161	1,587	1,557
Capital contribution	5,249	9,085	1,685	23	8	60	-
Holding account drawdowns	30	30	30	30	45	-	64
Net cash provided by State government	6,838	20,761	4,536	3,084	14,214	1,647	1,621
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(878)	(1,047)	(1,058)	(1,080)	(1,099)	(1,115)	(1,123)
Superannuation	(92)	(84)	(85)	(84)	(84)	(84)	(94)
Grants and subsidies	(457)	(10,800)	(1,813)	(2,065)	(13,165)	(565)	(400)
Consultancies payments.....	(125)	-	-	-	-	-	-
Supplies and services	(561)	(448)	(438)	(455)	(463)	(463)	(495)
Accommodation.....	(94)	(121)	(121)	(121)	(121)	(121)	(131)
Capital user charge.....	(213)	(233)	(233)	(53)	(56)	(56)	(56)
Goods and services tax	(83)	(48)	(48)	(48)	(48)	(48)	(48)
Other.....	(10)	(89)	(89)	(89)	(89)	(99)	(113)
Receipts							
Grants and subsidies	733	980	820	820	820	820	780
Interest received.....	4	-	-	-	-	-	-
Goods and services tax	117	48	48	48	48	48	48
Other receipts	-	100	100	100	100	100	120
Net cash from operating activities.....	(1,659)	(11,742)	(2,917)	(3,027)	(14,157)	(1,583)	(1,512)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(247)	(9,115)	(50)	(53)	(53)	(60)	(64)
Net cash from investing activities.....	(247)	(9,115)	(50)	(53)	(53)	(60)	(64)
NET INCREASE/(DECREASE) IN CASH HELD							
Cash assets at the beginning of the reporting period	2,152	1,067	7,084	3,253	3,257	3,261	3,265
Net cash transferred to/from other agencies ^(b) ...	-	-	(5,400)	-	-	-	-
Cash assets at the end of the reporting period.....	7,084	971	3,253	3,257	3,261	3,265	3,310

(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 Commission transferred the Albany Waterfront Development project and the funds for the project to the Department of Planning and Infrastructure in accord with an Expenditure Review Committee decision made in July 2005.

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
Albany University Centre	125	-	-	75	-	-	-
Community Resource Centres							
Regional Development Scheme.....	288	500	233	250	280	265	-
Vancouver Waterways.....	44	-	730	24	-	-	-
Other.....	-	300	-	46	50	50	60
Albany Entertainment and Convention Centre	-	10,000	-	1,475	12,835	250	340
Nathan Drew Memorial Trust.....	-	-	50	50	-	-	-
Restoration of the brig Amity	-	-	50	-	-	-	-
Albany Aquatic and Leisure Centre	-	-	50	50	-	-	-
Day Therapy Centre.....	-	-	700	95	-	-	-
TOTAL.....	457	10,800	1,813	2,065	13,165	565	400

Part 14

Minister for Police and Emergency Services; Justice; Community Safety

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
989	Police Service			
	– Delivery of Services	683,049	686,007	734,620
	– Capital Contribution	38,838	43,671	49,262
	Total	721,887	729,678	783,882
1019	Fire and Emergency Services Authority of Western Australia			
	– Delivery of Services	33,237	33,395	34,207
	– Administered Grants, Subsidies and Other Transfer Payments	1	1	1
	– Capital Contribution	5,060	5,426	250
	Total	38,298	38,822	34,458
1033	Corrective Services			
	– Delivery of Services	371,780	386,313	429,513
	– Capital Contribution	-	14,532	51,016
	Total	371,780	400,845	480,529
1049	Office of the Inspector of Custodial Services			
	– Delivery of Services	1,756	2,101	1,901
	Total	1,756	2,101	1,901
	GRAND TOTAL			
	– Delivery of Services	1,089,822	1,107,816	1,200,241
	– Administered Grants, Subsidies and Other Transfer Payments	1	1	1
	– Capital Contribution	43,898	63,629	100,528
	Total	1,133,721	1,171,446	1,300,770

POLICE SERVICE

PART 14 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY

DIVISION 57

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 106 Net amount appropriated to deliver services.....	625,742	680,639	683,597	732,022	767,795	808,217	822,530
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	2,375	2,410	2,410	2,598	2,529	2,549	2,625
Total appropriations provided to deliver services.....	628,117	683,049	686,007	734,620	770,324	810,766	825,155
CAPITAL							
Item 174 Capital Contribution	43,434	38,838	43,671	49,262	71,427	38,704	11,936
GRAND TOTAL	671,551	721,887	729,678	783,882	841,751	849,470	837,091

- (a) Figures have been adjusted due to the transfer of the Office of Crime Prevention 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 enhance the quality of life and wellbeing of all people in Western Australia by contributing to making our State a safe and secure place.

SIGNIFICANT ISSUES AND TRENDS

- Terrorist threat both home-grown and offshore.
- Deploying resources to enhance Frontline First including development of a model for operational deployment to meet service and intelligence requirements.
- Attracting and retaining suitable police personnel to achieve a workforce that reflects the community's diversity.
- Policing resources in keeping with the population expansion in the state's South West.
- Increasing number of crashes at controlled intersections.
- Enhancing traffic safety around schools.
- Safety on trains following the opening of the Perth-to-Mandurah rail line.

- Secure storage of confiscated assets.
- Review of agency's core business i.e. Police Service involvement in mental health escorts, prisoner transfers etc. to ensure resources are used for essential frontline service delivery.
- Impact of significant variations in commodity and other prices e.g. fuel, on the maintenance of police presence in the community.
- Updating of custodial facilities required to ensure that they meet current standards.
- Development and introduction of a set of service delivery standards that communicate to customers / community what they can and should expect in specific situations and / or incidents.
- Implementing alcohol and drug testing within Police Service and the development of appropriate legislation to reflect agreed agency policy.
- Implementing a disciplinary model that employs management principles (rather than sanctions) and developing legislative requirements, training and information forums to support the model.

The Office of Crime Prevention

- The total number of offences reported to police has continued to fall over the last 12 months. However, the number of reported assaults has increased by 23 per cent over the previous year. The Office has commenced work on a range of strategies to address this area of particular concern and begin to implement programs to reduce community violence based on the successful Burglar Beware initiative.

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
Improved Counter Terrorism and Emergency Response Capacity.....	2,618	3,108	2,885	2,887
Criminal Investigations Bill.....	1,600	-	-	-
Road Safety Initiatives.....	4,674	4,866	5,117	3,924

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>							
Intelligence and protective services.....	56,771	61,203	62,919	65,696			
<i>Service 2:</i>							
Crime prevention and public order.....	91,356	98,487	99,639	105,717			
<i>Service 3:</i>							
Community support (non-offence incidents) ...	75,695	81,604	82,558	87,594			
<i>Service 4:</i>							
Emergency management and co-ordination	12,398	13,366	14,222	14,347			
<i>Service 5:</i>							
Response to and investigation of offences	232,304	250,438	252,167	268,825			
<i>Service 6:</i>							
Services to the judicial process.....	63,296	68,237	69,036	73,247			
<i>Service 7:</i>							
Traffic law enforcement and management.....	120,720	130,144	131,166	139,698			
<i>Service 8:</i>							
Implementation of the State crime prevention strategy	7,752	9,461	7,847	10,711			
Total Cost of Services	660,292	712,940	719,554	765,835	799,377	840,065	854,770
<i>Less Income.....</i>	<i>24,440</i>	<i>20,825</i>	<i>20,816</i>	<i>19,621</i>	<i>19,391</i>	<i>19,548</i>	<i>20,087</i>
Net Cost of Services	635,852	692,115	698,738	746,214	779,986	820,517	834,683
Adjustments ^(a)	(7,735)	(9,066)	(12,731)	(11,594)	(9,662)	(9,751)	(9,528)
Appropriation provided to deliver Services.	628,117	683,049	686,007	734,620	770,324	810,766	825,155
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	43,434	38,838	43,671	49,262	71,427	38,704	11,936
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	671,551	721,887	729,678	783,882	841,751	849,470	837,091

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

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services ^(a) ^(b)
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Lawful behaviour and community safety.	1. Intelligence and protective services 2. Crime prevention and public order 3. Community support (non-offence incidents) 4. Emergency management and coordination
	Offenders apprehended and dealt with in accordance with the law.	5. Response to and investigation of offences 6. Services to the judicial process
	Lawful road-user behaviour.	7. Traffic law enforcement and management
	A safer and more secure community.	8. Implementation of the State Crime prevention strategy

- (a) The number of services for 2006-07 has increased from five to eight due to: the replacement of 'Services to maintain lawful behaviour and prevent crime (Service 1 in 2005-06 financial year)' with: Intelligence and protective services; Crime prevention and public order; and Community support (non-offence incidents). These services have been introduced as they enhance the description and understanding of the agency's service delivery for Outcome 1. Service 8 'Implementation of the State Crime prevention strategy' is created as a result of the Office of Crime Prevention being placed with Western Australia Police
- (b) Along with the revision of the above Services, there has been a review of how activities relating to these services are measured. In the following Service tables, figures for 2004-05 and 2005-06 have been recast according to the revised projections associated with the review. Due to the reactive nature of policing, it is anticipated there may be variances between estimated and actual figures especially in these immediate years.

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: Lawful behaviour and community safety.					
The community's level of satisfaction with services provided by police ^{(b)(c)(d)}	6.7	=>6.6	7.0	=>7.0	
The community's level of satisfaction with services received during the most recent contact with police ^{(b)(c)(d)}	7.4	=>7.6	7.6	=>7.6	
Extent to which the community thought each of the following was a problem in their own neighbourhood: ^{(b)(c)(d)}					
- Physical assault in a public place	2.6	=<2.9	2.6	=<2.6	
- Housebreaking	4.7	=<5.4	4.6	=<4.6	
- Motor vehicle theft	3.5	=<4.0	3.5	=<3.5	
- Illegal drugs	4.3	=<5.1	4.4	=<4.4	
- Louts or gangs	2.2	=<2.3	2.2	=<2.2	
- Drunken or disorderly behaviour	2.5	=<2.7	2.5	=<2.5	
- Speeding cars, dangerous or noisy driving	5.5	=<5.5	5.2	=<5.2	
State emergency management plans in place and current, and resources committed, where the Police Service is the designated Hazard Management Agency, to prevent and minimise risk ^(e)	6	6	6	6	
Percentage of police districts that met or exceeded the required number of police officers who have a key emergency-related qualification ^{(f)(g)(h)}	14%	93%	21%	n/a	Discontinued indicator. See note (f).
Number of police officers who have a key emergency-related qualification ⁽ⁱ⁾	n/a	n/a	2,505	2,710	Amended indicator. See note (i).

	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: Offenders apprehended and dealt with in accordance with the law.					
Selected recorded offences against the person cleared: ^{(j)(k)(l)}					
- Number cleared	25,445	=>24,000	27,000	=>27,000	
- Percentage cleared	84.8%	=>87%	90%	=>90%	
Selected recorded property offences cleared: ^{(j)(k)(m)}					
- Number cleared	33,553	=>35,000	36,000	=>36,000	
- Percentage cleared	20.3%	=>21%	22%	=>22%	
Recorded drug-trafficking offences: ^{(j)(k)(n)}					
- Number cleared	2,263	=>2,000	2,800	=>2,800	
- Percentage cleared	92.9%	=>98%	100%	100%	
Percentage of guilty pleas before trial ^{(o)(p)(q)}	94%	>90%	92%	>92%	
Percentage of convictions for matters listed for trial ^{(o)(p)(q)}	62%	>60%	69%	>70%	
Number of deaths in custody for which the Police Service is culpable ^(r)	nil	nil	nil	nil	
Number of escapes from police custody ^(s)	3	nil	nil	nil	
Outcome: Lawful road-user behaviour.					
Percentage of drivers tested for drink-driving who are found to exceed the lawful alcohol limit ^{(t)(u)}					
	1.5%	>1.4%	1.6%	=>1.6%	
Percentage of vehicles monitored for speeding by speed cameras that are found to exceed the lawful speed limit ^{(v)(w)}					
	18.3%	>17.7%	18.7%	=>18.7%	
Percentage of drivers who have never driven when they felt they might be over the 0.05 alcohol limit in the last six months ^{(b)(c)(x)}					
	88.1%	=>85%	84%	=>84%	
Percentage of drivers who have never exceeded the speed limit by 10kph or more in the last six months ^{(b)(c)(x)}					
	37.0%	=>34%	32%	=>32%	
Percentage of drivers who have never driven without wearing a seat belt in the last six months ^{(b)(c)(x)}					
	90.4%	=>89%	91%	=>91%	
Extent to which the community thought speeding cars, dangerous or noisy driving was a problem in their own neighbourhood ^{(b)(c)(d)} ...					
	5.5	=<5.5	5.2	=<5.2	
Outcome: A safer and more secure community.					
Reported rate of home burglary per 1,000 residential dwellings	50.3	47.5	37.9	33.4	Projected reduction is the outcome of government-wide crime prevention initiatives. See note (y).
Proportion of the community who feel 'safe' or 'very safe' at home alone after dark	74%	80%	80.6%	81%	The 2006-07 target is national average for 'feelings of safety'. See note (z).
Proportion of the community who feel 'safe' or 'very safe' at home alone during the day	89%	91%	91%	92%	The 2006-07 target is national average for 'feelings of safety'. See note (z).

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

(b) The data for this indicator are obtained from the National Survey of Community Satisfaction with Policing coordinated by the Australasian Centre for Policing Research.

- (c) With all sample surveys there are errors that occur by chance because the data were obtained from a sample, rather than the entire population. The relative standard error (RSE) is a measure of the error (relative to the size of the estimate) likely to have occurred due to sampling. Generally, only estimates with an RSE of 25 per cent or less are considered reliable for most purposes. Estimates with an RSE of between 25 per cent and 50 per cent should be used with caution while estimates with an RSE greater than 50 per cent should not be used. The RSE associated with the estimate used for each indicator varies, but is lower than six per cent.
- (d) This indicator uses as a unit of measurement the Likert Summation Index. This is a method for aggregating responses to obtain one measure of the overall (or 'average') level of attitude / opinion. This method converts the data collected using a Likert scale into an interval scale, and then derives a measure of centrality. The Likert scale is converted into an interval scale by assigning equal-distant 'scores' to each category in the scale. For example, where the indicator relates to satisfaction with police services, the five response categories are assigned scores as follows: 'very satisfied' (10); 'satisfied' (7.5); 'neither satisfied nor dissatisfied' (5); 'dissatisfied' (2.5); and 'very dissatisfied' (0). Where the indicator relates to problems in the neighbourhood, the three response categories are assigned scores as follows: 'major problem' (10); 'somewhat of a problem' (5); and 'not a problem' (0). The summation index measure is obtained by multiplying the number of responses in each category by their respective score, summing these results and dividing this total by the total number of responses.
- (e) The Police Service is the Hazard Management Agency for six Emergency Management Plans: air transport emergencies; land search and rescue; road transport emergencies; marine search and rescue; nuclear powered warships; and radioactive space re-entry debris. Current means that plans have been reviewed and, where possible, exercised in the previous 12 month period.
- (f) At an overall State level, the Police Service has a sufficient number of police officers who have a key emergency-related qualification and these officers can be deployed to assist in emergencies if required. The current requirements for the number of police officers in a district who have a key emergency-related qualification (Diploma – Search and Rescue (Land and Marine); Land Search and Rescue Co-ordination; Marine Search and Rescue; Emergency Management; and Chemical, Biological and Radiological Familiarisation), are subject to revision. The percentage of police districts that met or exceeded the required number of police officers who have a key emergency-related qualification is subject to variation due to the transfer of police officers with these qualifications from one district to other locations within the Police Service; provision of emergency management training; and resignation or retirement of qualified police officers. The impact of this variation was not adequately considered in the development of this indicator and has resulted in the setting of an unrealistic 2005-06 Budget figure of 93%. As a consequence, this indicator has been discontinued and replaced by an amended indicator that reflects the number of police officers who have a key emergency-related qualification at a state level which more appropriately shows how well prepared the Police Service is to meet its emergency management responsibilities.
- (g) In 2004-05, the percentage of the 14 police districts that met or exceeded the required number of police officers for each of the following key emergency-related qualifications was: Diploma – Search and Rescue (36 per cent or five districts); Land Search and Rescue Coordination (50 per cent or seven districts); Marine Search and Rescue (79 per cent or 11 districts); Emergency Management (57 per cent or eight districts); and Chemical, Biological and Radiological Familiarisation (86 per cent or 12 districts).
- (h) As at 31 December 2005, the percentage of the 14 police districts that met or exceeded the required number of police officers for each of the following key emergency-related qualifications was: Diploma - Search and Rescue (43 per cent or six districts); Land Search and Rescue Coordination (50 per cent or seven districts); Marine Search and Rescue (86 per cent or 12 districts); Emergency Management (64 per cent or nine districts); and Chemical, Biological and Radiological Familiarisation (100 per cent or 14 districts). These results were better than or equal to 2004-05.
- (i) The 2005-06 Estimated figure is based on the sum of the following number of police officers who had a key emergency-related qualification as at 31 March 2006: Land Search & Rescue Coordinators Course (591); First Responders Course (468); Initial Marine Search & Rescue Response Course (333); Incident Managers Course (315); Strategic Emergency Management Course (184); and Chemical, Biological & Radiological Familiarisation Course (614). The 2006-07 Target is based on the sum of the following target number of police officers who have a key emergency-related qualification: Land Search & Rescue Coordinators Course (500); First Responders Course (700); Initial Marine Search & Rescue Response Course (380); Incident Managers Course (450); Strategic Emergency Management Course (180); and Chemical, Biological & Radiological Familiarisation Course (500). The number of police officers shown as qualified for each of the key emergency-related courses is not mutually exclusive as a police officer may be qualified in more than one key emergency-related course.
- (j) An offence is cleared (clearance) where an offender(s) is apprehended or processed (such as by arrest, summons, Juvenile Justice Team referral, juvenile caution, drug caution or infringement) or where, for some substantial reason, police investigations cannot be continued. These reasons include: the offender has died; the offender is in another jurisdiction and extradition is not desired or available; insufficient evidence exists to proceed against a suspect; there is a statute bar to proceedings where an offender is under age or claims diplomatic immunity; admittance to a psychiatric facility; false or mistaken reports; withdrawn complaint; civil action recommended.
- (k) The number of offences cleared (clearances) for a period (e.g. financial year) comprises all offences for which the clearance was recorded during that period. Due to the nature and length of investigations, the number of offences cleared during a period may include offences reported prior to that period.
- (l) 'Offences against the person' include: homicide, driving causing death, aggravated sexual assault, non-aggravated sexual assault, aggravated assault, non-aggravated assault, threatening behaviour, deprivation of liberty, aggravated robbery and non-aggravated robbery.
- (m) 'Property offences' include: burglary, theft, steal motor vehicle, arson and property damage offences and exclude receiving / illegal use, fraud and graffiti offences.
- (n) Drug trafficking is the unlawful sale, supply, cultivation or manufacture of a prohibited drug or plant. Most drug trafficking offences are detected by police rather than reported to police and results in a high percentage of offences cleared.
- (o) For the purpose of this indicator, matters represent charges. This indicator includes matters that have been placed before the Children's Court and Magistrates' Courts throughout the state by the Police Service. The data may also include a small number of matters placed before the Christmas Island Court by the Australian Federal Police. Criminal matters placed before the District and Supreme Courts are not included.
- (p) The percentage of guilty pleas before trial is based on the number of guilty pleas expressed as a percentage of the sum of the number of guilty pleas and matters listed for trial. The percentage of convictions for matters listed for trial is based on the number of convictions expressed as a percentage of the number of matters listed for trial. Matters listed for trial may not actually proceed to trial, but a guilty or not guilty finding can still be recorded.
- (q) It is envisaged that with the introduction of the Trial Allocation Day that replaced the Direction Hearings, there will be some flow on effect that will continue to facilitate early pleas of guilty. In addition, the legislative requirement of full disclosure as identified in the *Criminal Procedure Act 2004* will continue to assist in early identification of matters prior to trial. The impact of the *Criminal Code Amendment Act, No. 4, 2004* (this Act created the concept 'Either Way' offences) continues to filter its effects on the Magisterial jurisdiction with regard to a greater number of complex and lengthy trial matters. The Criminal Investigation Bill (2005) is expected to be introduced sometime in the 2006-07 period and may impact on police prosecutions.

- (r) The State Coroner is responsible for determining the culpability of the Police Service in the death of a person in custody.
- (s) Comprises persons escaping from police lock-ups only. The legal status of offenders passing through police lock-ups includes: arrested; fine defaulters; persons on remand; sentenced prisoners; and persons held on warrants.
- (t) Achieved through the use of strategies that focus Random Breath Test (RBT) and Mobile Breath Test (MBT) enforcement activities at high alcohol consumption times and locations.
- (u) Based on the number of evidentiary charges expressed as a percentage of the total number of preliminary breath tests. The number of preliminary breath tests and evidentiary charges are derived from the Daily Traffic Returns. These statistics therefore reflect the returns that have been submitted and the accuracy of the data in those returns.
- (v) Achieved through the targeted use of speed measuring equipment, both camera and officer operated, in known black-spot areas, areas of complaint or those identified as having low-speed limit compliance.
- (w) The lawful speed limit is defined as the posted speed limit shown on road signage.
- (x) In July 2005, the response categories for this survey question were changed from 'Never', 'Sometimes', 'Half the time', 'Most of the time' and 'Always' to 'Never', 'Rarely', 'Sometimes', 'Most of the time' and 'Always'. This change has resulted in a lower percentage of drivers responding 'Never' in relation to drink-driving and speeding behaviour during 2005-06. This has affected comparability with previous periods.
- (y) This effectiveness indicator uses data published by the Crime Research Centre at the University of Western Australia. Community safety and crime prevention partnerships, and other Office of Crime Prevention strategies are designed to reduce the incidence of home burglary and home invasion, however changes in this indicator are the outcome of policies, programs and actions of several departments and agencies working together on a cross-government basis.
- (z) The data for this indicator is published annually in the 'Report on Government Services' as 'Perception of safety at home', and is sourced from the Australasian Centre for Policing Research's National Survey of Community Satisfaction with Policing.

Service 1: Intelligence and Protective Services

Incorporating a range of specialist criminal intelligence analysis techniques and partnerships to target offenders and crime hotspots in order to ensure safety in the community, prevent and reduce crime. Activities undertaken include:

- using criminal intelligence analysis techniques to develop effective policing strategies to target offenders and crime hotspots;
- providing specialist protective and security services to international and other protected persons, assets and infrastructure, airport security and witness protection; and
- participating in crisis situations.

	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	56,771	61,203	62,919	65,696	
Less Income	918	543	543	578	
Net Cost of Service	55,853	60,660	62,376	65,118	
Adjustments ^(a)	(677)	(859)	(952)	(1,011)	
Appropriation for delivery of Service	55,176	59,801	61,424	64,107	

- (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 for providing intelligence and protective services ^(a)	\$78	\$82	\$83	\$86	
Full Time Equivalents (FTEs)	535	547	549	567	

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

Major Achievements For 2005-06

- Implemented anti-social behaviour strategies, with a major focus on no-tolerance and greater use of intelligence to target hotspots. The Anti-social Behaviour Reduction Strategy brochure was launched in December 2005, which details the agency's long-term approach in dealing with this issue. Purchases to assist in reducing anti-social behaviour included two mobile lockup facilities, 40 additional stun guns and 70 metal detectors.

Major Initiatives For 2006-07

- Implement a partnership approach (involving Federal and State Police and Government agencies, the Armed Forces Joint Operations Centre and intelligence organisations) to training and operations, for joint offshore protection in counter terrorism, border protection and port security.

Service 2: Crime Prevention and Public Order

Providing general support to the community including a visible police presence and crime prevention activities. Maintaining an adequate service and timely response to the needs of local communities at all times is a critical factor in achieving broader outcomes. The provision of this 24 hour service includes:

- liaising with the community, engaging in community education and raising awareness on crime prevention, and providing regulatory service;
- policing public events (including planning and debriefings); and
- engaging in programs / initiatives dealing with the media, schools, local government, community and business groups and government and non-government groups.

	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	91,356	98,487	99,639	105,717	
Less Income	9,454	9,161	9,161	10,348	
Net Cost of Service	81,902	89,326	90,478	95,369	
Adjustments ^(a)	(1,090)	(1,383)	(1,532)	(1,626)	
Appropriation for delivery of Service	80,812	87,943	88,946	93,743	

(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 for providing crime prevention and public order services ^(a)	\$78	\$82	\$83	\$86	
Full Time Equivalents (FTEs)	865	882	884	913	

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

Major Achievements For 2005-06

- Recruited 80 additional police officers as part of meeting the Government's commitment to 350 extra police officers over four years. By June 2006, 70 positions will have been civilianised as part of the progress towards achieving an additional 160 police staff.
- The following crime statistics refer to the first nine months of the financial year:
 - reported Burglary offences decreased by 5.9 per cent from 31,635 in the 2004-05 financial year to 29,765 in 2005-06;
 - reported Steal Motor Vehicle offences decreased by 8.1 per cent from 5,728 in 2004-05 to 5,265 in 2005-06; and
 - reported Robbery offences decreased by 10.9 per cent from 1,389 in 2004-05 to 1,238 in 2005-06.
- Implemented the Corruption Prevention Plan, emphasising corruption prevention measures being undertaken, and addressing Royal Commission recommendations to ensure incidents of corruption are minimised.
- Reviewed and evaluated the implementation of the Corruption Prevention Plan and Reform Program as required by the Crime and Corruption Commission (CCC).
- Conducted Project Terminus, in conjunction with the CCC, to assess the adequacy of procedures and processes in relation to management of property and to prevent corruption and other misconduct related to property management by police.
- Procured an additional covert surveillance vehicle for the Integrity Testing Cell and continued to work with the CCC in relation to integrity testing issues.
- Implemented the Police Complaint Administration Centre (PCAC) to more efficiently deal with complaints against police and reduce the number of complaints being handled at district level.
- Enhanced the 'How to make a Complaint Against Police' brochure and introduced a user-friendly complaints form on the Police Service website.
- Scoped programs for computer network application to be used in addressing corporate risk.
- Reduced the time taken to deal with complaints. In the March quarter 2006, 87 per cent of completed major inquiries and 80 per cent of completed local resolutions were finalised within 30 days, compared with 27 per cent and 48 per cent in the March quarter 2005.
- Continued the development of legislation to replace the administrative provision of the *Police Act 1892*. Included in the legislation are provisions for dealing with integrity testing and personnel vetting.
- Completed the infrastructure requirements and instigated a permanent policing presence in the remote areas of Balgo, Warburton and Kintore (Northern Territory). Provided a permanent police presence in Kalumburu and Bidyadanga.
- Finalised cabinet submission for approval to commence drafting amendments designed to broaden the scope of existing 'hoon legislation' and address some of the operational issues that have emerged since its initial introduction. As at the end of March 2006, 611 vehicles have been seized under the provisions of existing legislation.
- Expanded the Dog Squad including the:
 - acquisition of four general purpose police dogs and associated training (scheduled for May 2006);
 - research into contemporary training and deployment methods for explosive dogs;
 - purchase of two special-purpose explosive dogs from Australian Customs, selection of handlers and conducting explosive dog course (scheduled for March 2006); and
 - established a breeding program with the appointment of a Kennel Manager and acquisition of suitable dogs to enhance the long-term operational capabilities of the squad.

Major Initiatives For 2006-07

- Develop a draft submission to enable the Police Administration Bill to be introduced into Parliament. The legislation will include legislative support for corruption prevention measures, such as providing for staff working in critical areas to undergo personnel vetting programs, be subject to integrity testing programs and to undergo random and targeted alcohol and drug testing programs.
- Enhance service delivery in conjunction with the opening of the Mandurah rail line, to enable a strong frontline policing capability in keeping with the changes to demographics and community policing expectations.
- Establish a multi-agency water policing facility in the rapidly expanding Peel Region to provide a whole-of-government approach to:
 - managing and policing water ways within the region;
 - coordinating search and rescue and emergency response; and
 - providing for inter-agency solutions to local problems.
- Progress the State Government's commitment to recruit an additional 350 police officers over a four year period. As part of this program, an additional 90 officers will be recruited in 2006-07.
- Commence the implementation of an automated system for compiling rosters to assist in the effective deployment and use of police resources.
- Refocus recruiting on the transition from school to work, to maximise diversity from which to select suitable applicants.
- Appoint a project manager to evaluate the findings from Project Terminus and implement recommendations as appropriate.
- Complete the infrastructure requirements as part of providing a permanent policing presence in the remote areas of Warakurna, Dampier Peninsula, Bidyadanga and Kalumburu. Commence police infrastructure projects at Warmun and Jigalong.
- Improve policing service delivery to remote communities including enhanced response capabilities enabled by the delivery of two PC12 aircraft.
- Progress 'Direct Entry Accelerated Training (DEAT) Program' with approximately 90 serving Aboriginal Police Liaison Officers (APLOs) who have nominated for transition to Police Constable positions.
- Enhance police recruitment and training strategies to enable accelerated recruitment, transition and deployment of suitable applicants with previous policing experience.

Service 3: Community Support (non-offence incidents)

Providing support to the community which involves provision of general information over the telephone, counter or in person, responding to public inquiries, handling non-offence related matters and incidents to enhance the quality of life of all people in the community. Activities associated with this service include:

- assisting members of the community with personal issues such as restraint order inquiries;
- clarifying laws and witnessing official documents;
- compiling missing persons reports; and
- handling Crime Stoppers inquiries etc.

	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	75,695	81,604	82,558	87,594	
Less Income	1,225	724	724	771	
Net Cost of Service	74,470	80,880	81,834	86,823	
Adjustments ^(a)	(903)	(1,146)	(1,269)	(1,347)	
Appropriation for delivery of Service	73,567	79,734	80,565	85,476	

(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
General calls for police assistance (not including '000' calls) answered within 20 seconds ^{(a) (b)}	79%	80%	84%	85%	
Average cost per hour for providing community support (non-offence incidents) services ^(c)	\$78	\$82	\$83	\$86	
Full Time Equivalents (FTEs)	715	730	732	760	

(a) General calls to the Police Assistance Centre (131444) not including emergency '000' calls or calls from security firms, education security, St John Ambulance, Fire & Emergency Services, Cab Alert and Western Power.

(b) On 2 May 2005, the Police Service introduced 131444 as the general telephone number for the Police Assistance Centre. The catchment area for 131444 includes the general telephone calls previously made to 92221111 and the majority of calls previously directed to police sub-districts. Prior to 2 May 2005, telephone calls directed to police sub-districts were not counted in this Key Efficiency Indicator as there was no record of the volume of calls, or the time taken to answer these calls.

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

Major Achievements For 2005-06

- Implemented the Licensing and Permit Management System (LPMS) to enable firearms' licensing to occur at the point of contact removing the need to obtain firearms licenses centrally and allowing for more timely and efficient customer service.

Major Initiatives For 2006-07

- Implement corporate Risk Management Strategies to ensure the agency's management practices and processes mitigate the likelihood of unethical and corrupt practices.
- Review the effectiveness of implementation strategies from the Gordon Inquiry recommendations relating to the provision of better accessibility for Indigenous Australians and people from culturally diverse backgrounds in making complaints.

Service 4: Emergency Management and Co-ordination

Responding in a timely and effective manner to a range of emergencies and disasters to increase public feelings of safety and security. A key role of the agency is to plan, coordinate and provide support programs to ensure readiness for major emergencies and disasters including terrorist incidents, natural disasters, search and rescue. Activities associated include:

- training officers and volunteers in emergency management and conducting training exercises involving other authorities;
- coordinating and controlling searches; and
- coordinating all combat authorities during major civil and technological disasters.

	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	12,398	13,366	14,222	14,347	
Less Income	244	210	210	219	
Net Cost of Service	12,154	13,156	14,012	14,128	
Adjustments ^(a)	(120)	(185)	(237)	(251)	
Appropriation for delivery of Service	12,034	12,971	13,775	13,,877	

(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 emergency management and coordination ^(a)	\$88	\$92	\$95	\$98	
Full Time Equivalents (FTEs)	111	118	120	124	

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

Major Achievements For 2005-06

- Implemented strategies to further minimise the possibility of terrorist attack and met obligations of the National Counter Terrorism Plan.
- Conducted four counter terrorism exercises within metropolitan and regional areas and increased the number of external agencies participating in the exercise programs.
- Established programs in partnership with State and Federal Government agencies and other stakeholders in critical infrastructure and land, air and maritime transport to manage terrorism risk.
- Developed and implemented the *Terrorism (Extraordinary Powers) Act 2005*.
- Developed the Terrorism (Preventative Detention) Bill 2005 in conjunction with the Department of Premier and Cabinet and the Department of Justice.
- Developed recommendations for the enactment of cross-border investigative powers legislation.

- Established ongoing and consistent training protocols with key hazard management agencies including the Chemical, Biological & Radiological (CBR) interoperability of equipment and shared training programs.
- Developed in conjunction with State Government and federal agencies a consistent emergency management framework to apply state-wide. This framework will be further enhanced through the proclamation of the *Emergency Management Act 2005*.

Major Initiatives For 2006-07

- Finalise 'Broad Spectrum Crisis Information Management' software, enabling inter-agency real time information sharing at a national level.
- Establish discipline-specific teams for Disaster Victim Identification (DVI), Post-Blast and CBR events.
- Establish a multi-agency facility which will include Police Service Water Police Unit in the North West to help with counter terrorism and the protection of critical infrastructure.
- Provide increased capacity for bomb response with the purchase of an additional bomb disposal robot and additional resources to the bomb squad.

Service 5: Response to and Investigation of Offences

Providing a timely response and effectively investigating offences to bringing individuals who commit offences before the justice system. Activities associated with the response to and investigation of offences include:

- coordinating an initial response;
- gathering and securing evidence, collating and analysing intelligence;
- providing quality investigations, apprehending offenders; and
- preparing evidence and prosecution files and briefs.

	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	232,304	250,438	252,167	268,825	
Less Income	3,700	2,187	2,187	2,330	
Net Cost of Service	228,604	248,251	249,980	266,495	
Adjustments ^(a)	(2,467)	(3,119)	(3,834)	(4,071)	
Appropriation for delivery of Service	226,137	245,132	246,146	262,424	

(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
Emergency calls (000) for police assistance answered within 20 seconds ^(a)	78%	90%	89%	90%	
Average time taken to respond to urgent calls for police assistance in the metropolitan area from call received (entered) to arrival at scene ^{(b)(c)(d)(e)(f)(g)(h)}					
- Priority 1-2 calls	8 mins	9 mins	8 mins	9 mins	
- Priority 3 calls.....	20 mins	20 mins	21 mins	20 mins	
Average cost per response / investigation ⁽ⁱ⁾	\$1,061	\$1,148	\$1,120	\$1,230	
Full Time Equivalents (FTEs)	2,220	2,235	2,238	2,325	

- (a) Emergency calls to the Police Operations Centre ('000') not including general (131444) calls or calls from security firms, education security, St John Ambulance, Fire & Emergency Services, Cab Alert, and Western Power.
- (b) On 28 April 2004, the Police Operations Centre commenced using the new Computer Aided Dispatch (CAD) system. This system replaced the Computer Dispatch System (CDS) for creating and managing tasks for police attendance within the metropolitan area.
- (c) EXCEPTIONS. In order to provide an accurate indication of response times, the following types of incidents have been excluded from calculations as they do not contribute to measuring service delivery or have the potential to skew results: Scheduled Events - are incidents created for attendance at a later time (e.g. Royal Flying Doctor Service escorts); Pursuits - are deemed 'arrived' at the time of initiating the CAD incident; Change of Incident Response Priority - where incidents are subject to a priority upgrade (e.g. Priority 4 to Priority 2), the applicable response target time becomes that of the new priority group, however the Target response time for that Priority may already have expired; and Incidents with no recorded 'At Scene' Time - due to a number of circumstances these do not have an 'At Scene' time recorded.
- (d) Priority 1 tasks cover offences such as an armed hold-up in progress; armed offender incident in progress; and other life threatening incidents. Priority 2 tasks cover incidents where life or property is, or may be, in a state of threat or imminent danger. Due to the extremely small number of Priority 1 incidents (which are statistically insignificant), these are included with Priority 2 incidents to calculate a combined response time.
- (e) Priority 3 tasks cover incidents requiring immediate attention but are not life threatening at that time. Priority 3 incidents may involve the welfare of a person, the possible apprehension of offenders or the preservation of evidence. This requires the dispatch of the first available local / district or other resource.
- (f) The response time has been formulated from the time the incident was initiated in the CAD system to arrival of the first resource at the scene. The response times of other resources that may also attend the same incident are excluded.
- (g) The paramount considerations in responding to all incidents are the safety of the community and police officers, and the quality of the response. Response times are therefore considered to be indicative and only one aspect of police performance when responding to incidents.
- (h) Population growth and the development of new housing estates in the metropolitan area have a significant impact on existing police districts. Several of the metropolitan districts have police sub-districts that lay on the periphery of the metropolitan area. Whilst patrolling of these outlying sub-districts is contained within a district's service delivery model, it is not necessarily true that an operational unit will be in the area when a high priority task arises. It is reasonable to assume that responding to Priority 1, 2 or 3 tasks in these marginal metropolitan areas may experience delays beyond the target response times.
- (i) The number of responses / investigations is based on the total number of selected reported offences excluding receiving, illegal use, fraud and graffiti offences.

Major Achievements For 2005-06

- Consolidated the operation of the Police Assistance Centre (PAC) resulting in a significant increase in call volume to the PAC, freeing up frontline operational police officers from telephony and data-entry duties enabling them to provide enhanced policing services through increased patrols and quicker tasking response. Of the (approximately) 43,000 calls per month managed by the PAC, 85 per cent are answered within 20 seconds.
- Increased the capacity of DNA analysis with the establishment of a dedicated training officer at PathWest (formerly the Path Centre of WA) resulting in improved quality of information, and enhanced knowledge base of personnel in each agency.
- Purchased updated DNA analysis equipment for PathWest to increase the effectiveness of DNA profiling from crime scene samples.
- From July 2005 to March 2006, 1,015 DNA matches to crime scenes were identified. Of these, 978 matched persons of interest from the Western Australia DNA Database.

- Expanded the use of the Incident Recording Facility (IRF) (commenced operation in February 2005), which is meeting its target of processing 30-34 per cent of all property-related incidents from metropolitan locations and remote policing locations. The IRF is assisting to release officers from data-entry work to focus on frontline duties.
- Progressed the implementation of the Police Metropolitan Radio Network (PMRN) which will provide a secure digital voice radio network, a limited mobile data facility to enable officers to make enquiries from vehicles, and an automatic vehicle location capability to assist with officer safety and efficient officer tasking. Procurement is completed with the following specific achievements:
 - procurement processes completed;
 - Design Finalisation contract awarded and the design activity completed;
 - factory acceptance testing of equipment for the radio network successfully completed; and
 - radio network components partially installed.
- Implemented Incident Management System (IMS) stages allowing for considerable decommissioning of the agency's mainframe, with the aim of providing timely and appropriate information to frontline officers. IMS links people, locations, vehicles, property and objects of interest related to policing incidents.
- Assisted the State Solicitor's Office to progress the Criminal Investigation Bill which will provide extended powers that will be more applicable to contemporary policing issues such as the power to control crime scenes and to detain suspects for the purposes of questioning in the course of investigating an offence.
- Formed a Working Group to plan and progress the implementation of the Criminal Investigation Bill.
- The following crime statistics refer to the first nine months of the financial year:
 - the clearance rate for burglaries in 2005-06 was 20.3 per cent, which is 25.3 per cent greater than the rate in 2004-05 (16.2 per cent).
 - in 2005-06, the clearance rate for Steal Motor Vehicle was 32.4 per cent, which is an increase of 12.5 per cent from the clearance rate of 28.8 per cent in 2004-05.
 - the clearance rate for robberies in 2005-06 was 62.7 per cent, which is 36.6 per cent greater than the clearance rate in 2004-05 (45.9 per cent).

Major Initiatives For 2006-07

- Continue implementation of the PMRN designed to provide improved metropolitan radio and data capabilities to enhance frontline police activity.
- Commence the replacement of the existing Digital Video Interviewing of Suspects analogue VHS system enabling resource savings and storage space saving.
- Implement Livescan units which will enable the electronic capture of fingerprints, immediate comparison with national fingerprint databases and real time identification of offenders.
- Maintain and enhance targeting of volume crime to apprehend and deter offenders through the effective use of intelligence and technological crime investigation methods.

Service 6: Services to the Judicial Process

Providing effective services to the judicial process is essential in bringing offenders before the criminal justice system. The successful prosecution of offenders is dependent upon the quality of investigations and the standard and presentation of evidence to courts. Activities associated with this service include:

- presenting evidence, brief handling, prosecution role, justice systems processes;
- providing custodial services;
- monitoring the quality of and timeliness of brief presentations to the relevant court; and
- providing custodial care of prisoners, administering bail and reporting processes and providing of all types of escorts.

	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	63,296	68,237	69,036	73,247	
Less Income	1,139	682	682	723	
Net Cost of Service	62,157	67,555	68,354	72,524	
Adjustments ^(a)	(682)	(909)	(1,100)	(1,169)	
Appropriation for delivery of Service	61,475	66,646	67,254	71,355	

- (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 services to the judicial process ^(a)	\$80	\$86	\$86	\$90	
Average cost per guilty plea ^{(b)(c)}	\$38	\$45	\$47	\$50	
Average cost per non-guilty plea ^{(b)(c)}	\$307	\$361	\$374	\$397	
Full Time Equivalent (FTEs)	570	594	595	605	

- (a) Calculated from internal police activity surveys undertaken over each previous 12 months.
- (b) For the purpose of this indicator, matters represent charges. This indicator includes matters that have been placed before the Children's Court and Magistrates' Courts throughout the state by the Police Service. The data may also include a small number of matters placed before the Christmas Island Court by the Australian Federal Police. Criminal matters placed before the District and Supreme Courts are not included.
- (c) It is envisaged that with the introduction of the Trial Allocation Day that replaced the Direction Hearings, there will be some flow on effect that will continue to facilitate early pleas of guilty. In addition, the legislative requirement of full disclosure as identified in the *Criminal Procedure Act 2004* will continue to assist in early identification of matters prior to trial. The impact of the *Criminal Code Amendment Act, No. 4, 2004* (this Act created the concept 'Either Way' offences) continues to filter its effects on the Magisterial jurisdiction with regard to a greater number of complex and lengthy trial matters. The Criminal Investigation Bill (2005) is expected to be introduced sometime in the 2006-07 period and may impact on services to the judicial process.

Major Achievements For 2005-06

- Completed the Custody project which provides an information system to manage custodial care, lock up and bail management to improve the accountability of police dealing with offenders in custody.

Major Initiatives For 2006-07

- Progress research into the presentation of evidence electronically to the judiciary to simplify discovery processes and provide improved replication of events and scene work.
- Examine with the Director of Public Prosecutions (DPP) the feasibility of the DPP conducting Children's Court Prosecutions within the Perth City precinct.

Service 7: Traffic Law Enforcement and Management

Providing traffic management and road safety strategies contributes to the whole-of-government initiative of improving road-user behaviour and minimising road-fatalities and injuries. The achievement of this outcome is dependent on the integrated approach to road safety involving partnerships with other government agencies and stakeholders. The strategies to assist in targeting behaviours identified as major contributors to road fatalities include:

- deterring and detecting alcohol and drug related driving offences including crashes;
- conducting stationary speed operations involving speed cameras and hand held radar laser units;
- conducting targeted traffic law enforcement operations such as random breath tests;
- attending and conducting investigations and follow up inquiries that may be required; and
- providing community education and raising awareness on road safety issues.

	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	120,720	130,144	131,166	139,698	
Less Income	6,633	6,609	6,609	3,927	
Net Cost of Service	114,087	123,535	124,557	135,771	
Adjustments ^(a)	(1,144)	(1,430)	(1,842)	(1,955)	
Appropriation for delivery of Service	112,943	122,105	122,715	133,816	

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

Key Efficiency Indicators

	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 traffic law enforcement and management ^(a)	\$71	\$75	\$76	\$79	
Full Time Equivalents (FTEs)	1,159	1,194	1,195	1,285	

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

Major Achievements For 2005-06

- Progressed strategies in conjunction with the Office of Road Safety to address repeat drink-driving strategies aimed at enhancing the prosecution of recidivist drink-driving offenders including:
 - driving without a valid motor drivers license (MDL), compulsory production and enforcement policy paper due for completion December 2005;
 - compulsory blood analysis for all drivers involved in fatal and serious crashes;
 - providing input into vehicle sanctioning including roadside impoundment policy paper prepared by the Office of Road Safety; and
 - installing alcohol interlocks (which prevent an intoxicated driver from starting the vehicle) in all vehicles of convicted repeat drink-drivers for a mandatory six months.

- The following traffic statistics refer to the first nine months of the financial year:
 - in 2005-06, 701,236 breath tests were conducted, which is a slight increase (0.5 per cent) from the 697,665 breath tests conducted in 2004-05. However, there were 11,204 drink driving charges in 2005-06, which is 10.0 per cent more than in 2004-05, when there were 10,182 drink driving charges.
- Acquired two ANPR (Argus) Units from which 37 operations have been conducted in the first six months of the financial year. 26,413 vehicles were scanned resulting in 1,930 vehicles requiring police inquiry. As a result of these inquiries, 25 people were charged with driving under suspension, 35 people for driving under fines suspension, 42 people with expired licenses and 35 people with driving unlicensed vehicles.
- Implemented the *Road Traffic Amendment Act 2000* (commonly known as 'owner onus' legislation).
- Continued work on the development of software and processes required within the agency to facilitate 'owner onus' legislation.

Major Initiatives For 2006-07

- Increase the number of speed and red-light cameras allowing for the capacity to detect speed as well as red-light offences 24 hours a day, 7 days a week.
- Implement strategies to enhance traffic safety around schools, including the purchase of four additional cameras for permanent placement in school zones and by the provision of additional funding for crossing wardens.
- Progress Drug Impaired Driving legislation to enable testing of drug-impaired drivers.

Service 8: Implementation of the State Crime Prevention Strategy

The Office of Crime Prevention implements the State Crime Prevention strategy by:

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

	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	7,752	9,461	7,847	10,711	
Less Income	1,127	709	700	725	
Net Cost of Service	6,625	8,752	7,147	9,986	
Adjustments ^(a)	(652)	(35)	(1,965)	(164)	
Appropriation for delivery of Service	5,973	8,717	5,182	9,822	

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

Key Efficiency Indicators

	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 community safety and crime prevention partnership managed.....	\$42,877	\$27,515	\$30,785	\$25,670	Variance mainly due to the planned increase in partnerships managed from 90 to 120
Average cost per hour for research, policy development and support to the Community Safety and Crime Prevention Council	\$85	\$90	\$54	\$54	
Average cost per \$1 million in grant funding administered	\$145,424	\$58,629	\$244,625	\$115,991	Variance mainly due to the increase in value of grant managed, from \$3.2 million to \$6.0 million
Full Time Equivalents (FTEs)	21	23	27	33	

Major Achievements For 2005-06

- The Office of Crime Prevention's burglary reduction program continued with the expansion of the community-based program in the South East Metropolitan Police District and the continuation of the Burglar Beware and Don't Buy Crime marketing programs.
- The Designing Out Crime Unit worked in partnership with the Department of Planning and Infrastructure to develop a set planning guidelines to assist Local Government and industry in their adoption of designing out crime techniques.
- Successful action was taken in conjunction with Police, the Public Transport Authority and bus companies to address anti-social and offending behaviour on and directed towards Perth's public transport system.
- More than 90 Community Safety and Crime Prevention partnerships have been formed with Local Governments across Western Australia and the Office of Crime Prevention will continue to work with them to complete their crime prevention plans.
- The State's second Community Safety Month was successfully held in October 2005 raising public awareness about crime and injury prevention, road safety and work safety.
- The State Graffiti Working Group coordinated the ongoing campaign to minimise the impact of graffiti vandalism on the community and launched the 'Good Bye Graffiti' website and allocated \$200,000 to Local Government to assist in the adoption of new technology to improve the reporting of incidents of graffiti vandalism.
- The Office of Crime Prevention successfully coordinated Government responses to 2005 school leavers' celebrations at Dunsborough, Rottnest and in other regional locations, which resulted in fewer incidents of anti-social behaviour.

Major Initiatives For 2006-07

- The Office of Crime Prevention will allocate up to \$3.2 million to the Community Safety and Crime Prevention Fund to support Local Government organisations to develop and implement local crime prevention initiatives.
- The Office of Crime Prevention aims to have formed 120 community safety and crime prevention partnerships with Local Government by 30 June 2007 and to have completed the evaluation of this partnership approach to crime reduction and prevention.
- A State Designing Out Crime Strategy will be launched to establish a policy framework, standards and principles for the adoption and application of crime prevention through environmental design principles in the built environment and in public spaces.

- Research into the feasibility of establishing a state crime and justice statistics capability will be completed and options for establishing a dedicated function considered by government.
- The Office of Crime Prevention will continue the development and implementation of a state community violence reduction and prevention strategy aimed at reducing the unacceptable levels of assaults.
- The Office of Crime Prevention will work with Police to renew efforts to further reduce the State's motor vehicle theft rates targeting organised crime and the increasing levels of unrecovered motor vehicles.
- The successful Burglar Beware marketing campaign will be continued as a key strategy in the ongoing effort to reduce the number of residential and commercial burglaries.

CAPITAL WORKS PROGRAM

To support the delivery of Police services a total of \$122.3 million is budgeted to be spent on capital works in 2006-07 including the following:

Works in Progress

- Continuation of the Counter Terrorism Multi Agency Response – Capability / Capacity – Incorporating North West Deployment, expansion of the Bomb Squad, equipment and Safety / Security project commenced in 2005-06.
- Completion of the Aircraft Replacement program commenced in 2005-06.
- Continuation of the Replacement Equipment Program.
- Continuation of the Technology Related projects, the PMRN and the Delta Communications and Technology (DCAT) projects.
- Completion of the Equipment Purchases for the Path Centre (PathWest).
- Completion of a new Forensic Facility at the Police Operations Support Facility at Midland.
- Construction will commence on the Traffic Support Facility as part of the Police Operations Support Facility at Midland.
- The construction of the Multifunctional Police Facilities at Bidyadanga, Dampier Peninsular, Kalumburu and Warakurna will be completed and Jigalong and Warnum to commence in accordance with the recommendations of the Gordon Inquiry.
- A building modifications program to address safety and health issues arising from the inclusion of police officers under Occupational Safety and Health (OSH) legislation will be completed.
- Building modifications under the Police Station Upgrade Program will continue.
- Construction will commence on the replacement Police Stations at Wanneroo and the new Police Station at Ellenbrook.
- Construction will continue on the replacement Police Stations at Vincent, Stirling, Leonora, Harvey, Derby and Carnarvon, the new Police Station at Canning Vale, and the replacement Police Complexes at Broome (Kimberley), and Karratha (Pilbara).
- Construction will commence on the South Hedland Police Station,
- Design Development will continue and construction commence on the Perth Watch House / Perth Police Centre / Crime Headquarters.

New Works

- Equipment Purchase programs relating to the new initiatives; Addressing Speed – Red-Light Camera, Safety Around Schools; Road Safety Initiative – Drug Driving; and the ongoing Non Leased / Non Standard Vehicle 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				
Counter terrorism Initiatives				
Counter Terrorism Equipment	4,898	4,698	1,168	100
Counter Terrorism: Multi Agency Response - Capability / Capacity - North West Deployment - Bomb Squad - Safety / Security	14,230	5,430	5,430	3,450
Equipment Purchases - New and Replacement				
Aircraft Replacement Program	10,000	8,855	8,855	1,145
Crime Investigation Support - BCI Surveillance Equipment	1,500	1,350	1,350	150
Replacement Equipment Program	13,705	4,705	2,289	3,700
Information Technology Infrastructure				
Delta Communications & Technology (DCAT)	110,025	72,865	28,401	17,970
Perth Metro Radio Network (CADCOM Stage 1C)	59,354	29,751	23,376	20,303
Other Capital Works Proposals				
Genetic Analysis (PathWest)	225	181	181	44
Police Facilities				
Additions and Alterations to Existing Facilities				
South Hedland Police Station	8,360	100	100	6,700
Central Facilities Relocation Strategy				
Perth Watch House / Perth Police Centre / Crime Headquarters	93,000	800	800	5,539
New and Replacement Police Facilities				
Bidyadanga Police Station (Gordon Inquiry)	2,934	2,478	2,434	456
Canning Vale Police Station	4,300	818	772	3,215
Carnarvon Police Station	4,250	95	50	1,229
Dampier Peninsular Police Station (Gordon Inquiry)	3,200	2,700	2,670	500
Derby Police Station	8,500	200	200	6,900
Ellenbrook Police Station	3,080	868	851	2,212
Harvey Police Station	3,600	250	250	3,150
Jigalong Police Station (Gordon Inquiry)	2,980	106	102	2,874
Kalumburu Police Station (Gordon Inquiry)	3,609	3,124	3,124	485
Kimberley District Police Complex	13,450	933	800	7,172
Leonora Police Station	4,850	100	100	3,648
Operations Support Facility Stage 2 Traffic Support	17,340	965	605	7,086
Pilbara District Police Complex	11,330	100	100	6,325
Police Operations Support Facility	42,000	41,379	17,214	621
Stirling Police Station	5,750	1,419	1,419	1,864
Vincent Police Station	5,110	172	50	4,938
Wanneroo Police Station	3,400	1,681	1,477	1,719
Warakurna Police Station (Gordon Inquiry)	3,872	3,347	3,300	525
Warmun Police Station (Gordon Inquiry)	3,381	113	102	2,561
Upgrades				
Facility OSH Modifications	10,676	9,576	3,322	1,100
Police Station Upgrade Program	4,000	1,981	924	1,019
COMPLETED WORKS				
Equipment Purchases - New and Replacement				
Equipment Purchases and Replacement Program 2001-04	9,000	9,000	416	-
Forward Looking Infra Red (FLIR) Unit	1,285	1,285	1,285	-
Livescan Fingerprinting Equipment	1,412	1,412	1,412	-
Metal Detectors	30	30	30	-
Non Leased / Non Standard Vehicle Replacement Program	5,836	5,836	305	-
Shoe Impression Equipment	36	36	36	-
Special Purpose Vehicles	460	460	377	-
Stun Gun Deployment	72	72	72	-
Information Technology Infrastructure				
CADCOM Planning Costs	5,190	5,190	666	-
Other Capital Works Proposals				
Boost Police Operations Commitment	856	856	400	-
Video Evidentiary Unit - Gordon Inquiry	271	271	4	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
Police Facilities				
New and Replacement Police Facilities				
Albany District Police Complex	9,708	9,708	3,092	-
Balgo Police Station (Gordon Inquiry)	1,287	1,287	178	-
Laverton Police Station	3,553	3,553	609	-
Newman Police Station	4,261	4,261	633	-
Warburton Police Station (Gordon Inquiry)	2,745	2,745	1,256	-
Upgrades				
State wide Office and Cell Block Upgrade Program - Stage 3	7,624	7,624	250	-
NEW WORKS				
Equipment Purchases - New and Replacement				
Non Leased / Non Standard Vehicles 2006-07 to 2009-10	5,542	-	-	1,833
Road Safety Initiatives	882	-	-	882
Other Capital Works Proposals				
DNA Extraction Robot (PathWest)	175	-	-	175
Small Robot Systems (PathWest)	700	-	-	700
	537,834	254,766	122,837	122,290

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	52,452	108,784	122,837	122,290	109,606	51,472	21,502
	52,452	108,784	122,837	122,290	109,606	51,472	21,502
LESS							
Drawdowns from the Holding Account	17,907	18,400	18,400	42,871	24,009	1,922	1,740
Funding Included in Service Appropriations ^(a)	4,989	16,903	19,900	17,868	14,170	10,996	7,826
Internal Funds and Balances	(13,897)	34,643	40,269	12,289	-	(150)	-
Other	19	-	597	-	-	-	-
Capital Contribution	43,434	38,838	43,671	49,262	71,427	38,704	11,936

(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)	395,720	425,796	423,660	440,545	461,214	482,134	493,403
Superannuation	45,249	41,024	47,987	50,063	52,160	54,913	55,881
Grants and subsidies ^(d)	4,133	6,040	3,746	6,290	3,798	3,638	3,638
Consultancies expense	861	299	299	299	299	307	310
Supplies and services	130,628	151,786	153,108	166,447	164,056	168,623	163,225
Accommodation	18,187	16,319	18,059	19,600	23,083	27,761	28,456
Capital user charge.....	30,133	32,602	32,629	35,439	39,095	42,752	42,752
Depreciation and amortisation	17,029	24,127	24,594	29,066	34,746	36,242	37,612
Other expenses	18,352	14,947	15,472	18,086	20,926	23,695	29,493
TOTAL COST OF SERVICES	660,292	712,940	719,554	765,835	799,377	840,065	854,770
Income							
User charges and fees.....	2,487	2,221	2,212	2,250	2,289	2,299	2,299
Regulatory fees and fines.....	9,008	9,796	9,796	11,303	11,024	11,161	11,700
Grants and subsidies	4,078	4,341	4,341	1,591	1,591	1,591	1,591
Interest revenue	1	-	-	-	-	-	-
Donations	2,196	75	75	75	75	75	75
Proceeds from disposal of non-current assets ..	113	-	-	-	-	-	-
Other revenue	6,557	4,392	4,392	4,402	4,412	4,422	4,422
Total Income	24,440	20,825	20,816	19,621	19,391	19,548	20,087
NET COST OF SERVICES	635,852	692,115	698,738	746,214	779,986	820,517	834,683
INCOME FROM STATE GOVERNMENT							
Service appropriations	628,117	683,049	686,007	734,620	770,324	810,766	825,155
Resources received free of charge	1,614	931	1,408	1,408	1,408	1,408	1,408
Liabilities assumed by the Treasurer	7,785	4,006	8,020	8,020	8,000	8,000	8,000
Change in equity arising from transfer of assets / liabilities	490	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	638,006	687,986	695,435	744,048	779,732	820,174	834,563
SURPLUS (DEFICIENCY) FOR THE PERIOD	2,154	(4,129)	(3,303)	(2,166)	(254)	(343)	(120)
Extraordinary items.....	1,494	-	-	1,013	8,093	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	3,648	(4,129)	(3,303)	(1,153)	7,839	(343)	(120)

- (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 the Office of Crime Prevention 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 6,196; 6,340 and 6,612 respectively.
- (d) Refer to 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	66,599	10,160	20,704	8,523	8,652	8,802	8,802
Restricted cash	1,623	2,429	2,552	3,669	4,983	6,655	8,327
Receivables	4,726	3,975	4,726	4,726	4,726	4,726	4,726
Inventories.....	1,297	580	1,297	1,297	1,297	1,297	1,297
Amounts receivable for services.....	18,400	39,760	42,871	24,009	1,922	1,740	-
Prepayments.....	3,260	3,000	3,260	3,260	3,260	3,260	3,260
Total current assets	95,905	59,904	75,410	45,484	24,840	26,480	26,412
NON-CURRENT ASSETS							
Amounts receivable for services.....	32,743	20,666	18,007	27,131	64,225	103,355	145,595
Land and buildings.....	316,147	342,980	362,750	395,177	403,100	418,613	481,465
Plant and equipment.....	25,914	33,360	32,613	50,547	45,681	51,934	52,270
Intangibles.....	43,095	72,190	62,068	75,819	78,103	47,945	26,211
Other.....	53,018	40,300	58,060	65,118	112,759	125,042	59,652
Total non-current assets.....	470,917	509,496	533,498	613,792	703,868	746,889	765,193
TOTAL ASSETS.....	566,822	569,400	608,908	659,276	728,708	773,369	791,605
CURRENT LIABILITIES							
Superannuation	-	120	120	120	240	360	480
Payables	8,122	4,913	4,715	4,715	4,715	4,715	4,715
Provision for employee entitlements	54,631	50,711	55,996	57,537	58,935	58,992	58,992
Accrued salaries	2,414	3,498	3,670	3,670	5,270	6,870	8,542
Other.....	2,376	2,257	2,248	2,345	2,442	2,514	2,514
Total current liabilities.....	67,543	61,499	66,749	68,387	71,602	73,451	75,243
NON-CURRENT LIABILITIES							
Provision for employee entitlements	73,396	83,914	75,503	78,166	80,918	85,369	89,997
Total non-current liabilities	73,396	83,914	75,503	78,166	80,918	85,369	89,997
TOTAL LIABILITIES.....	140,939	145,413	142,252	146,553	152,520	158,820	165,240
EQUITY							
Contributed equity	154,800	193,038	198,876	245,044	308,763	347,467	359,403
Accumulated surplus /(deficit)	56,571	41,787	53,268	54,180	62,019	61,676	61,556
Reserves	214,512	189,162	214,512	213,499	205,406	205,406	205,406
Total equity.....	425,883	423,987	466,656	512,723	576,188	614,549	626,365
TOTAL LIABILITIES AND EQUITY	566,822	569,400	608,908	659,276	728,708	773,369	791,605

(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.

(a) Figures have been adjusted due to the transfer of the Office of Crime Prevention and may not be directly comparable to previously published information.

**CASHFLOW STATEMENT
(Controlled)**

	2004-05 Actual ^{(a) (b)}	2005-06 Budget ^{(a) (b)}	2005-06 Estimated Actual ^{(a) (b)}	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
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	599,553	655,312	657,872	701,487	731,308	769,896	782,915
Capital contribution	43,434	38,838	43,671	49,262	71,427	38,704	11,936
Holding account drawdowns	17,907	18,400	18,400	42,871	24,009	1,922	1,740
Net cash provided by State government	660,894	712,550	719,943	793,620	826,744	810,522	796,591
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(402,606)	(420,937)	(418,932)	(436,341)	(455,464)	(476,026)	(487,103)
Superannuation	(38,452)	(37,018)	(39,847)	(42,043)	(44,040)	(46,793)	(47,761)
Grants and subsidies	(4,211)	(6,040)	(3,952)	(6,290)	(3,798)	(3,638)	(3,638)
Consultancies payments	(866)	(299)	(299)	(299)	(299)	(307)	(310)
Supplies and services	(127,338)	(152,976)	(156,411)	(166,322)	(163,932)	(168,524)	(163,198)
Accommodation	(17,075)	(16,319)	(18,059)	(19,600)	(23,083)	(27,761)	(28,456)
Capital user charge	(30,158)	(32,602)	(32,629)	(35,439)	(39,095)	(42,752)	(42,752)
Goods and services tax	(17,137)	(10,911)	(10,911)	(10,911)	(10,911)	(10,911)	(10,911)
Other	(14,122)	(13,970)	(13,995)	(16,609)	(19,449)	(22,218)	(28,016)
Receipts							
User charges and fees	2,515	2,112	2,112	2,150	2,189	2,199	2,199
Regulatory fees and fines	9,205	9,875	9,875	11,382	11,103	11,240	11,779
Grants and subsidies	2,919	4,341	4,341	1,591	1,591	1,591	1,591
Interest received	1	-	-	-	-	-	-
Donations receipts	14	-	-	-	-	-	-
Goods and services tax	17,193	10,911	10,911	10,911	10,911	10,911	10,911
Other receipts	6,005	4,392	4,392	4,402	4,412	4,422	4,422
Net cash from operating activities	(614,113)	(659,441)	(663,404)	(703,418)	(729,865)	(768,567)	(781,243)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(43,783)	(88,055)	(101,910)	(101,266)	(95,436)	(40,133)	(13,676)
Proceeds from sale of non-current assets	113	-	-	-	-	-	-
Net cash from investing activities	(43,670)	(88,055)	(101,910)	(101,266)	(95,436)	(40,133)	(13,676)
NET INCREASE / (DECREASE) IN CASH HELD							
.....	3,111	(34,946)	(45,371)	(11,064)	1,443	1,822	1,672
Cash assets at the beginning of the reporting period	64,621	47,535	68,222	23,256	12,192	13,635	15,457
Net cash transferred to / from other agencies	490	-	405	-	-	-	-
Cash assets at the end of the reporting period	68,222	12,589	23,256	12,192	13,635	15,457	17,129

- (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 the Office of Crime Prevention 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	92	-	-	-	-	-	-
Supplies and services	49	-	-	-	-	-	-
Other expenses	658	-	-	-	-	-	-
Receipts paid into consolidated fund.....	480	390	390	390	390	390	390
TOTAL ADMINISTERED EXPENSES ^(b)..	1,279	390	390	390	390	390	390
INCOME							
Regulatory fees and fines.....	101	140	140	140	140	140	140
Grants and subsidies	566	-	-	-	-	-	-
Proceeds from disposal of non-current assets	68	-	-	-	-	-	-
Other revenue.....	544	250	250	250	250	250	250
TOTAL ADMINISTERED INCOME ^(c).....	1,279	390	390	390	390	390	390

(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							
Restricted cash	-	445	-	-	-	-	-
Receivables	170	-	-	-	-	-	-
Total Administered Current Assets	170	445	-	-	-	-	-
TOTAL ADMINISTERED ASSETS.....	170	445	-	-	-	-	-
ADMINISTERED CURRENT LIABILITIES							
Mones in trust	-	445	-	-	-	-	-
Other.....	170	-	-	-	-	-	-
Total Administered Current Liabilities.....	170	445	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES..	170	445	-	-	-	-	-

(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.....	(92)	-	-	-	-	-	-
Supplies and services.....	(50)	-	-	-	-	-	-
Other.....	(657)	-	-	-	-	-	-
Receipts paid into consolidated fund.....	(480)	(390)	(390)	(390)	(390)	(390)	(390)
TOTAL ADMINISTERED CASH OUTFLOWS	(1,279)	(390)	(390)	(390)	(390)	(390)	(390)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	101	140	140	140	140	140	140
Other receipts	544	250	250	250	250	250	250
Grants and subsidies	566	-	-	-	-	-	-
Financing Activities							
Investing Activities							
Proceeds from sale of non-current assets	68	-	-	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	1,279	390	390	390	390	390	390
NET CASH INFLOWS / (OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	-	-	-	-	-	-	-

(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
Licences	3,915	4,538	4,538	5,665
Departmental	15,596	15,547	15,538	13,216
Commonwealth-National Campaign Against Drug Abuse.....	146	146	146	146
Commonwealth-Police Recruit Training Program.....	432	490	490	490
Commonwealth-Standing Action Committee for Protection Against Violence Training Exercises	170	-	-	-
Other.....	405	8	8	8
GST input credits	15,929	9,523	9,523	9,523
GST receipts on sales.....	1,264	1,388	1,388	1,388
TOTAL.....	37,857	31,640	31,631	30,436

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

FIRE AND EMERGENCY SERVICES AUTHORITY OF WESTERN AUSTRALIA

PART 14 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY

DIVISION 58

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 107 Net amount appropriated to deliver services.....	38,319	33,237	33,395	34,207	34,500	32,168	32,108
Total appropriations provided to deliver services.....	38,319	33,237	33,395	34,207	34,500	32,168	32,108
ADMINISTERED TRANSACTIONS							
Item 108 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	1	1	1	1	1	1	1
CAPITAL							
Item 175 Capital Contribution	1,382	5,060	5,426	250	10	10	-
GRAND TOTAL	39,702	38,298	38,822	34,458	34,511	32,179	32,109

MISSION

In partnership with the people of Western Australia to:

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

SIGNIFICANT ISSUES AND TRENDS

- Continuity of services continues to be a critical issue as communities focus on not only natural emergencies, but also man made incidents, including those resulting from acts of terrorism.
- Requirement for the Fire and Emergency Services Authority of Western Australia to develop an appropriate spread and diversification of manufacturers and suppliers of critical equipment and appliances to ensure continuity of service delivery.
- The trend of increased community awareness of sustainability continues to impact on the Fire and Emergency Services Authority's decision-making with triple bottom line outcomes (environmental, economic and social) expected. Global climate change, future energy shortages, apparent increase in extreme weather events and other issues present a changing and challenging scenario.
- The shift to evidence-based decision-making is an essential element in the Fire and Emergency Services Authority's involvement in externally validated research.
- As the role and responsibilities of Emergency Services Organisations broaden in the 21st century, the legislative framework for prevention services and emergency services must reflect these changes.
- Volunteers are increasingly being recognised not only by the Fire and Emergency Services Authority and the community, but also in legislation. Issues such as liability, insurance and employment protection for volunteers are detailed in the *Emergency Management Act 2005*.

- With the aim of achieving whole-of-government efficiencies that benefit the community of Western Australia, the Fire and Emergency Services Authority continues to participate in the Shared Corporate Services Reform Program.
- The Fire and Emergency Services Authority continues to take a lead role in emergency planning and building a capacity to respond effectively to incidents of a large scale or catastrophic nature at the State or National levels.
- Buoyant local market conditions with strong demand for construction materials and skilled labour continues to challenge the Fire and Emergency Services Authority's capacity to deliver capital works projects.

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 Emergency Management Officers - continuation for one year.....	900	-	-	-
National Urban Search and Rescue Enhancement Strategy	216	231	266	-
Volunteer Marine Rescue Service - Vessel and Equipment Replacement Program	-	-	-	450

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>							
Prevention Services.....	16,502	17,288	18,171	19,928			
<i>Service 2:</i>							
Emergency Services.....	155,065	160,792	161,474	169,155			
Total Cost of Services	171,567	178,080	179,645	189,083	194,622	193,801	200,477
<i>Less Income.....</i>	<i>152,966</i>	<i>148,174</i>	<i>150,913</i>	<i>157,484</i>	<i>162,653</i>	<i>163,743</i>	<i>170,742</i>
Net Cost of Services	18,601	29,906	28,732	31,599	31,969	30,058	29,735
Adjustments ^(a)	19,718	3,331	4,663	2,608	2,531	2,110	2,373
Appropriation provided to deliver Services.	38,319	33,237	33,395	34,207	34,500	32,168	32,108
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	1	1	1	1	1	1	1
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	1,382	5,060	5,426	250	10	10	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	39,702	38,298	38,822	34,458	34,511	32,179	32,109

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

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

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	The impact of human and natural hazards on the community of Western Australia is minimised.	1. Prevention Services. 2. Emergency 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 impact of human and natural hazards on the community of Western Australia is minimised.					
Number of accidental residential fires per 100,000 households ^(b)	n/a	n/a	70	70	
Proportion of structural fires confined to object/room of origin	n/a	n/a	65%	65%	

(a) Included for the first time. More details of effectiveness indicators are provided in the annual report.

(b) This indicator appears as Key Performance Indicator Two in the Annual Report. This year it has been re-defined to coincide with the definition of the Commonwealth Report on Government Services. Number of households is determined by reference to the Australian Bureau of Statistics Census. It is anticipated that an updated number for households will be released in mid 2007 as a result of the August 2006 census.

Service 1: Prevention Services

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

	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	16,502	17,288	18,171	19,928	Mainly due to full year funding for Community Emergency Management Officers in 2006-07.
Less Income	15,486	14,667	14,944	15,943	
Net Cost of Service	1,016	2,621	3,227	3,985	
Adjustments ^(a)	2,022	12	(594)	265	
Appropriation for delivery of Service	3,038	2,633	2,633	4,250	

(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
Prevention Services ^(a)	23	21	22	23	Implementation of new legislation will increase demand for emergency management services training.
Total Prevention Expenditure \$'000	16,502	17,288	18,171	19,928	
Average Cost per Prevention Service \$'000	717.48	823.24	825.95	866.43	
Full Time Equivalents (FTEs) ^(b)	139	139	143	150	

(a) The Prevention Services indicator includes the number of community prevention/awareness campaigns delivered plus nominal contact hours for participants undertaking emergency management services training hours multiplied by weighting factors.

(b) 2005-06 Estimated Actual FTEs includes seven Community Emergency Management Officers for six months and a further 12 months in 2006-07.

Major Achievements For 2005-06

- Conducted a State-wide Bush Fire Threat Analysis and improved bush fire investigation methods.
- Established the 'Stay and Defend or Go Early' program to improve community understanding of evacuation during bush fires.
- Developed initiatives with local government and environment groups to protect communities vulnerable to areas with excessively heavy fuel loads.
- Through community engagement achieved a reduction in the area burnt by unplanned and unmanaged late dry season bush fires in the Kimberley Region.
- Developed and implemented comprehensive fire management guidelines, training and response protocols for bush fires in high organic soil sites, i.e. peat lands.
- Developed a Vector Command cyclone simulation model for incorporation into incident management training.
- *The Emergency Management Act 2005* was re-introduced into Parliament and came into operation with effect from 24 December 2005.
- Completed specifications and awarded a tender for maintenance works of the Fire and Emergency Services Authority education centre.
- Established the Western Australian State Tsunami Working Group to determine the State's risk of tsunamis and contributed to the framework for national tsunami arrangements.
- Identified and inspected high risk premises i.e. backpacker and hostel accommodation.
- In collaboration with the Conservation and Land Management and the Western Australian Police implemented an interagency team (Bush Fire Investigation Action Team) to address arson activities.
- Established and engaged Community Emergency Management Officers for an initial six months to work collaboratively with local government to implement fire management plans.
- In collaboration with the Western Australian Police developed and awarded a tender for a multi medium community Public Alert System.

Major Initiatives For 2006-07

- Implement operational systems including an enhanced flood mapping and community warning system to improve opportunity for community preparation and response in the event of flood in the Swan/Avon River catchment areas.
- On behalf of the State Government, undertake a review of emergency services in the Shires of Busselton and Augusta-Margaret River in order to determine future emergency service requirements and help communities plan to meet these needs.
- Through community engagement reduce the amount of the Kimberley Region burnt through unplanned and unmanaged dry season bush fires, including awareness and reduction activities, and improved application and implementation of the aerial controlled burning program.
- Complete the maintenance program of the Fire and Emergency Services Authority education centre and commence the development of an interactive learning gallery.
- Following the introduction of the mandatory smoke alarm legislation, conduct a comprehensive community education and public information program.
- Complete a tsunami risk assessment including computer modelling by Geoscience Australia to identify highly vulnerable coastal communities.
- Undertake a project in the Kimberley Region to progress fire management plans with community, indigenous and pastoral land holders.
- Extend the review of high risk premises to include nightclubs, aged and special care facilities, country hotels and dormitory style accommodation.
- Participate on a national project to evaluate and improve the effectiveness of community safety education programs.
- Continue the Fire and Emergency Services Authority’s investment in national and state emergency management research initiatives, including strategic partnerships with tertiary institutions and other research bodies.
- Conduct a comprehensive analysis of outcomes from the Bush Fire Investigation Action Team and arson related arrests.
- Continue to work in collaboration with local government to extend the Community Emergency Management Offices project for a further 12 months to encompass emergency management planning for all hazards.
- Complete the implementation of the *Emergency Management Act 2005* including regulations, policies and procedures.
- In conjunction with the Western Australian Police trial the new multi medium automated community Public Alert System.

Service 2: Emergency Services

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

	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	155,065	160,792	161,474	169,155	Mainly due to previous budget decisions including award, cost escalation and recurrent capital works related adjustments.
Less Income	137,480	133,507	135,969	141,541	
Net Cost of Service	17,585	27,285	25,505	27,614	
Adjustments ^(a)	17,696	3,319	5,257	2,343	
Appropriation for delivery of Service	35,281	30,604	30,762	29,957	

(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
Number of Operational Personnel ready to respond to emergencies.....	34,593	27,000	30,000	29,000	Variance due to amended definitions for 'operational personnel' and improvements to data quality.
Total Operational Personnel Expenditure \$'000.....	151,265	156,492	157,174	164,755	
Average Cost per Operational Personnel \$'000.....	4.37	5.80	5.24	5.68	
Western Australian Emergency Rescue Helicopter Service (WAERHS) Mission Hours.....	387	330	340	330	
Total WAERHS Expenditure \$'000.....	3,800	4,300	4,300	4,400	
Average Cost per Mission Hour \$'000.....	9.82	13.03	12.65	13.33	
Full Time Equivalents (FTEs) ^(a)	1,013	1,010	1,016	1,016	

(a) 2005-06 Estimated Actual onwards includes FTEs for the Western Australian Emergency Radio Network and Shard Land Information Projects.

Major Achievements For 2005-06

- The allocation of approximately \$20 million in operating and capital grants to volunteer groups State-wide.
- Enhanced support for volunteers through the:
 - successful implementation of a more customer focused volunteer training program; and
 - delivery of a range of improved services for volunteers, including the employer recognition and volunteer benefits programs.
- Establishment of four additional multi skilled Volunteer Emergency Service units in partnership with local government in Tambellup, Onslow, York and Marble Bar in order to address the impact of dwindling population in rural and remote areas on volunteer membership.
- Support the legislative review of the emergency services acts (*Fire and Emergency Services Authority of Western Australia Act 1998*, *Fire Brigades Act 1942* and the *Bush Fires Act 1954*) conducted by the Community Development and Justice Standing Committee of the Legislative Assembly.
- The tender evaluation and recommendation report for the Western Australian Emergency Radio Network project has been completed and endorsed by the State Tenders Committee. The Western Australian Emergency Radio Network project will provide radio infrastructure to enable radio interoperability for all Emergency Services Organisations in Western Australia.
- Developed enhanced major incident response protocols through agreements with local government (71 currently signed), where the Fire and Emergency Services Authority is the hazard management agency.
- Reviewed relevant State Emergency Response Plans, in conjunction with key stakeholders, to identify the operational strengths and weaknesses of response arrangements in relation to cross-agency operations.
- As part of the *Perth Metropolitan Fire and Rescue Service Resourcing Plan 2003-2013*, enhanced specialist response capability across the Perth metropolitan region by:
 - increasing and relocating specialist fire appliances and staff;
 - establishing Platform on Demand capabilities, for effective mobilisation of specialised equipment; and
 - developing training and response procedures for specialist operations.
- Developed a three tiered system (local, regional and state) of support and coordination for emergencies within Western Australia, including the establishment of a State Coordination Centre and Regional Coordination Centres.
- Enhanced the Urban Search and Rescue capabilities through a joint national agreement over four years between the State and Commonwealth.

Major Initiatives For 2006-07

- The allocation of local government grants for volunteer Bush Fire Brigades and State Emergency Service Units throughout Western Australia will continue to focus on need through the ongoing development of the local government Resource to Risk Model.
- Purchase and implement a detection system to improve safety of response personnel when responding to incidents where there is a potential chemical threat.
- Through the National Urban Search and Rescue Strategy conduct interagency specialised building collapse training and operational exercises.
- Establish a dedicated base for the Western Australian Emergency Rescue Helicopter Service at Jandakot Airport through the collocation of the helicopter hangar, planning and operations room and crew accommodation to facilitate a more effective and efficient air mobilisation response.
- Implement new emergency air intelligence capabilities to enable transmission of real time mapping and vision to incident management teams and coordination centres following trial testing in 2005-06.
- In partnership with local government, continue to support rural and remote communities to establish multi skilled Volunteer Emergency Service Units in order to deal with reduced populations, retention of volunteers and improved community centred emergency management.
- Continue to implement the *Perth Metropolitan Fire and Rescue Service Resourcing Plan 2003-2013*, including the:
 - provision of confined space rescue equipment and training, in order to enhance rescue capabilities; and
 - implementation of dispersed relieving arrangements to ensure appropriate response capabilities.
- Further the implementation of the regional operational management structure.

CAPITAL WORKS PROGRAM

The 2006-07 Capital Works Program of \$25.9 million comprises new works of \$6.9 million and works in progress of \$18.9 million.

The Capital Works Investment Plan is established in conjunction with the application of a resource to risk model to determine the emergency service infrastructure needs of communities and the Fire and Emergency Services Authority's personnel, throughout the State. This process recognises demographic changes and changing community safety issues.

Significant State-wide issues include the National Urban Search and Rescue Enhancement Strategy, Western Australian Emergency Radio Network and Shared Land Information Platform project.

Other major land and building capital works allocations include plans for the State-wide commencement and completion of both new buildings and upgrades to existing facilities with additional funding approved for the current building and construction industry cost demand pressures. The main projects include volunteer fire stations as well as regional collocations which will provide suitable facilities for volunteer groups and regional staff. Regional collocations are planned in Bunbury and Geraldton with volunteer collocations at Derby, Dalwallinu, Esperance, Kununurra and Mundaring, and new volunteer fire stations at Albany, Broome and Merredin. Existing training aids at the Forrestfield Training Centre will be upgraded to complement the National Urban Search and Rescue Strategy for training requirements. Station modifications will include modifications at Bridgetown and Wagin volunteer fire and rescue facilities to enable the appropriate housing of vehicles.

Vehicle replacement programs of fire appliances in the metropolitan, regional and rural districts are ongoing in line with the Fire and Emergency Services Authority maintenance and serviceable life replacement strategies. Indicative current cost estimates for the different vehicle types are:

- Light Tankers \$90,000;
- Light Pumpers \$350,000;
- Heavy Pumpers \$550,000; and
- Medium Tankers \$220,000.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Fire and Emergency Vehicles				
CFRS Heavy Pumper Replacement Program ^(a)	4,920	700	700	1,510
CFRS Light Pumper Replacement Program	2,700	1,800	600	400
CFRS Medium Tanker Replacement Program	600	200	200	400
CFRS North Region Appliance Eglinton	600	250	250	350
VFRS Light Pumper Replacement Program ^(b)	18,550	13,100	1,711	2,800
Land and Building Works				
CFRS Eglinton Fire Station	1,780	400	400	-
CFRS Perth Fire Station Relocation	9,100	5,900	2,803	3,200
FESA Regional Collocation Bunbury Regional Office ^(c)	1,655	1,105	1,099	550
FESA Regional Collocation Geraldton Regional Office	1,375	925	769	450
FESA Volunteer Collocation Derby	1,700	500	499	1,200
FESA Volunteer Collocation Esperance	1,100	400	397	700
FESA Volunteer Collocation Mundaring	1,500	920	425	580
VFRS Broome Fire Station	1,100	750	740	350
VFRS Merredin Fire Station	805	45	45	760
Plant and Equipment Works				
Shared Land Information Platform	2,432	2,192	2,192	240
National Urban Search and Rescue Enhancement Strategy - Equipment	1,003	973	973	10
VFRS Hose Replacement Strategy 2001-07 Program	450	300	179	40
VMRS Communication Network 2003-11 Program ^(d)	850	300	214	100
VMRS Vessel and Equipment Replacement 2004-09 Program	1,700	600	295	300
Western Australian Emergency Radio Network	20,000	10,000	10,000	5,000
COMPLETED WORKS				
Fire and Emergency Vehicles				
CFRS Demountable Pods	1,600	1,600	181	-
CFRS Firefighting Appliance Program 2003-04 Program	1,000	1,000	591	-
CFRS Light Tanker Replacement Program	2,750	2,750	700	-
CFRS TTL Half Life Refurbishment	400	400	400	-
FESA CBR Specialist Vehicle	450	450	443	-
SES Trailer Replacement 2004-06 Program ^(e)	300	300	150	-
SES Truck Replacement 2004-06 Program	400	400	200	-
National Urban Search and Rescue Enhancement Strategy - Pod Carrier	328	328	328	-
VFRS Albany Fire Station Appliance	280	280	268	-
VFRS Light Tanker Replacement Program	3,700	3,700	513	-
Land and Building Works				
CFRS Albany Fire Station	610	610	159	-
CFRS Belmont Fire Station	2,900	2,900	1,370	-
CFRS Hope Valley Fire Station	2,500	2,500	332	-
CFRS Maddington Fire Station	320	320	320	-
FESA Strategic Land Acquisition	2,000	2,000	2,000	-
FESA Volunteer Collocation Manjimup	520	520	406	-
FESA Volunteer Collocation Toodyay	350	350	89	-
SES Regional Headquarters Replacement Broome	921	921	897	-
National Urban Search and Rescue Enhancement Strategy - Facilities	332	332	332	-
VFRS Kalgoorlie Fire Station	675	675	369	-
VFRS Station Modifications	755	755	274	-
Plant and Equipment Works				
CFRS CLP Half Life Refurbishment	400	400	388	-
FESA ES-CADOM Project	2,500	2,500	2,500	-
SES Asset Replacement 2003-06 Program	480	480	160	-
SES Volunteer Equipment 2003-06 Program	1,500	1,500	500	-
VFRS Breathing Apparatus Replacement Program	1,400	1,400	6	-
VFRS Direct Brigade Alarm Replacement Program	800	800	503	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
NEW WORKS				
Fire and Emergency Vehicles				
CFRS Light Tanker Replacement Program.....	4,450	-	-	300
VES Units Fleet Replacement Program 2006-12 ^(f)	6,750	-	-	500
VFRS Light Tanker Replacement Program.....	8,030	-	-	800
Land and Building Works				
FESA Volunteer Collocation - Dalwallinu.....	1,370	-	-	920
FESA Volunteer Collocation - Kununurra	1,500	-	-	1,500
Forrestfield Training Centre - Enhancements	650	-	-	650
Station Modifications 2006-12 Program	1,970	-	-	470
VFRS Albany Fire Station.....	1,035	-	-	1,035
Plant and Equipment Works				
SES Equipment Replacement 2006-12 Program.....	5,250	-	-	750
	135,096	71,531	38,870	25,865

- (a) CFRS Career Fire and Rescue Service.
- (b) VFRS Volunteer Fire and Rescue Service.
- (c) FESA Fire and Emergency Services Authority.
- (d) VMRS Volunteer Marine Rescue Service.
- (e) SES State Emergency Service.
- (f) VES Volunteer Emergency Service.

CAPITAL CONTRIBUTION

‘Funding included in Service Appropriations’ reflects the State’s continued support to volunteers through capital grants or capital works that is expensed through the Income Statement. Included in 2006-07 is \$2.5 million for the Western Australian Emergency Radio Network project which is matched equally from the Emergency Service Levy. Capital Contributions include funding towards the Shared Land Information Platform project and the National Urban Search and Rescue Strategy.

Holding account draw downs of \$3.2 million in 2006-07 support vehicle replacement programs and reduce the borrowings requirements to \$7.3 million. The Fire and Emergency Services Authority continues to fund other capital works projects internally in accordance with legislative authority.

	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	21,082	28,578	38,870	25,865	16,795	11,667	8,240
	21,082	28,578	38,870	25,865	16,795	11,667	8,240
LESS							
Asset Sales	399	-	2,770	-	-	-	-
Borrowings.....	9,630	1,655	1,265	7,294	7,315	9,502	6,140
Commonwealth Grants	-	1,000	1,000	-	-	-	-
Drawdowns from the Holding Account	4,360	4,800	4,800	3,200	2,650	-	-
Funding Included in Service Appropriations ^(a)	1,460	4,790	4,790	3,940	4,055	1,605	1,550
Internal Funds and Balances	3,851	8,373	15,919	8,681	265	550	550
Other.....	-	2,900	2,900	2,500	2,500	-	-
Capital Contribution	1,382	5,060	5,426	250	10	10	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(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
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	73,533	78,125	78,170	82,640	85,467	87,869	92,766
Superannuation	8,253	8,566	8,566	9,007	9,308	9,308	9,558
Grants and subsidies ^(c)	29,765	20,486	20,481	22,045	22,076	22,079	22,317
Supplies and services	42,304	52,004	53,609	55,536	55,960	51,289	52,258
Accommodation	2,052	2,182	2,102	2,188	2,227	2,270	2,329
Finance costs	2,712	3,724	3,724	4,134	4,521	5,342	5,373
Capital user charge	3,048	2,806	2,806	2,872	2,873	2,921	2,921
Depreciation and amortisation	8,116	8,641	8,641	9,050	10,634	11,152	11,329
Loss on disposal of non-current assets	548	-	-	-	-	-	-
Other expenses	1,236	1,546	1,546	1,611	1,556	1,571	1,626
TOTAL COST OF SERVICES	171,567	178,080	179,645	189,083	194,622	193,801	200,477
Income							
User charges and fees	5,102	3,109	3,627	3,513	3,185	3,050	3,150
Regulatory fees and fines	126,789	137,735	137,735	146,959	152,571	153,824	160,762
Gain on disposal of non-current assets	247	-	1,472	-	-	-	-
Grants and subsidies	17,439	2,805	4,072	3,025	3,025	3,025	3,090
Interest revenue	1,933	2,500	2,500	2,500	2,500	2,500	2,500
Other revenue	1,456	2,025	1,507	1,487	1,372	1,344	1,240
Total Income	152,966	148,174	150,913	157,484	162,653	163,743	170,742
NET COST OF SERVICES	18,601	29,906	28,732	31,599	31,969	30,058	29,735
INCOME FROM STATE GOVERNMENT							
Service appropriations	38,319	33,237	33,395	34,207	34,500	32,168	32,108
Resources received free of charge	1,153	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	39,472	33,237	33,395	34,207	34,500	32,168	32,108
SURPLUS (DEFICIENCY) FOR THE PERIOD	20,871	3,331	4,663	2,608	2,531	2,110	2,373
Transfers to Reserves	(10,013)	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	10,858	3,331	4,663	2,608	2,531	2,110	2,373

(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 1152, 1159 and 1166 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	-	1,968	5	-	-	-	-
Restricted cash	6,724	-	7,756	7,756	7,991	7,991	7,991
Investments	44,683	17,372	29,834	22,430	23,947	24,380	24,825
Receivables	1,300	3,705	2,370	3,682	4,182	3,932	3,882
Inventories.....	1,085	1,227	1,145	950	1,000	900	925
Interest receivable	64	146	64	64	64	64	64
Amounts receivable for services.....	3,894	1,675	1,675	1,261	2,355	6,000	9,545
Prepayments	-	2,172	200	200	200	200	200
Other.....	456	5,627	562	558	554	550	546
Total current assets	58,206	33,892	43,611	36,901	40,293	44,017	47,978
NON-CURRENT ASSETS							
Land and buildings.....	85,284	88,585	103,791	116,721	118,338	116,068	114,810
Investments	-	2,200	945	-	-	-	-
Plant and equipment.....	34,976	34,254	33,688	31,333	29,365	30,906	28,529
Intangibles.....	-	1,696	1,696	1,496	1,453	1,092	88
Other.....	14,634	31,198	20,614	15,473	15,473	15,473	15,473
Total non-current assets.....	134,894	157,933	160,734	165,023	164,629	163,539	158,900
TOTAL ASSETS.....	193,100	191,825	204,345	201,924	204,922	207,556	206,878
CURRENT LIABILITIES							
Superannuation	530	250	485	461	489	494	351
Payables	2,233	1,981	2,032	2,156	2,256	2,056	1,856
Provision for employee entitlements	4,714	2,231	4,314	3,551	4,151	3,883	3,483
Borrowings.....	2,030	7,873	3,897	5,724	5,500	5,698	5,898
Interest payable	625	607	642	876	989	1,093	1,093
Accrued salaries	-	1,587	-	-	-	-	-
Other.....	1,603	251	892	965	900	800	700
Total current liabilities.....	11,735	14,780	12,262	13,733	14,285	14,024	13,381
NON-CURRENT LIABILITIES							
Superannuation	824	1,068	924	806	754	715	650
Provision for employee entitlements	7,315	6,911	6,952	6,200	5,800	5,500	5,000
Borrowings.....	40,687	47,604	37,508	40,215	44,730	50,672	53,026
Other.....	-	63	63	-	-	-	-
Total non-current liabilities	48,826	55,646	45,447	47,221	51,284	56,887	58,676
TOTAL LIABILITIES.....	60,561	70,426	57,709	60,954	65,569	70,911	72,057
EQUITY							
Contributed equity	52,036	81,510	61,470	55,241	49,941	42,411	36,810
Accumulated surplus/(deficit)	10,911	4,239	15,574	18,182	20,713	22,823	25,196
Reserves	69,592	35,650	69,592	67,547	68,699	71,411	72,815
Total equity.....	132,539	121,399	146,636	140,970	139,353	136,645	134,821
TOTAL LIABILITIES AND EQUITY.....	193,100	191,825	204,345	201,924	204,922	207,556	206,878

(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)	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
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	36,024	30,427	30,585	30,966	30,756	28,353	28,293
Capital contribution	1,382	5,060	5,426	250	10	10	-
Holding account drawdowns	4,360	5,029	5,029	3,655	2,650	170	270
Net cash provided by State government	41,766	40,516	41,040	34,871	33,416	28,533	28,563
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(72,416)	(78,888)	(78,933)	(84,155)	(85,267)	(88,437)	(93,666)
Superannuation	(8,108)	(8,589)	(8,589)	(8,980)	(9,281)	(10,924)	(11,143)
Grants and subsidies	(29,765)	(20,486)	(20,481)	(22,045)	(22,076)	(22,079)	(22,317)
Supplies and services	(40,260)	(54,083)	(53,883)	(55,840)	(56,897)	(51,875)	(52,902)
Accommodation.....	(2,117)	(1,182)	(2,172)	(2,295)	(2,372)	(2,457)	(2,543)
Finance costs	(2,765)	(3,707)	(3,707)	(3,934)	(4,408)	(5,238)	(5,373)
Capital user charge.....	(3,048)	(2,806)	(2,806)	(2,872)	(2,873)	(2,921)	(2,921)
Goods and services tax	(7,342)	(4,000)	(4,000)	(4,000)	(4,000)	(3,000)	(3,045)
Other.....	(1,235)	(6,158)	(1,158)	(1,242)	(1,287)	(1,350)	(1,446)
Receipts							
User charges and fees.....	5,655	2,759	-	-	-	-	-
Regulatory fees and fines.....	125,560	137,735	137,735	146,959	152,571	153,824	160,762
Grants and subsidies	16,500	2,805	2,805	1,775	1,775	1,775	2,003
Interest received.....	2,015	2,500	2,500	2,500	2,500	2,500	2,500
Goods and services tax	7,040	3,000	3,000	3,000	3,000	3,000	3,000
Other receipts	2,602	1,110	2,750	2,795	2,900	3,004	3,109
Net cash from operating activities.....	(7,684)	(29,990)	(26,939)	(28,334)	(25,715)	(24,178)	(23,982)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(22,216)	(20,808)	(28,426)	(19,425)	(10,240)	(10,062)	(6,690)
Equity contribution payments.....	(685)	-	-	-	-	-	-
Proceeds from sale of non-current assets	399	-	2,770	-	-	-	-
Net cash from investing activities.....	(22,502)	(20,808)	(25,656)	(19,425)	(10,240)	(10,062)	(6,690)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(9,038)	(2,577)	(2,577)	(2,760)	(3,024)	(3,362)	(3,586)
Proceeds from borrowings	9,630	1,655	1,265	7,294	7,315	9,502	6,140
Net cash from financing activities.....	592	(922)	(1,312)	4,534	4,291	6,140	2,554
NET INCREASE/(DECREASE) IN CASH HELD	12,172	(11,204)	(12,867)	(8,354)	1,752	433	445
Cash assets at the beginning of the reporting period	39,235	32,744	51,407	38,540	30,186	31,938	32,371
Cash assets at the end of the reporting period.....	51,407	21,540	38,540	30,186	31,938	32,371	32,816

(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	1	1	1	1	1	1	1
TOTAL ADMINISTERED EXPENSES ^(b)..	1	1	1	1	1	1	1
INCOME							
Administered appropriations.....	1	1	1	1	1	1	1
TOTAL ADMINISTERED INCOME ^(c).....	1	1	1	1	1	1	1

- (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 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	(1)	(1)	(1)	(1)	(1)	(1)	(1)
TOTAL ADMINISTERED CASH OUTFLOWS	(1)	(1)	(1)	(1)	(1)	(1)	(1)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Administered appropriations.....	1	1	1	1	1	1	1
TOTAL ADMINISTERED CASH INFLOWS.....	1	1	1	1	1	1	1
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	-	-	-	-	-	-	-

- (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.

CORRECTIVE SERVICES

PART 14 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY

DIVISION 59

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 109 Net amount appropriated to deliver services.....	361,930	371,152	385,685	428,866	447,121	466,275	474,759
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	609	628	628	647	664	682	700
Total appropriations provided to deliver services.....	362,539	371,780	386,313	429,513	447,785	466,957	475,459
CAPITAL							
Item 176 Capital Contribution	-	-	14,532	51,016	29,865	3,200	5,000
GRAND TOTAL	362,539	371,780	400,845	480,529	477,650	470,157	480,459

MISSION

Our purpose is to reduce re-offending, assist victims, protect staff and the community and encourage offenders towards law-abiding lifestyles.

SIGNIFICANT ISSUES AND TRENDS

- The Department will commence work on key recommendations from the Mahoney Inquiry, which will lay the foundation for improvements to corrective services to achieve the outcome of a safe and secure community. This will provide for appropriate Prison and Community Justice Officer staffing levels, an emphasis on training and development of staff, an increased focus on intelligence gathering and analysis, a focus on safety and security, establishment of an incident command centre, improved classification of prisoners through more comprehensive assessment and case management and significant improvements to prison infrastructure particularly in Broome and the Eastern Goldfields.
- The new Department of Corrective Services commenced operating on 1 February 2006. However, a significant amount of work is still to be completed in transitioning key services currently being shared with the Department of the Attorney General. The new organisational structure is still evolving and key executive positions are yet to be advertised and filled substantively. A key focus will be the establishment and staffing of the Professional Standards, Compliance and Integrity Division which will create a capacity to introduce corruption prevention strategies, quality assurance, complaint investigation and assessment, standards development incorporating proactive compliance testing and reporting and a professional response and coordination of reform emanating from key stakeholders including (but not limited to) Office of the Inspector of Custodial Services, the Ombudsman and the State Coroner.
- The ongoing high rate of Aboriginal imprisonment is of major concern (currently Aboriginal prisoners represent 40 per cent of the prisoner population). The Reducing Aboriginal Imprisonment initiative will have an ongoing roll out over the next three years and will work to redress this situation. These strategies are a joint initiative with the Department of the Attorney General and include transport, employment, liaison officers and family and domestic violence initiatives. There is a need to acknowledge the Aboriginal prisoners are 'core business' for the Department and custodial and community based management and supervision of aboriginal offenders needs to include appropriate classification and placement, practical and relevant reparation, rehabilitation and re-entry programs.

- The current high prisoner numbers continue to place pressure on:
 - prisoner accommodation (at the appropriate security level and location) within an ageing prison system that is currently operating beyond its design capacity;
 - the provision of and access to (culturally) appropriate programs and services;
 - regional prisons in terms of the high Aboriginal imprisonment rate and the inability to deliver contemporary custodial services and place prisoners (Indigenous) close to their supports of land and family; and
 - the recruitment of suitable people as prison officers to meet a current shortfall caused by growth in the prisoner population and natural attrition of prison officers.
- Strengthened prisoner security assessment criteria and processes have resulted in a marked increase in the number of medium and maximum security prisoners which is placing increased pressure on secure facilities and services. Further pressure on these facilities has come from a rise in the number of remand prisoners from 500 in June 2004 to 629 in March 2006 (an increase from 15.8 per cent of the prison population to 17.9 per cent).
- Further pressure has been placed on prison accommodation places by the growing numbers of Indonesian fishermen charged under Commonwealth and State fisheries and customs legislation. These prisoners present a number of management and cultural challenges and the current focus (national and state) is for increased surveillance, detection, apprehension and longer prison sentences.
- The Western Australia Police Service reported in its 2004-05 Annual Report that the number of offences cleared was 25,445 compared to 19,243 during 2003-04 (an increase of 32.2 per cent). An overall improved clearance rate (from 78.6 per cent in 2003-04 to 84.8 per cent in 2004-05). Improvements in police effectiveness and the number of offences being cleared has a direct impact on the number of offenders in the justice system and the resultant workload in community corrections, juvenile justice and prisons. The police will also be increasing their sworn officer authorised strength significantly in the next two years and when combined with the 'frontline first' focus there is a strong probability of an increased arrest rate and subsequent imprisonment of offenders.
- Community attitude is strengthening the call for a 'no tolerance' approach to social disorder offences and increased penalties for offenders. Increased prisoner numbers serving longer sentences will place the prisoner population well above design capacity and will have an impact on the capacity to deliver appropriate services to meet the four cornerstones of custodial practice:
 - custody and containment;
 - care and well being;
 - reparation; and
 - rehabilitation and reintegration.Increased prisoner sentence length will also impact on community-based services, with parolees having longer periods of supervision in the community. As these are a higher risk group of offenders in the community these offenders require higher levels of supervision and management.
- Correctional services are increasingly involved in the management of people with a mental health problem, with around 20 per cent of offenders across both prison and community services having a mental health problem that requires a significant level of specialist services. This creates additional demands on the services including the need to develop new staff skill sets, designing facilities to provide adequate safety for these offenders and to develop significantly sophisticated offender programs that can deal with both the offender's criminal behaviour as well as their broader health issues.
- Managing juvenile populations in detention is being made more complex by a number of factors:
 - there is an increase in the remand population for juveniles, which also reflects a national trend;
 - Aboriginal children population has grown to now make up 80 per cent of juvenile detainees, requiring improved focus on Aboriginal specific programs and increased involvement of Aboriginal communities in the release and supervision of young offenders; and
 - an increase in very young children on remand (children under 13 years of age).
- The Department is progressing significant legislative reform in accordance with the Mahoney recommendations. This reform will incorporate legislation to clearly outline the objectives of the custodial system, key roles and responsibilities, enhanced prisoner management and discipline, improved disciplinary procedures and processes for prison officers.

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
Fines Enforcement Strategy.....	420	432	445	458
Reducing Aboriginal Imprisonment.....	1,293	1,159	1,269	1,195
Mahoney Initiatives.....	16,557	19,442	19,884	22,828
Prison Officer Staffing.....	5,500	5,500	5,000	3,500
Prisoner Review Board.....	170	172	177	182

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>							
Adult Criminal Justice Services	341,626	349,459	362,147	395,996			
<i>Service 2:</i>							
Juvenile Criminal Justice Services	46,668	49,328	49,590	59,050			
Total Cost of Services	388,294	398,787	411,737	455,046	475,696	499,239	504,536
<i>Less Income.....</i>	<i>12,605</i>	<i>12,553</i>	<i>12,141</i>	<i>12,215</i>	<i>12,704</i>	<i>13,256</i>	<i>13,888</i>
Net Cost of Services	375,689	386,234	399,596	442,831	462,992	485,983	490,648
Adjustments ^(a)	(13,150)	(14,454)	(13,283)	(13,318)	(15,207)	(19,026)	(15,189)
Appropriation provided to deliver Services.	362,539	371,780	386,313	429,513	447,785	466,957	475,459
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	-	14,532	51,016	29,865	3,200	5,000
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	362,539	371,780	400,845	480,529	477,650	470,157	480,459

(a) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
 (b) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	A safe, secure and decent corrective services which contributes to community safety and reduced offenders' involvement in the justice system.	1. Adult Criminal Justice Services 2. Juvenile Criminal Justice 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: A safe, secure and decent corrective services which contributes to community safety and reduced offenders' involvement in the justice system.					
Escape / abscond rate	2%	0%	0%	0%	
Escape rate – juveniles.....	0%	0%	0%	0%	
Rate of serious assault per 100 prisoners	n/a	n/a	n/a	<0.53	
Average out of cell hours.....	n/a	n/a	n/a	11.7	
Completion of community correction orders - adults ^(b)	61%	67%	67%	64%	Additional funding received as a result of the Inquiry will deliver improved out-year performance on this indicator.
Completion of community-based orders - juveniles ^(b)	63%	66%	66%	66%	Additional funding received as a result of the Inquiry will deliver improved out-year performance on this indicator.
Rate of return - adults	38%	38%	38%	38%	
Rate of return to detention - juveniles	55%	56%	56%	56%	
Imprisonment rate per 100,000 adult population	n/a	220	220	220	
Community correction rate per 100,000 adult population	n/a	n/a	n/a	365	

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

(b) An order is considered successfully completed if it has run its full course without breach action finalised or pending. It is calculated by dividing the number of orders that have run their course without breach action finalised or pending overall orders that have been validly terminated, completed or expired.

Service 1: Adult Criminal Justice Services

An Adult Criminal Justice System that:

- contributes to community confidence;
- provides timely resolution of justice issues;
- ensures court sanctions are completed; and
- contributes to reducing the rate of re-offending and imprisonment.

	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	341,626	349,459	362,147	395,996	Increase in 2006-07 is due to additional funding provided to address recommendations of the Inquiry into the management of offenders in custody and the community.
Less Income	11,606	11,665	11,345	11,428	
Net Cost of Service	330,020	337,794	350,802	384,568	
Adjustments ^(a)	(10,999)	(12,296)	(11,109)	(10,978)	
Appropriation for delivery of Service	319,021	325,498	339,693	373,590	

(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

	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 day of keeping an offender in custody	\$240	\$243	\$251	\$276	
Cost per day of managing an offender through community supervision	\$22	\$21	\$21	\$24	
Full Time Equivalents (FTEs)	2,667	2,659	2,554	2,729	

Major Achievements For 2005-06

- After a number of serious incidents (in custodial and community justice services) that caused community concern, the Department was able to stabilise correctional services and maintain business continuity whilst providing significant input and cooperation with the Mahoney Inquiry. The stabilisation phase (Restoring the Balance) addressed key issues of:
 - organisational style (included service philosophy, organisational, management and leadership style, skills, attitudes and culture);
 - structure (includes the structure of the Prisons Division, community justice services, individual prisons, corporate governance and reporting relationships); and
 - standards (includes standards, policies and other 'rules' that govern and provide guidance for organisational performance, compliance monitoring, accountability, audit and risk management).
- New and improved corporate governance established to provide clear planning and direction, appropriate and timely information, adequate controls and sound resource management.

- Improved the security in the prison system through:
 - commencement of fencing around the Karnet and Wooroloo Prisons to improve security at those two facilities including the capacity to enhance entry and egress controls;
 - capital works undertaken at Eastern Goldfields Regional Prison that improved the condition of the buildings and security of the prison;
 - controlling access to contraband within the prison system, through the Justice Drug Plan, resulting in a decrease in the number of prisoners charged for drug related offences;
 - implementation of tighter measures and strict controls and guidelines;
 - a safety and security program was commenced which will provide for improved staff safety through improvements in areas such as minimum design standards for facilities (includes door design and visibility into closed rooms), the introduction of duress alarm systems and emergency response and increased officer presence in key areas of risk (e.g. education facilities); and
 - prevented security breaches associated with prisoner property guidelines and access to personal and departmental computers through the implementation of a range of tighter security measures, proactive searches, improved investigative tools and strict controls and guidelines.
- Improved security for staff in community justice services through:
 - ensuring all community justice reporting centres have security glass fitted at reception counters;
 - ensuring all interview rooms have dual access / egress doors; and
 - commitment to undertake State-wide Occupational Health and Safety audit to establish standards and requirements for a safe workplace.
- An Occupational Health and Safety review across all prisons was completed to assess the Occupational Health and Safety management framework and key risk areas.
- Intelligence systems were enhanced and a framework developed across the Department. Significant progress was made to improve interagency cooperation and involvement of the intelligence section in key decision-making.
- Contributed significantly to the Mahoney Inquiry and commenced implementation of a number of recommendations emanating from the Inquiry, particularly:
 - creation of the new Department of Corrective Services;
 - appointment of additional Community Correction Officers and Juvenile Justice Officers to cater for increased demand and improve case management practices;
 - a review of safety and security for Community Justice Services; and
 - workforce planning in Community Justice Services specifically to reduce the number of contract staff through improved coordination of a permanent relief team. This has the associated benefit of reducing the number of officers managing individual offenders and ensures the relieving workforce have appropriate field experience.
- The short-term accommodation strategy has increased prison bed capacity in a number of prisons. At Acacia the conversion of special purpose cells has provided an additional 40 medium security beds. At Bandyup the existing self care accommodation has been refurbished and work has commenced on the provision of 40 additional self care beds in secure group living. The minimum security unit at Bunbury Regional Prison has commenced which, when complete, will provide 72 minimum security beds in self care accommodation. Work at Wooroloo has included the refurbishment of existing buildings and construction of 40 additional self care beds.
- Initiatives to address the very high rates of Aboriginal imprisonment in Western Australia have been implemented in conjunction with the Department of the Attorney General. Reducing Aboriginal Imprisonment Strategy projects include diversionary courts, expanding the Geraldton domestic violence court pilot, Aboriginal Liaison Officers, better prisoner transport back to their home communities, improved case management, appointing Bail Coordinators, better access to managed early release programs and increasing the employment options of Aboriginal offenders.
- Embarked on a significant legislative reform program to develop a coordinated legislative response to the Mahoney Inquiry's key findings. The first set of major reforms were prepared in April 2006 dealing specifically with the *Sentence Administration Act 2003* and the *Prisons Act 1981* incorporating changes to prisoner management, authority for temporary absences from prisons, key position roles and responsibilities and improvements to enhance the protection of victims from contact with prisoners.

- The Kimberley Aboriginal Reference Group was established, consisting of eminent and well-respected leaders of the Kimberley, resulting in the production of two reports. The first was on the Kimberley Aboriginal communities' preferences for the kind of custodial facilities that should be provided in the region. The second was on programs and services for Aboriginal people in the Kimberley.
- Capital works and a security audit at Eastern Goldfields Regional Prison have improved the condition of the buildings and security of the prison.
- Significantly increased capacity to enable achievement of standards and professional practice in community justice services through the review and analysis of the A-CAMM tool. This tool aids offender assessment by Community Corrections Officers resulting in improved case management and better decision-making.
- The Community and Juvenile Justice Professional Practice and Standards Unit became fully operational and maintained an audit and review system to facilitate best practice standards in community justice service delivery.
- Completion of minimum operational standards for Community Corrections case management practice.
- A review of both adult and juvenile community-based manuals, with updated procedures and policy requirements being made available for staff.
- The Central Breach Unit has enhanced the preparation of breach reports, streamlined the breach process and allowed for a more efficient and effective way of returning matters back before the Court.
- A Professional Standards, Integrity and Compliance Division was established. It will enhance professionalism, professional standards, corruption prevention strategies, quality investigations and compliance testing and risk management across the new Department.
- Introduction of a 'Leaders Program' to develop future leaders, improve succession planning and raise the level of professionalism throughout the Department.
- The development of an electronic system to allow better access to revised rules and regulations (Commissioners Rules), simplifying the process and ensuring staff and supervisors are provided with clear guidelines and accountability.
- Re-entry support services to assist clients and their families to maintain accommodation and develop and maintain skills required for daily living, improve personal and social interaction and increased participation in community life have been established in eight regions.
- Increased contribution to communities and reparation for crimes with the expansion of the 'Repay WA' initiative into the Pilbara and Kimberley regions.
- Strengthened supervision and professional support for Community Corrections Officers through the appointment of 17 Senior Community Corrections and three Senior Juvenile Justice Officers.
- Court-based Justice Mediation services were expanded to Fremantle (October 2005), Kalgoorlie (November 2005) and Kununurra (November 2005).
- Controlling the access to contraband within the prison system is a significant focus of the Department's security processes. The Justice Drug Plan has resulted in the implementation of strategies that have led to a decrease in the number of prisoners being charged for drug related offences. The increase in drug detection strategies, including the provision of additional drug detection dogs and handlers, now provides a significant deterrent at regional prisons.
- Request For Proposal and market testing of the Acacia Prison Contract resulted in a rigorous and high quality procurement and evaluation that led to the selection of a 'new' preferred service provider.

Major Initiatives For 2006-07

- Engage in a comprehensive planning process to develop major capital projects for the replacement for the Eastern Goldfields Regional Prison. This will be a similar process to what was completed for the Kimberley in 2005-06.
- The Mahoney Inquiry identified a number of key areas for the Department to progress. The following initiatives will advance the Mahoney recommendations, however, key deliverables are yet to be determined:
 - conduct a comprehensive Occupational Health and Safety review across all Community Justice Service locations to determine appropriate operational and physical asset/infrastructure standards for a safe and appropriate working environment;
 - implement new arrangements for the management of higher risk offenders by more experienced officers;
 - improve staff skills and resources in Community Justice Service offices by implementing a workforce planning model that considers demand and workload benchmarks, introduce permanent relief officers to relieve workload pressures and ensure all new Community Corrections Officers complete core operational training prior to commencing field duty;
 - finalise major legislative reforms in response to the Mahoney Inquiry's key findings;
 - improve the placement and management of prisoners through a comprehensive review of tools for classifying and placing prisoners, establishment of properly trained and qualified assessment and case management teams in prisons and evaluation of the effectiveness of prisoner programmes;
 - coordinate the reinvigoration of case management and sentence management for offenders across the prisons and the community through the establishment of an Integrated Sentence Management Unit. The establishment of an Integrated Programmes Management Unit will also coordinate and deliver programmes for offenders in both prisons and community settings;
 - improve intelligence monitoring and response capability through the formation of a State-wide security Directorate. This consists of a coordinated approach to the collection, analysis and dissemination of intelligence and security information and the establishment of an incident command post;
 - further enhance and develop the Professional Standards, Integrity and Compliance Division to complete the structural realignment of existing and enhanced functions under this common area;
 - progress the establishment of the new Department and transition of key services and development of an improved organisational structure; and
 - ongoing development of standards (corporate and local) and compliance reporting and improved accessibility to simplified rules and guidelines.
- Commence a review to identify inefficient staffing/work practices and undertake to standardise operations of prisons across the system.
- The development of a 'Partnering Charter' with the Western Australia Police Service with the key objective of 'Working together to enhance the criminal justice system for all West Australians'. The key focus areas for 2006-07 will be the gathering and sharing of intelligence, collaborating with each other on key strategies (e.g. tracking of ANCOR offenders in the community, custody systems and lock-up and prisoner transport management) and learning from each other (training and development, technology development and reform governance).
- Commence the partnership with a new service provider at the Acacia Prison.

Service 2: Juvenile Criminal Justice Services

An accessible and equitable juvenile justice system which:

- diverts juveniles and offenders at risk from offending;
- provides timely intervention and resolution of justice issues;
- ensures the statutory requirements of justice are met; and
- contributes to reducing the rate of re-offending and detention.

	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	46,668	49,328	49,590	59,050	Increase in 2006-07 is due to additional funding provided to address recommendations of the Inquiry into the management of offenders in custody and the community.
Less Income	999	888	796	787	
Net Cost of Service	45,669	48,440	48,794	58,263	
Adjustments ^(a)	(2,151)	(2,158)	(2,174)	(2,340)	
Appropriation for delivery of Service	43,518	46,282	46,620	55,923	

(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 day of keeping a juvenile in detention	\$504	\$450	\$475	\$660	Forecast lower numbers of offenders in custody in 2006-07.
Cost per day of managing a juvenile through community supervision	\$68	\$79	\$76	\$78	
Full Time Equivalent (FTEs)	499	469	522	567	

Major Achievements For 2005-06

- Community Conferencing has been introduced in the regional areas and remote communities in the Goldfields, Mid-West, Gascoyne, Pilbara and Kimberley to empower individual communities in the administration of justice issues.
- Implementation of the Intensive Supervision Program for juveniles who are serious repeat offenders in Midland, Mirrabooka and Cannington.
- Established the accommodation for the Kalgoorlie Intensive Supervision Program, which when fully staffed will provide an early intervention service to address the offending behaviour of juveniles by engaging and strengthening community and family supports.
- Increased opportunities for more supervised bail options for juveniles both in the metropolitan and regional area.
- Development of the regional juvenile remand centres is on schedule, with the examination of suitable sites for the centres progressing and the opportunity for public comment being provided.

Major Initiatives For 2006-07

- Regional Juvenile Remand Centres will be progressed with the appointment of external project managers including the head design consultant and a quantity surveyor to fully examine capital costs versus design and apportion funding to specific activities. The acquisition of suitable sites at both Geraldton and Kalgoorlie-Boulder will be completed and the consultation process will continue for the life of the project. A recruitment strategy for operational staffing will be undertaken and options explored with local service providers for the delivery of programs. A number of fully costed operational models will be prepared for consideration.
- Training and professional development will be reviewed and areas identified to develop training to meet staff training needs. Additional trainers will also be appointed as part of this review.
- Improve staff skills and resources in Community Justice Services offices by implementing a workforce planning model that considers demand and workload benchmarks, introduce permanent relief officers to relieve workload pressures and ensure all new Community Corrections and Juvenile Justice Officers complete training prior to commencing field duty.
- The development of an actuarial risk assessment and needs analysis model for juvenile offenders is underway. On completion, this will be combined with practice policy for the supervision levels and associated management of juvenile offenders.
- Develop a set of standards for juvenile justice and juvenile custodial services linked to the National Standards project.

CAPITAL WORKS PROGRAM

The Department's Capital Investment Program for 2006-07 has a strong focus on the safety of the community and safety of staff working within the Department's facilities as well as the provision of extra beds into the system.

Prisons

The fencing of Karnet and Wooroloo Prisons with associated security systems will be completed this financial year. The fences were constructed in response to escapes from these prisons and will contribute significantly to the protection of the community through reduction in escapes, but also the protection of staff within these facilities from unauthorised entry.

Construction will commence on 40 self care beds, and entry buildings at Bandyup Prison to provide additional beds and more appropriate service delivery for the women in custody in the Western Australian Prison system and their families.

Construction will commence on the minimum security unit of Bunbury Regional Prison which will provide additional beds in the South West and the associated administrative, health, program and education services.

Construction will commence on the additional self care beds, health services, education and programs areas at Wooroloo Prison.

Structural upgrade to improve integrity of cell doors and improve security of maximum security exercise area at Eastern Goldfields Regional Prison will commence.

Planning will continue on the Kimberley Custodial Plan that will replace Broome Regional Prison, and significant works will occur to improve the condition of the existing Broome Prison.

Planning will continue on the Eastern Goldfields Custodial Plan that will replace the Eastern Goldfields Regional Prison.

Planning will continue for site acquisition in the regions and the metropolitan area to provide land for expansion in the future.

The duress systems will continue to be rolled out in all of the prisons in the system following the trial at Bunbury Regional Prison.

The recommendations from the safety audit of all prisons will continue to be implemented through the installation of viewing windows and replacement of locks.

The security of the external perimeter of Albany Regional Prison will be strengthened to improve security at this maximum security prison.

Construction will commence on the secure outpatients unit at Royal Perth Hospital to provide more security for the public and health staff.

Bunbury Regional Prison health centre and kitchen upgrade will be completed.

Lightning and transient protection will be rolled out to Bandyup Prison.

Juvenile Justice Facilities

Planning will continue on the two new remand detention centres for juveniles at Geraldton and Kalgoorlie.

Planning will continue on upgrading accommodation for women and young girls at Rangeview Juvenile Remand Centre together with additional programmes facilities at the Banksia Hill Detention Centre.

Community Justice Services

Additional office space will be leased to provide more appropriate office accommodation for the additional staff employed to provide Community Justice Services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Community and Juvenile Justice:				
Geraldton Juvenile Remand Centre	12,519	250	250	1,000
Juvenile Accommodation Strategy (Formerly Banksia Hill Juvenile Detention Centre)	4,746	996	340	3,750
Kalgoorlie Juvenile Remand Centre	12,519	250	250	1,000
Replacement CJS Centre Pilbara	2,200	200	200	900
Prison Services:				
Additional Prisoner Accommodation - Infrastructure and Systems Upgrade and Replacement Programmes	54,568	17,228	9,196	9,000
Bandyup Facilities Redevelopment	14,665	2,214	1,600	11,451
Bunbury Regional Prison Additions and Upgrades	13,641	3,200	3,200	10,441
Eastern Goldfields Regional Prison - Structural Upgrade and Perimeter	2,100	1,300	1,300	800
Karnet Perimeter Fencing	6,201	6,001	5,924	200
Minimum Security Accommodation Expansion - Wooroloo	7,426	2,000	2,000	5,277
Site Acquisition - Prisons - Metro Site Acquisition - Prisons	6,066	866	429	5,200
COMPLETED WORKS				
Community and Juvenile Justice:				
Business Systems - Community Based Service Info System - Stage 2	5,210	5,210	2,352	-
CJS Office Establishment - Refurbishment 2005-06	750	750	750	-
Prison Services:				
Additional Prison Capacity	622	622	280	-
Metropolitan Low Security Prison for Women	14,443	14,443	646	-
Prison Industries - Mobile Plant 2005-06	250	250	250	-
Regional Prison Strategy Planning	974	974	402	-
Wooroloo Perimeter Fencing	6,756	6,756	6,756	-
NEW WORKS				
Community and Juvenile Justice:				
CJS Office Establishment - Refurbishment 2006-07	5,800	-	-	5,800
Prison Services:				
Condition Upgrade Existing Broome Regional Prison	11,226	-	-	11,226
Eastern Goldfields Prison - Security and Fence	3,000	-	-	3,000
Eastern Goldfields Prison Replacement	1,800	-	-	1,800
Prison Industries - Mobile Plant 2006-07	260	-	-	260
Prison Reform Strategy	1,350	-	-	900
Safety and Security Upgrade Program	13,650	-	-	7,322
	202,742	63,510	36,125	79,327

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	-	-	36,125	79,327	43,035	14,036	15,849
	-	-	36,125	79,327	43,035	14,036	15,849
LESS							
Drawdowns from the Holding Account	-	-	6,000	19,311	4,170	1,080	1,265
Funding Included in Service Appropriations ^(a)	-	-	9,196	9,000	9,000	9,756	9,584
Internal Funds and Balances	-	-	6,397	-	-	-	-
Capital Contribution	-	-	14,532	51,016	29,865	3,200	5,000

(a) Capital works expensed through the Income Statement.

(b) 2004-05 and 2005-06 amounts are not available nor comparable due to the administrative separation of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services effective from 1 February 2006.

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)	-	-	76,267	188,838	196,526	201,138	206,725
Superannuation	-	-	5,686	15,886	16,267	16,630	16,627
Grants and subsidies ^(c)	-	-	2,455	3,522	4,022	4,113	4,113
Supplies and services	-	-	54,160	150,719	159,381	175,056	174,952
Accommodation	-	-	9,709	19,315	19,050	20,193	20,021
Capital user charge	-	-	16,555	43,850	47,045	48,326	48,613
Depreciation and amortisation	-	-	6,085	15,978	16,330	16,633	16,335
Other expenses	-	-	377	16,938	17,075	17,150	17,150
TOTAL COST OF SERVICES	-	-	171,294	455,046	475,696	499,239	504,536
Income							
User charges and fees	-	-	1,067	2,494	2,566	2,641	2,718
Grants and subsidies	-	-	101	271	271	271	271
Other revenue	-	-	1,919	9,450	9,867	10,344	10,899
Total Income	-	-	3,087	12,215	12,704	13,256	13,888
NET COST OF SERVICES	-	-	168,207	442,831	462,992	485,983	490,648
INCOME FROM STATE GOVERNMENT							
Service appropriations	-	-	159,020	429,513	447,785	466,957	475,459
Resources received free of charge	-	-	277	12,054	13,943	17,762	13,925
Liabilities assumed by the Treasurer	-	-	313	751	751	751	751
TOTAL INCOME FROM STATE GOVERNMENT	-	-	159,610	442,318	462,479	485,470	490,135
SURPLUS (DEFICIENCY) FOR THE PERIOD	-	-	(8,597)	(513)	(513)	(513)	(513)

- (a) 2004-05 and 2005-06 amounts are not comparable due to the administrative separation of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services effective from 1 February 2006.
- (b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 3,166, 3,076 and 3,296 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	-	-	4,225	4,225	4,225	4,225	4,225
Receivables	-	-	500	500	500	500	500
Amounts receivable for services.....	-	-	19,311	4,170	1,080	1,265	-
Prepayments	-	-	122	122	122	122	122
Total current assets	-	-	24,158	9,017	5,927	6,112	4,847
NON-CURRENT ASSETS							
Amounts receivable for services.....	-	-	14,110	28,318	45,968	63,736	82,471
Land and buildings.....	-	-	507,376	528,630	539,533	527,880	518,541
Plant and equipment.....	-	-	5,113	7,035	6,270	5,754	5,203
Intangibles.....	-	-	(26)	724	724	724	724
Other.....	-	-	25,141	55,564	63,131	62,947	62,767
Total non-current assets	-	-	551,714	620,271	655,626	661,041	669,706
TOTAL ASSETS.....	-	-	575,872	629,288	661,553	667,153	674,553
CURRENT LIABILITIES							
Payables	-	-	4,000	4,000	4,000	4,000	4,000
Provision for employee entitlements	-	-	36,042	36,882	37,722	38,562	39,402
Accrued salaries	-	-	498	1,011	1,524	2,037	2,550
Total current liabilities.....	-	-	40,540	41,893	43,246	44,599	45,952
NON-CURRENT LIABILITIES							
Provision for employee entitlements	-	-	12,454	14,014	15,574	17,134	18,694
Total non-current liabilities	-	-	12,454	14,014	15,574	17,134	18,694
TOTAL LIABILITIES.....	-	-	52,994	55,907	58,820	61,733	64,646
EQUITY							
Contributed equity	-	-	531,475	582,491	612,356	615,556	620,556
Accumulated surplus / (deficit)	-	-	(8,597)	(9,110)	(9,623)	(10,136)	(10,649)
Total equity.....	-	-	522,878	573,381	602,733	605,420	609,907
TOTAL LIABILITIES AND EQUITY	-	-	575,872	629,288	661,553	667,153	674,553

(a) 2004-05 and 2005-06 amounts are not comparable due to the administrative separation of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services effective from 1 February 2006.

**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	-	-	151,935	411,135	429,055	447,924	456,724
Capital contribution	-	-	14,532	51,016	29,865	3,200	5,000
Holding account drawdowns	-	-	6,000	19,311	4,170	1,080	1,265
Net cash provided by State government	-	-	172,467	481,462	463,090	452,204	462,989
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	-	-	(74,769)	(185,925)	(193,613)	(198,225)	(203,812)
Superannuation	-	-	(5,373)	(15,135)	(15,516)	(15,879)	(15,876)
Grants and subsidies	-	-	(2,455)	(3,522)	(4,022)	(4,113)	(4,113)
Supplies and services	-	-	(49,662)	(138,665)	(145,438)	(157,294)	(161,027)
Accommodation.....	-	-	(9,709)	(19,315)	(19,050)	(20,193)	(20,021)
Capital user charge.....	-	-	(16,555)	(43,850)	(47,045)	(48,326)	(48,613)
Other.....	-	-	(377)	(16,938)	(17,075)	(17,150)	(17,150)
Receipts							
User charges and fees.....	-	-	1,067	2,494	2,566	2,641	2,718
Grants and subsidies	-	-	101	271	271	271	271
Other receipts	-	-	1,919	9,450	9,867	10,344	10,899
Net cash from operating activities.....	-	-	(155,813)	(411,135)	(429,055)	(447,924)	(456,724)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	-	-	(26,929)	(70,327)	(34,035)	(4,280)	(6,265)
Net cash from investing activities.....	-	-	(26,929)	(70,327)	(34,035)	(4,280)	(6,265)
NET INCREASE / (DECREASE) IN CASH HELD	-	-	(10,275)	-	-	-	-
Cash assets at the beginning of the reporting period	-	-	-	4,225	4,225	4,225	4,225
Net cash transferred to / from other agencies.....	-	-	14,500	-	-	-	-
Cash assets at the end of the reporting period.....	-	-	4,225	4,225	4,225	4,225	4,225

(a) 2004-05 and 2005-06 amounts are not comparable due to the administrative separation of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services effective from 1 February 2006.

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
Prisoner gratuities payments.....	-	-	2,415	2,914	3,671	3,746	3,746
Grants to non-government organisations.....	-	-	40	608	351	367	367
TOTAL	-	-	2,455	3,522	4,022	4,113	4,113

(a) 2004-05 and 2005-06 amounts are not available due to the administrative separation of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services effective from 1 February 2006.

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 Sale of Industry Goods.....	-	-	1,067	2,444
Proceeds from Prison Canteen Sales.....	-	-	1,177	4,663
Proceeds from Recoup of Prisoner Telephone Calls.....	-	-	265	1,151
Proceeds from Recoup of Workers Compensation Payment.....	-	-	312	2,353
Proceeds from Recoup of Salary Costs.....	-	-	165	834
Proceeds from Recoup of Other Costs.....	-	-	-	474
Schools Assistance Grant Received from the Commonwealth.....	-	-	-	156
Other Grants Received.....	-	-	101	115
Proceeds from Other Departmental Revenue.....	-	-	-	25
TOTAL	-	-	3,087	12,215

(a) 2004-05 and 2005-06 amounts are not available due to the administrative separation of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services effective from 1 February 2006.

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

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

PART 14 - MINISTER FOR POLICE AND EMERGENCY SERVICES; JUSTICE; COMMUNITY SAFETY

DIVISION 60

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 110 Net amount appropriated to deliver services.....	1,815	1,580	1,925	1,720	1,754	1,789	1,817
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	176	176	176	181	187	192	198
Total appropriations provided to deliver services.....	1,991	1,756	2,101	1,901	1,941	1,981	2,015
GRAND TOTAL	1,991	1,756	2,101	1,901	1,941	1,981	2,015

- (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 establish and maintain an independent, expert and fair inspection service so as to provide Parliament, the Minister, stakeholders, the media and the general public with up-to-date information and analysis about prison and detention centre operations and custodial services, so that debate and discussion may be enhanced as to whether and to what extent the key objectives of these activities are being achieved.

SIGNIFICANT ISSUES AND TRENDS

- The Minister for Justice exercised his powers pursuant to section 17 of the *Inspector of Custodial Services Act 2003* in directing the Inspector to review a range of custodial services with a view to improving the management of offenders in custody. As a result, the Directed Review of the Management of Offenders in Custody Report was written and tabled in Parliament in November 2005.
- The jurisdiction of the Inspector was expanded under the Terrorism (Extraordinary Powers) Amendment Bill to safeguard the conditions of persons detained in police custody suspected of being a terrorist.

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> Inspection, review and recommendations on custodial services	1,880	1,745	2,090	1,896			
Total Cost of Services	1,880	1,745	2,090	1,896	1,883	1,895	2,015
<i>Less Income</i>	13	2	2	2	2	2	2
Net Cost of Services	1,867	1,743	2,088	1,894	1,881	1,893	2,013
Adjustments ^(a)	124	13	13	7	60	88	2
Appropriation provided to deliver Services.	1,991	1,756	2,101	1,901	1,941	1,981	2,015
TOTAL CONSOLIDATED FUND APPROPRIATIONS	1,991	1,756	2,101	1,901	1,941	1,981	2,015

(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, the Inspector of Custodial Services 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.	An informed Parliament, Minister and other stakeholders on the status of custodial services.	1. Inspection, review and recommendations on custodial 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: An informed Parliament, Minister and other stakeholders on the status of custodial services.					
Number of inspection report recommendations..	137	100	110	120	
Percentage of recommendations accepted.....	85%	75%	80%	85%	

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

(b) The outcomes, services and performance indicators of the Inspector of Custodial Services were reviewed and changed in 2005.

Service 1: Inspection, Review and Recommendations on Custodial Services

Inspection of prisons, court custody centres and prescribed lock-ups, coordination of the Independent Visitors Scheme and review of custodial 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	1,880	1,745	2,090	1,896	
Less Income	13	2	2	2	
Net Cost of Service	1,867	1,743	2,088	1,894	
Adjustments ^(a)	124	13	13	7	
Appropriation for delivery of Service	1,991	1,756	2,101	1,901	

(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 report ^(a)	\$130,867	\$130,000	\$134,000	\$135,000	
Average cost per Independent Visitors Scheme report	\$1,200	\$1,200	\$1,200	\$1,200	
Average cost per liaison visit.....	\$4,910	\$4,100	\$4,200	\$4,100	
Average cost per exit debrief.....	\$40,896	\$50,000	\$53,000	\$55,000	
Full Time Equivalents (FTEs)	14	15	15	15	

(a) The Minister has directed the Inspector to review the management of offenders in custody. A separate report was written, which contained 162 recommendations. Funding was provided for this initiative through the supplementary funding process.

Major Achievements For 2005-06

- The Inspector completed a review of a range of custodial services with a view to improving the management of offenders in custody in accordance with a directive from the Minister for Justice pursuant to section 17 of the *Inspector of Custodial Services Act 2003*.
- Completed a review of Health Services in Western Australian custodial facilities.
- Reviewed the overcrowding of the prison population and reported the findings in the Directed Review of the Management of Offenders in Custody Report.
- Reviewed the staffing structure, roles and workforce management practices within the Office of the Inspector of Custodial Services. Developed a plan for organisational change that will better match the nature of the role of the Office into the future.
- Developed custodial inspection standards taking into account international best practice and the specific features of Western Australia's custodial facilities. The standards are approximately 70 per cent complete.
- Received financial resources specifically for the Community Liaison Officer position.
- Established community volunteer visits to the juvenile detention centres.
- Formalised a pre-inspection community consultation model.
- Established a formal communication plan with the Minister.
- Set up a revised version of the records management system to comply with the *Records Management Act*.
- Upgraded information technology hardware devices, communication lines, personal computer desktop environment and the Inspectorate's Internet site. Managed the risk of critical failures.
- Developed a methodology to provide for the planning and performance of inspections. Improved the timeliness of reports to Parliament.
- Trialled a self-assessment model for custodial inspections.
- Digests of previous inspection and thematic reports have been written and made available to the public on the Inspectorate's Internet site.

Major Initiatives For 2006-07

- Conduct a review of custodial transportation across the sector.
- Improve the skills base of volunteer prison and detention centre visitors.
- Hosting the 2006 Australian Conference of Correctional Inspectors.
- Implement a revised staffing structure, roles and workforce management practices within the Office.
- Commence a third round of inspections and implement the revised inspection methodology.
- Develop a Business Plan for the next three years.

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)	979	973	1,128	1,068	1,042	1,070	1,104
Superannuation	162	101	107	108	108	108	108
Supplies and services	511	431	615	466	483	465	522
Accommodation	179	182	182	182	182	184	184
Depreciation and amortisation	33	12	12	12	12	12	12
Other expenses	16	46	46	60	56	56	85
TOTAL COST OF SERVICES	1,880	1,745	2,090	1,896	1,883	1,895	2,015
Income							
Other revenue	13	2	2	2	2	2	2
Total Income	13	2	2	2	2	2	2
NET COST OF SERVICES	1,867	1,743	2,088	1,894	1,881	1,893	2,013
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,991	1,756	2,101	1,901	1,941	1,981	2,015
TOTAL INCOME FROM STATE GOVERNMENT	1,991	1,756	2,101	1,901	1,941	1,981	2,015
SURPLUS (DEFICIENCY) FOR THE PERIOD	124	13	13	7	60	88	2
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	124	13	13	7	60	88	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.

(b) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 14, 15 and 15 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	266	26	270	270	323	414	414
Receivables	10	74	56	100	111	111	111
Total current assets	276	100	326	370	434	525	525
NON-CURRENT ASSETS							
Amounts receivable for services	44	56	56	70	84	98	112
Plant and equipment	85	87	73	61	49	37	25
Total non-current assets	129	143	129	131	133	135	137
TOTAL ASSETS	405	243	455	501	567	660	662
CURRENT LIABILITIES							
Superannuation	1	-	1	1	1	1	1
Payables	35	67	69	101	95	96	94
Provision for employee entitlements	382	313	381	383	385	389	391
Accrued salaries	-	6	4	10	20	20	20
Other	53	26	52	51	51	51	51
Total current liabilities	471	412	507	546	552	557	557
NON-CURRENT LIABILITIES							
Provision for employee entitlements	-	2	1	1	1	1	1
Total non-current liabilities	-	2	1	1	1	1	1
TOTAL LIABILITIES	471	414	508	547	553	558	558
EQUITY							
Accumulated surplus / (deficit)	(66)	(171)	(53)	(46)	14	102	104
Total equity	(66)	(171)	(53)	(46)	14	102	104
TOTAL LIABILITIES AND EQUITY	405	243	455	501	567	660	662

(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	1,979	1,744	2,089	1,887	1,927	1,967	2,001
Net cash provided by State government	1,979	1,744	2,089	1,887	1,927	1,967	2,001
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(935)	(973)	(1,128)	(1,066)	(1,040)	(1,068)	(1,102)
Superannuation	(162)	(101)	(107)	(108)	(108)	(108)	(108)
Supplies and services	(468)	(448)	(632)	(481)	(498)	(480)	(537)
Accommodation.....	(179)	(174)	(174)	(174)	(174)	(176)	(176)
Goods and Services Tax	(73)	(42)	(42)	(42)	(42)	(42)	(42)
Other.....	(16)	(46)	(46)	(60)	(56)	(46)	(80)
Receipts							
Goods and Services Tax	72	42	42	42	42	42	42
Other receipts	32	2	2	2	2	2	2
Net cash from operating activities.....	(1,729)	(1,740)	(2,085)	(1,887)	(1,874)	(1,876)	(2,001)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(7)	-	-	-	-	-	-
Net cash from investing activities.....	(7)	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	243	4	4	-	53	91	-
Cash assets at the beginning of the reporting period	23	22	266	270	270	323	414
Cash assets at the end of the reporting period.....	266	26	270	270	323	414	414

(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
Goods and Services Tax	72	42	42	42
Other receipts	32	2	2	2
TOTAL.....	104	44	44	44

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

Part 15**Minister for Local Government and Regional Development; Fisheries;
the Kimberley; Pilbara and Gascoyne****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
1059	Local Government and Regional Development			
	– Delivery of Services	53,866	53,866	41,312
	– Administered Grants, Subsidies and Other Transfer Payments	250	250	1,316
	– Capital Contribution	124	124	94
	Total	54,240	54,240	42,722
1075	Metropolitan Cemeteries Board	-	-	-
1076	Fisheries			
	– Delivery of Services	25,898	25,898	26,236
	– Capital Contribution	262	262	1,829
	Total	26,160	26,160	28,065
1092	Kimberley Development Commission			
	– Delivery of Services	2,258	2,258	1,497
	– Capital Contribution	87	87	-
	Total	2,345	2,345	1,497
1102	Pilbara Development Commission			
	– Delivery of Services	7,329	7,729	2,383
	– Capital Contribution	-	-	85
	Total	7,329	7,729	2,468
1113	Gascoyne Development Commission			
	– Delivery of Services	2,259	2,321	1,450
	Total	2,259	2,321	1,450
	GRAND TOTAL			
	– Delivery of Services	91,610	92,072	72,878
	– Administered Grants, Subsidies and Other Transfer Payments	250	250	1,316
	– Capital Contribution	473	473	2,008
	Total	92,333	92,795	76,202

LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY; PILBARA AND GASCOYNE

DIVISION 61

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 111 Net amount appropriated to deliver services.....	36,434	53,688	53,688	41,129	40,491	38,034	18,319
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975^(a)	148	178	178	183	189	194	200
Total appropriations provided to deliver services.....	36,582	53,866	53,866	41,312	40,680	38,228	18,519
ADMINISTERED TRANSACTIONS							
Item 112 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	300	250	250	1,316	2,114	250	250
CAPITAL							
Item 177 Capital Contribution	-	124	124	94	-	-	-
GRAND TOTAL	36,882	54,240	54,240	42,722	42,794	38,478	18,769

(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

An increased capacity of our multicultural communities to develop good government, economic growth, social wellbeing and environmental sustainability.

SIGNIFICANT ISSUES AND TRENDS

- The coordination of service delivery into regional communities and access to e-government opportunities to improve the quality of service delivery remains a high priority.
- The continuation of the State's \$80 million Regional Investment Fund will further provide regional communities with funding for projects and assist in the sustainable development of regional and remote areas in Western Australia.
- The challenge in attracting and retaining professional and skilled people to live and work in rural, remote and regional communities across Western Australia.
- There is a need to continue to support and promote the welfare, safety and health of livestock to ensure sustainable development of the State's agricultural industries including the export of live animals.
- A need to continue support to local governments to assist them in increasing their efficacy and effectiveness. Collaboration, resource sharing or amalgamations will assist local governments in enhancing sustainable communities.

- There is a need for continued support and encouragement of stronger relationships between local government and indigenous communities.
- Encouraging a greater number and diversity of candidates to stand for council is a priority. There is a need to support elected members, especially those newly elected, in providing good governance to the community.
- New legislation to be introduced to provide a framework through which improper conduct by individual council members can be dealt with.
- Empowering local governments and communities through improvements to legislation.

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
Enhancing Local Government Efficiency	1,000	2,000	-	-
Enforcing the <i>Animal Welfare Act 2002</i>	421	431	-	-
Improved Monitoring and Compliance Program	475	475	280	280
Wiluna Development Program	595	435	435	435

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>							
Implementation of government policy	2,324	1,826	1,826	3,289			
<i>Service 2:</i>							
Improved access to services and capacity for development in regional communities.....	30,350	50,680	40,109	48,294			
<i>Service 3:</i>							
Better local government.....	4,724	4,113	4,240	4,945			
Total Cost of Services	37,398	56,619	46,175	56,528	41,655	39,203	19,494
<i>Less Income</i>	2,239	996	1,616	997	998	998	998
Net Cost of Services	35,159	55,623	44,559	55,531	40,657	38,205	18,496
Adjustments ^(a)	1,423	(1,757)	9,307	(14,219)	23	23	23
Appropriation provided to deliver Services.	36,582	53,866	53,866	41,312	40,680	38,228	18,519
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	300	250	250	1,316	2,114	250	250
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	124	124	94	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	36,882	54,240	54,240	42,722	42,794	38,478	18,769

(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 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.	An increased capacity of communities to develop good government, economic growth and social wellbeing.	<ol style="list-style-type: none"> 1. Implementation of government policy 2. Improved access to services and capacity for development in regional communities 3. Better local government

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 increased capacity of communities to develop good government, economic growth and social well being.					
Ministerial office satisfaction with policy and legislative advice (b).....	6	5	5	5	
Client satisfaction with information and services (c)	6	5	5	5	
Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority	86%	80%	80%	80%	

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

(b) Value point along a continuum that ranges from 1 (well below expectations) to 7 (well above expectations) obtained from survey of Minister's office.

(c) Value point along a continuum that ranges from 1 (well below expectations) to 7 (well above expectations) obtained from survey of stakeholders.

Service 1: Implementation of Government Policy

To ensure that the Minister and the Government are provided with quality information and support.

	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	2,324	1,826	1,826	3,289	
Less Income	67	14	14	17	
Net Cost of Service	2,257	1,812	1,812	3,272	
Adjustments ^(a)	307	(62)	(62)	(121)	
Appropriation for delivery of Service	2,564	1,750	1,750	3,151	

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

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 piece of written advice requiring Minister's attention	\$660	\$710	\$710	\$1,724	Reflects a lower expected number of written advises in 2006-07.
Average cost of legislative amendments drafted	\$12,611	\$38,600	\$38,600	\$49,800	
Full Time Equivalents (FTEs)	23	25	25	34	

Major Achievements For 2005-06

- Continued provision of administrative support to the Regional Development Council.
- Finalised policy positions for the review of the *Caravan Parks and Camping Grounds Act 1995*, following public consultation.
- Finalised policy on proposed amendments to the *Control of Vehicles (Off-road Areas) Act 1978* following extensive public consultation.
- Introduced further restrictions on dogs bred for fighting, which are currently banned from importation into Australia.
- Drafted an Amendment Bill to the *Dog Act 1976* and drafted improvements to the associated regulations.
- Finalised policy positions in relation to a review of the *Cemeteries Act 1986* following extensive public consultation.
- Identified items for inclusion in a fourth amendment bill to the *Local Government Act 1995*.
- Licensed scientific establishments, which use animals for scientific purposes and conducted inspections to ensure compliance with the *Animal Welfare Act 2002* and the Code of Practice for the care and use of animals for scientific purposes.
- Supported the Local Government (Official Conduct) Amendment Bill in its passage through the Parliament.
- Conducted 14 seminars around the State to brief local governments about making good local laws under the *Local Government Act 1995*.
- Gained representation on the Commonwealth Government's Livestock Export Standards Advisory Committee, which allows State Government input into the formulation of the Commonwealth Standards that apply to all animals in Western Australia destined for the live export market.
- Finalised nine regional Economic Perspectives documents, one for each non-metropolitan region, which provided an up-to-date economic summary of developments in each region.
- Updated web publications, including "Estimated Resident Population" and the "Statistical Snapshot" to complement publication of Economic Perspectives. Regional key features maps were also created for each region and made accessible to the public via the Department's web site.
- Drafted amendments to the *Regional Development Commissions Act 1993* to implement the recommendations of the review report.

Major Initiatives For 2006-07

- Support the passage of a fourth Amendment Bill to the *Local Government Act 1995* through the Parliament and provide information sessions on its content to local governments.
- Obtain Government approval for the drafting of amendments to the *Caravan Parks and Camping Grounds Act 1995*.
- Obtain Government approval for the drafting of amendments to the *Control of Vehicles (Off-Road Areas) Act 1978*.
- Obtain Government approval for the drafting of amendments to the *Cemeteries Act 1986*.
- Support the passage of the Local Government (Official Conduct) Amendment Bill through the Parliament and provide advice to all local governments on these new laws
- Continue to undertake the licensing of scientific establishments, which use animals for scientific purposes and conduct inspections to ensure compliance with the *Animal Welfare Act 2002* and the Code of Practice for the care and use of animals for scientific purposes. Further undertake the monitoring of the Codes of Practice for care and welfare of animals, including livestock, and ensure proper enforcement of the Act.
- Release various publications focusing on regional demographic and social change for all non-metropolitan areas and produce a set of publications to promote investment in the regional areas.
- Continue to provide administrative support to the Regional Development Council.
- Undertake regional price comparison to monitor the difference in commodities purchased in Perth and through regional outlets.

Service 2: Improved Access to Services and Capacity for Development in Regional Communities

To enhance the social and economic development of communities through the provision of assistance, funding and leadership.

	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	30,350	50,680	40,109	48,294	
Less Income	1,939	814	1,434	814	
Net Cost of Service	28,411	49,866	38,675	47,480	
Adjustments ^(a)	609	(1,598)	9,145	(13,964)	
Appropriation for delivery of Service	29,020	48,268	47,820	33,516	

(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 evaluated.....	\$12,217	\$7,869	\$9,964	\$8,619	
Average cost per local government assessed ...	\$4,288	\$2,531	\$2,531	\$3,295	
Average internal cost per satellite site supported.....	\$4,225	\$5,581	\$5,581	\$4,403	
Average value of grant approved for local and regional communities.....	\$35,743	\$74,379	\$100,929	\$80,358	
Full Time Equivalents (FTEs)	45	42	42	42	

Major Achievements For 2005-06

- Provided support towards the implementation of the Regional Development Policy – Regional Western Australia – A Better Place to Live.
- Allocated funds for 18 projects in regional Western Australia through the Government’s Regional Investment Fund, including \$6 million for the construction of regional infrastructure.
- Allocated \$1.2 million, through the Western Australian Regional Initiatives Scheme, to assist 13 cross-regional projects.
- Completed the second round of the Regional Headworks Program which is designed to encourage, promote and support the sustainable development of regional Western Australia by assisting to offset the costs of essential services (headworks) for eligible commercial or industrial projects. \$1.5 million was approved to 17 successful applicants.
- Completed the first round of the Indigenous Regional Development Program towards the strengthening of governance, economic capacity and sustainability of Indigenous communities. A total of around \$2.4 million was distributed to 12 successful applicants.
- Approved an amount of \$865,201 for 43 projects under the Outer Metropolitan Community Fund.
- Approved an amount of \$159,104 under the Regional Collocation Scheme to three communities for the construction of multi-function facilities involving regional or community economic development.
- Allocated funding, advice and assistance through the Community Leadership Program. Also, facilitated the Young Indigenous Local Government Scholarship Program, which is designed to strengthen the capacity of young Indigenous people and provide employment opportunities in local government.
- Contributed to policy development and partnership arrangements between Indigenous people, local governments and State and Federal Government agencies aimed at improving service delivery and governance capacity.
- Maintained the support services and funding towards the network of 150 information technology enabled service and/or information provision facilities, including 102 Telecentres, two Telecentres in remote Indigenous communities, eight Modular Interactive Telecommunications Environments and 38 Telecentre Access Points across the State.
- Maintained a lead agency role in the development and implementation of the Active Ageing at the Local Level Initiative, including the introduction of the first round of funding of \$450,000. This initiative has a strong regional emphasis.
- Hosted the national conference of local government grants commissions in Fremantle, October 19-21, 2005 with strong representation from across Australia.
- The Western Australian Local Government Grants Commission assisted and coordinated the allocation of financial assistance grants and local roads grants totalling \$187.4 million to 142 local governments.

Major Initiatives For 2006-07

- Continue to provide support to assist the ongoing implementation of the Regional Development Policy – Regional Western Australia – A Better Place to Live.
- Allocate funds through the Government's second Regional Investment Fund including funding for the Western Australian Regional Initiatives Scheme, the Indigenous Regional Development Program and the Regional Headworks Program.
- Provide continued funding through the Outer Metropolitan Community Fund to encourage, promote and support the sustainable development of outer metropolitan areas.
- Conduct a round of the Community Facilities Grants Program, which provides financial assistance to fund the capital cost of providing community facilities in regional areas.
- Continue the allocation of funding and assistance under the Community Leadership initiative.
- Conduct the second round of funding of \$450,000 in relation to Active Ageing at the Local Level Initiative. This initiative has a strong regional emphasis.
- Facilitate partnerships between remote Indigenous communities, local governments and State and Federal agencies on the delivery of local government services and capacity building for improved governance in Indigenous communities.
- Gain the best advantage for Telecentres and their communities through available funding programs.
- Undertake an on-going review of the Western Australian Local Government Grants Commission's methodology to address council issues on grant allocation.
- Continue to deliver the Western Australian Local Government Grants Commission public hearing program by meeting with approximately 45 local governments across the State.

Service 3: Better Local Government

Through advice, support and compliance monitoring, assist local governments to be more efficient and effective and to achieve good governance and be responsive to the community 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	4,724	4,113	4,240	4,945	
Less Income	233	168	168	166	
Net Cost of Service	4,491	3,945	4,072	4,779	
Adjustments ^(a)	507	(97)	224	(134)	
Appropriation for delivery of Service	4,998	3,848	4,296	4,645	

- (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 inquiry and investigation.....	\$2,626	\$1,484	\$1,677	\$1,785	The number of applications for boundary change in 2006-07 estimated to be higher than in 2005-06.
Average cost of monitoring each local government.....	\$5,312	\$3,661	\$3,661	\$3,779	
Average cost per dealing with an application for boundary change	\$6,481	\$12,882	\$10,734	\$5,606	
Full Time Equivalents (FTEs)	37	37	37	39	

Major Achievements For 2005-06

- Revised and improved the dissemination of local government elections information to facilitate increased community awareness and increase candidate nominations and voter turnout. Information also provided to local governments throughout the State to assist them with their election processes.
- Assisted local governments to increase their efficiency and effectiveness, and supported elected members, especially those newly elected, in the provision of good governance to the community.
- An intergovernmental agreement, establishing principles to guide inter-government relations in local government matters was signed in April 2006 by the Minister for Local Government, the Commonwealth, all States and Territories and the Western Australian Local Government Association.
- Delivered the 'connecting local governments' initiative which highlighted successful collaboration efforts across local governments, and provided funding to support 'connecting local governments' grants for exploratory forums, feasibility studies and implementation grants.
- Material prepared and distributed to local governments, schools and tertiary institutions to promote the local government sector as a career choice for secondary and tertiary students. In addition, operated a display and issued information material at a number of career expos.
- Continued a mentoring program for women in management and decision-making positions and those aspiring to those positions. Strategies to improve selection processes within local governments were also initiated.
- Continued a mentoring program through the Ministerially-appointed Advisory Committee on Women in Local Government.
- Continued the Young Indigenous Local Government Scholarship. 12 scholarships of \$10,000 each were awarded to local governments to employ young Indigenous people under 25.
- Provided necessary advice and facilitation support, to encourage service agreements between local governments and Indigenous communities.
- Released eight operational guidelines to assist local governments in carrying out their functions.
- Monitored the financial performance of local governments.
- Worked with Councils to resolve governance and financial issues, including Cue and Cunderdin.
- Completed 30 ward reviews.
- Reduced the number of outstanding complaints against local governments and elected members.
- Conducted state-wide compliance seminars to assist in the building and understanding of compliance regulations by councillors and local government staff.

- Supported the Panel Inquiry into the City of Joondalup and produced and released the 'Inquiry into the City of Joondalup, Lessons for Local Government' publication.
- Report of the Inquiry into the City of Joondalup released in October 2005.
- The Local Government Advisory Board presented its report on structural and electoral reform to the Minister for Local Government in March 2006. Extensive policy and administrative assistance was provided by the Department to support the work of the Board with this review.
- Liaised with the Managers of the Chinese Tourism Precinct and the Derby Wharf projects to finalise outstanding issues.
- Under the State Local Government Partnership Agreement a Memorandum of Understanding was signed with the City of Wanneroo and the City of Albany.
- The Partnership Steering Committee developed a policy relating to the reimbursement of travel expenses for members of Government Boards and Committees.
- In partnership with local government, a Memorandum of Understanding was developed to provide for better asset management practices for local government

Major Initiatives For 2006-07

- Continue support to elected local government members, especially those newly elected, in providing of good governance to the community.
- Continue to encourage and provide advice to both local governments and Indigenous communities with regard to establishing future service agreements between them.
- Continue to support the mentoring program for women in local government.
- Continue to monitor the financial health of local governments to improve financial performance.
- Continue to encourage collaboration and resource sharing by local governments towards a sustainable local government in the State. Provide financial incentives for local governments to adopt resource sharing arrangements and assistance in achieving more efficient structures for service delivery.
- Continue to support employment and development opportunities for regionally based Indigenous Youth through Local Government Scholarships.
- Continue the enhancement of advisory services to local governments, elected members and staff.
- Provide support for the Intergovernmental Agreement initiated between the Minister for Local Government, the Commonwealth, all States and Territories and the Western Australian Local Government Association.
- Undertake further ward reviews of local governments.
- Monitor local governments compliance with the *Local Government Act 1995* and undertake action as appropriate.
- Implement the new Local Government disciplinary framework created through the official conduct legislation.
- Continue to review and refine processes to improve the management of complaints against local governments and elected members.
- Utilise information gathered from inquiries and compliance monitoring to identify systemic issues within local government generally, and to provide information and strategic programs to build effective improvements.
- Continue to develop where necessary, and distribute operational guidelines, and conduct information sessions to support local governments in their role.
- Monitor the asset management practices for local government, as developed in the Memorandum of Understanding.

CAPITAL WORKS PROGRAM

The Regional Collocation Scheme is a \$6.8 million capital works grant program (\$1.5 million in 2006-07) that aims to assist with the development of appropriate infrastructure (e.g. facilities known as multi-function outlets or community resource centres) for the collocation of government and non-government organisations involved in regional, economic or community development.

An ongoing program of computer and office equipment replacement totalling \$144,000 will also be undertaken in 2006-07.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Administered Capital Grants				
Regional Community Resource Centres Assistance Program	6,819	2,757	1,200	1,500
COMPLETED WORKS				
Computer and Office Equipment Replacement				
2004-05 Program	200	200	2	-
2005-06 Program	174	174	174	-
NEW WORKS				
Computer and Office Equipment Replacement				
2006-07 Program	144	-	-	144
	7,337	3,131	1,376	1,644

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	924	1,374	1,376	1,644	2,004	799	135
	924	1,374	1,376	1,644	2,004	799	135
LESS							
Drawdowns from the Holding Account	150	50	50	50	140	101	135
Administered Funds	726	1,200	1,200	1,500	1,864	698	-
Internal Funds and Balances	-	-	2	-	-	-	-
Other	48	-	-	-	-	-	-
Capital Contribution	-	124	124	94	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(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
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	6,906	6,214	6,214	7,372	7,325	7,010	7,147
Superannuation	737	468	468	564	545	508	508
Grants and subsidies ^(c)	24,065	42,484	31,913	41,394	26,578	24,578	4,578
Supplies and services	3,806	4,864	4,864	4,427	4,226	4,228	4,382
Accommodation	773	558	558	645	648	592	592
Capital user charge	594	292	292	218	210	216	216
Depreciation and amortisation	276	174	174	170	166	114	114
Doubtful debts	7	-	-	-	-	-	-
Other expenses	234	1,565	1,692	1,738	1,957	1,957	1,957
TOTAL COST OF SERVICES	37,398	56,619	46,175	56,528	41,655	39,203	19,494
Income							
User charges and fees	191	244	244	245	246	246	246
Grants and subsidies	1,737	744	1,364	744	744	744	744
Other revenue	311	8	8	8	8	8	8
Total Income	2,239	996	1,616	997	998	998	998
NET COST OF SERVICES	35,159	55,623	44,559	55,531	40,657	38,205	18,496
INCOME FROM STATE GOVERNMENT							
Service appropriations	36,582	53,866	53,866	41,312	40,680	38,228	18,519
Resources received free of charge	141	49	49	49	48	48	48
Liabilities assumed by the Treasurer	58	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	36,781	53,915	53,915	41,361	40,728	38,276	18,567
SURPLUS (DEFICIENCY) FOR THE PERIOD	1,622	(1,708)	9,356	(14,170)	71	71	71
Extraordinary items	362	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	1,984	(1,708)	9,356	(14,170)	71	71	71

(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 105, 104 and 115 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	13,018	3,962	22,062	7,735	7,735	7,806	7,877
Restricted cash	4	867	400	482	553	553	553
Receivables	1,275	393	1,280	1,280	1,280	1,280	1,280
Amounts receivable for services.....	50	50	50	140	101	135	-
Total current assets	14,347	5,272	23,792	9,637	9,669	9,774	9,710
NON-CURRENT ASSETS							
Amounts receivable for services.....	144	268	268	298	363	342	456
Plant and equipment.....	380	446	382	356	330	317	338
Total non-current assets.....	524	714	650	654	693	659	794
TOTAL ASSETS.....	14,871	5,986	24,442	10,291	10,362	10,433	10,504
CURRENT LIABILITIES							
Payables	911	1,372	979	904	904	904	904
Provision for employee entitlements	1,294	1,040	1,294	1,294	1,294	1,294	1,294
Accrued salaries	-	112	23	23	23	23	23
Other.....	28	57	28	28	28	28	28
Total current liabilities.....	2,233	2,581	2,324	2,249	2,249	2,249	2,249
NON-CURRENT LIABILITIES							
Provision for employee entitlements	650	553	650	650	650	650	650
Total non-current liabilities	650	553	650	650	650	650	650
TOTAL LIABILITIES.....	2,883	3,134	2,974	2,899	2,899	2,899	2,899
EQUITY							
Contributed equity	236	360	360	454	454	454	454
Accumulated surplus/(deficit)	11,752	2,492	21,108	6,938	7,009	7,080	7,151
Total equity.....	11,988	2,852	21,468	7,392	7,463	7,534	7,605
TOTAL LIABILITIES AND EQUITY	14,871	5,986	24,442	10,291	10,362	10,433	10,504

(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	36,620	53,692	53,692	41,142	40,514	38,114	18,405
Capital contribution	-	124	124	94	-	-	-
Holding account drawdowns	150	50	50	50	140	101	135
Net cash provided by State government	36,770	53,866	53,866	41,286	40,654	38,215	18,540
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,812)	(6,191)	(6,191)	(7,349)	(7,302)	(6,987)	(7,124)
Superannuation	(679)	(468)	(468)	(554)	(535)	(498)	(498)
Grants and subsidies	(24,341)	(42,484)	(31,913)	(41,394)	(26,578)	(24,578)	(4,578)
Supplies and services	(3,458)	(4,890)	(4,890)	(4,310)	(4,110)	(4,112)	(4,266)
Accommodation.....	(767)	(558)	(558)	(645)	(648)	(592)	(592)
Capital user charge.....	(718)	(292)	(292)	(218)	(210)	(216)	(216)
Goods and services tax	(2,957)	(150)	(2,762)	(2,700)	(2,700)	(2,700)	(2,700)
Other.....	(276)	(1,427)	(1,554)	(1,914)	(2,058)	(2,058)	(2,058)
Receipts							
User charges and fees.....	191	244	244	245	246	246	246
Grants and subsidies	990	744	1,364	744	744	744	744
Goods and services tax	2,957	150	2,762	2,700	2,700	2,700	2,700
Other receipts	250	8	8	8	8	8	8
Net cash from operating activities.....	(35,620)	(55,314)	(44,250)	(55,387)	(40,443)	(38,043)	(18,334)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(198)	(174)	(176)	(144)	(140)	(101)	(135)
Net cash from investing activities.....	(198)	(174)	(176)	(144)	(140)	(101)	(135)
NET INCREASE/(DECREASE) IN CASH HELD							
	952	(1,622)	9,440	(14,245)	71	71	71
Cash assets at the beginning of the reporting period	12,069	6,451	13,021	22,461	8,216	8,287	8,358
Cash assets at the end of the reporting period.....	13,021	4,829	22,461	8,216	8,287	8,358	8,429

(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	1,026	1,450	1,961	1,750	2,114	250	361
TOTAL ADMINISTERED EXPENSES ^(b)..	1,026	1,450	1,961	1,750	2,114	250	361
INCOME							
Administered appropriations.....	300	250	250	1,316	2,114	250	250
TOTAL ADMINISTERED INCOME ^(c).....	300	250	250	1,316	2,114	250	250

- (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	2,494	1,132	783	349	349	349	238
Total Administered Current Assets	2,494	1,132	783	349	349	349	238
TOTAL ADMINISTERED ASSETS.....	2,494	1,132	783	349	349	349	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.

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	(1,064)	(1,450)	(1,961)	(1,750)	(2,114)	(250)	(361)
Goods and services tax	(106)	-	-	-	-	-	-
TOTAL ADMINISTERED CASH OUTFLOWS	(1,170)	(1,450)	(1,961)	(1,750)	(2,114)	(250)	(361)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Goods and services tax	106	-	-	-	-	-	-
Administered appropriations.....	300	250	250	1,316	2,114	250	250
TOTAL ADMINISTERED CASH INFLOWS.....	406	250	250	1,316	2,114	250	250
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(764)	(1,200)	(1,711)	(434)	-	-	(111)

(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
Grant Funding - Regional Investment Fund.....	19,232	36,391	25,200	35,786	20,000	20,000	-
Financial Support to Local Governments.....	1,619	633	633	1,633	2,633	633	633
Regional Development Grant Schemes.....	2,386	4,460	5,080	2,975	2,945	2,945	2,945
Outer Metropolitan Community Program	828	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL.....	24,065	42,484	31,913	41,394	26,578	24,578	4,578

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							
Royal Society for the Prevention of Cruelty to Animals	250	250	250	250	250	250	250
Norseman Community Facility	50	-	-	-	-	-	-
Community Resource Centres - Regional Collocation Scheme	726	1,200	1,711	1,500	1,864	-	111
TOTAL.....	1,026	1,450	1,961	1,750	2,114	250	361

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							
Administered Appropriations	300	250	250	1,316	2,114	250	250
TOTAL	300	250	250	1,316	2,114	250	250

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 and other miscellaneous revenue	250	8	8	8
GST input credits	2,957	150	2,762	2,700
Indian Oceans Territories Program.....	-	143	-	143
Westlink Satellite Communication Service - user changes and fees	191	244	244	245
Funds provided by the Commonwealth Government	-	601	-	601
TOTAL	3,398	1,146	3,014	3,697

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

FISHERIES

PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY; PILBARA AND GASCOYNE

DIVISION 62

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 113 Net amount appropriated to deliver services.....	23,714	25,738	25,738	26,071	25,707	26,071	26,422
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	155	160	160	165	170	175	180
Total appropriations provided to deliver services.....	23,869	25,898	25,898	26,236	25,877	26,246	26,602
CAPITAL							
Item 178 Capital Contribution	8,950	262	262	1,829	5,121	-	-
GRAND TOTAL	32,819	26,160	26,160	28,065	30,998	26,246	26,602

(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

Partnered by fishers, aquaculturalists and the wider community, we will conserve, develop and share the fish and other living aquatic resources of Western Australia for the benefit of present and future generations.

SIGNIFICANT ISSUES AND TRENDS

- The increased incidence of foreign fishing incursions in the north of the state is reducing the sustainability of fish stocks and threatening the state's security. The Department will continue to work with the Commonwealth Government and other relevant stakeholders to develop strategies and implement responses to these threats.
- Sound resource management requires that the total impact of all managed fisheries in a region, on fish stocks and their environment, must be taken into account. The Department is developing regional Ecosystem Based Fisheries Management (EBFM) strategies to address this. EBFM will increase the requirement for sound science and knowledge to support decision-making.
- Fishing issues unique to Indigenous people have been identified and addressed within the Aboriginal Fishing Strategy, including management arrangements for customary fishing. The funding and implementation of this strategy will address issues of access, equity and capacity building for Indigenous communities and people.
- The number and type of stakeholders who are impacting on the state's fish resources continues to increase. Each stakeholder group is demanding a share of these fish resources. The Department will adopt holistic and integrated management measures for fish stocks and develop management strategies that accommodate the needs of all stakeholders within an explicit allocation framework.

- There are increasing and often conflicting demands for access to Commonwealth and state waters adjacent to Western Australia. As part of its Oceans Policy the Commonwealth is developing marine plans for Commonwealth waters. There is an opportunity for integrated marine planning in state waters, including establishment of new marine reserves and associated requirements for compliance and education.
- Aquaculture industries will continue to explore ways to expand as the demand for high-quality seafood grows, while the harvest of wild capture fisheries in Western Australia and world-wide is generally at maximum sustainable levels.
- The Department will continue to develop ways to better coordinate its activities with other departments with responsibilities for marine management.

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 the State's Commercial Fisheries	27,080	29,063	29,552	29,839			
<i>Service 2:</i>							
Management of the State's Recreational Fisheries	15,119	14,393	14,080	14,195			
<i>Service 3:</i>							
Development and promotion of the State's Aquaculture Industry	8,885	6,948	6,828	6,893			
<i>Service 4:</i>							
Management and Conservation of Fish and Fish Habitat	3,961	4,466	4,410	4,451			
Total Cost of Services	55,045	54,870	54,870	55,378	55,180	56,335	57,365
<i>Less Income</i>	<i>28,693</i>	<i>28,182</i>	<i>28,182</i>	<i>28,352</i>	<i>28,515</i>	<i>29,166</i>	<i>29,854</i>
Net Cost of Services	26,352	26,688	26,688	27,026	26,665	27,169	27,511
Adjustments ^(a)	(2,483)	(790)	(790)	(790)	(788)	(923)	(909)
Appropriation provided to deliver Services.	23,869	25,898	25,898	26,236	25,877	26,246	26,602
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	8,950	262	262	1,829	5,121	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	32,819	26,160	26,160	28,065	30,998	26,246	26,602

(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 Chief Executive Officer and the Treasurer.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Conservation and sustainable development of the State's fish resources.	<ol style="list-style-type: none"> 1. Management of the State's Commercial Fisheries 2. Management of the State's Recreational Fisheries 3. Development and promotion of the State's Aquaculture Industry 4. Management and Conservation of Fish and Fish Habitat

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: Conservation and sustainable development of the State's fish resources.					
The satisfaction rating of the broader community with the Department's management of commercial fishing	87%	100%	90%	95%	
The satisfaction rating of the broader community with the Department's management of recreational fishing	82%	95%	95%	95%	
The satisfaction rating of the broader community with the Department's management and development of pearling and aquaculture activities	92%	97%	95%	95%	
The satisfaction rating of the broader community with the Department's conservation of fish habitat.....	80%	90%	90%	95%	

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

Service 1: Management of the State's Commercial Fisheries

Management of the State's commercial fisheries on behalf of the community by providing advice; collecting and analysing data; undertaking research; developing, implementing and managing strategies, policies and plans; and enforcing regulations, management plans and related legislation for commercial fishing.

	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	27,080	29,063	29,552	29,839	
Less Income	20,259	19,611	19,611	19,781	
Net Cost of Service	6,821	9,452	9,941	10,058	
Adjustments ^(a)	(963)	(419)	(419)	(419)	
Appropriation for delivery of Service	5,858	9,033	9,522	9,639	

(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 for community education and compliance.....	\$138	\$115	\$107	\$108	
Average cost per hour for management.....	\$134	\$116	\$126	\$127	
Average cost per hour for research.....	\$128	\$119	\$114	\$115	
Full Time Equivalents (FTEs)	219	229	232	224	

(a) Costs per hour include an allocation of departmental support costs.

(b) The hourly rate for management costs includes funding of industry bodies and fisheries adjustments scheme expenditure.

Major Achievements For 2005-06

- Completed a comprehensive information package to support the strategic review of management systems for the West Coast Rock Lobster Managed fishery.
- Implemented a resource sustainability management package for zones A, B and C of the West Coast Rock Lobster Managed fishery.
- Developed draft Ministerial Policy Guidelines for the Shark Bay Prawn and Scallop and Exmouth Gulf Prawn fisheries to meet Commonwealth Government exports requirements and support the development of Ecosystem Based Fisheries Management.
- Published the recommendations of the Commercial Access Panel and the Management Planning Panel on access, allocation and management arrangements for the state's wetline (finfish) fisheries for comment and Ministerial consideration.
- Completed Ecological Sustainability assessment reports in line with the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* thus ensuring approval to export product from most of the state's commercial fisheries.
- Implemented revised management arrangements for the northern and temperate shark fisheries to address sustainability issues for several shark stocks.
- Implemented quota-based management arrangements for the Mackerel fishery to enable explicit catch allocations for the sector and address equity issues with the recreational fishing sector.
- Implemented a Vessel Monitoring System in the Shark Bay Pink Snapper fishery, resulting in more efficient and effective compliance.

Major Initiatives For 2006-07

- Completion of the industry discussion phase of the strategic review of management systems for the West Coast Rock Lobster Managed fishery.
- Implementation of a management plan for the South Coast Trawl fishery to give stakeholders more certainty of access and constraining potential effort increases.
- Finalisation of management arrangements for the West Coast and Gascoyne wetline (finfish) fisheries to ensure future stock and economic sustainability.

- Implementation of quota-based management arrangements for the Deep Sea Crab fishery to ensure stock sustainability.
- Implementation of a new management plan for the West Coast Purse Seine fishery to extend the area of the fishery, and introduce quota-based management arrangements to reduce overall effort.
- Review of the management framework for the Shark Bay Prawn and Scallop fisheries to address equity issues and ensure economic efficiency.
- Implementation of a Vessel Monitoring System in the South West Trawl Managed Fishery for more efficient and effective compliance.

Service 2: Management of the State's Recreational Fisheries

Management of the State's recreational fisheries on behalf of the community by providing advice; collecting and analysing data; undertaking research, developing and implementing management strategies, policies and plans; and enforcing regulations, management plans and related legislation for recreational fishing.

	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	15,119	14,393	14,080	14,195	
Less Income	3,263	3,186	3,186	3,186	
Net Cost of Service	11,856	11,207	10,894	11,009	
Adjustments ^(a)	(867)	(207)	(207)	(207)	
Appropriation for delivery of Service	10,989	11,000	10,687	10,802	

(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
Average cost per hour for community education and compliance.....	\$143	\$112	\$140	\$141	
Average cost per hour for management.....	\$163	\$130	\$130	\$131	
Average cost per hour for research.....	\$125	\$103	\$120	\$121	
Full Time Equivalents (FTEs)	116	109	106	103	

(a) Costs per hour include an allocation of departmental support costs.

Major Achievements For 2005-06

- Implemented new regulations and community education and compliance strategies for the management of recreational fishing in the South Coast and Pilbara / Kimberley Regions to underpin new regional plans.
- Reviewed and implemented new management arrangements for Shark Bay inner gulf snapper stocks to reinforce the success of previous stock rebuilding strategies.
- Reviewed and implemented new management arrangements for pink snapper in oceanic waters outside the inner gulf of Shark Bay to address falling recruitment in the fishery.

- Reviewed and implemented new management arrangements to protect spawning aggregations of pink snapper in Cockburn Sound to ensure sustainability of the fish stock.
- Reviewed the efficiency and effectiveness of aquatic tour management and the licensing framework following the first five years of management.
- Finalised strategies for managing the recreational marron fishery to protect the stock and maximize recreational fishing values.
- Released the draft Integrated Fisheries Management resource allocation report for Western Rock lobster as the first step in the allocation debate for this resource.

Major Initiatives For 2006-07

- Commencement of Integrated Fisheries Management planning for demersal finfish in the West Coast Region to determine future allocations between the recreational and commercial fishing sectors.
- Finalisation of Integrated Fisheries Management allocations between the commercial and recreational fishing sectors for the rock lobster and abalone resource.
- Review of recreational fishing consultative structures to ensure effective communication and consultation with recreational fishers and their peak representative bodies.
- Development of a new strategic plan for the future management of recreational fishing, building upon the new framework of regional plans recently put in place to better manage regional fish stocks, growing recreational fishing pressure and advances in recreational fishing technology.
- Review of freshwater fisheries management, including the interaction between trout and other native fish to ensure the protection of native fish whilst promoting a viable recreational trout fishery.
- Completion of a stock assessment of dhufish and pink snapper in the West Coast Region to underpin proposed management arrangements and contribute to the Integrated Fisheries Management planning for demersal finfish in the Region.

Service 3: Development and Promotion of the State's Aquaculture Industry

The Department fosters and promotes the development of sustainable Western Australian aquaculture (including pearl production) by providing policy advice; establishing appropriate infrastructure; facilitating provision of research; and the development, implementation and management of strategies, policies, plans and regulations for the aquaculture 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	8,885	6,948	6,828	6,893	
Less Income	4,758	4,695	4,695	4,695	
Net Cost of Service	4,127	2,253	2,133	2,198	
Adjustments ^(a)	(413)	(100)	(100)	(100)	
Appropriation for delivery of Service	3,714	2,153	2,033	2,098	

(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 for pearling community education and compliance.....	\$172	\$121	\$137	\$138	
Average cost per hour for aquaculture community education and compliance	\$200	\$129	\$107	\$108	
Average cost per hour for pearling management	\$116	\$132	\$81	\$82	
Average cost per hour for aquaculture management	\$139	\$119	\$130	\$131	
Average cost per hour for pearling research.....	\$130	\$116	\$103	\$104	
Average cost per hour for aquaculture research	\$127	\$113	\$115	\$116	
Full Time Equivalents (FTEs)	69	78	75	73	

(a) Costs per hour include an allocation of departmental support costs.

Major Achievements For 2005-06

- Reviewed the pearl oyster hatchery policy to ensure continued growth of industry whilst maintaining value for the Western Australian community.
- Reviewed pearling industry fees and charges.
- Implemented a satellite based Vessel Monitoring System within the pearling industry for more efficient and effective compliance.
- Continued implementation of the findings of the Aquaculture Legislative Review to promote a vibrant and sustainable aquaculture industry.
- Commenced Ecological Sustainable Development reporting for key aquaculture sectors to ensure transparency and accountability to the community.
- Finalised Ministerial Policy Guidelines on the grant, renewal and regulation of aquaculture leases.

Major Initiatives For 2006-07

- Progression of new or amended pearling legislation to provide a framework for continued industry growth and development.
- Implementation of the new pearl oyster hatchery policy to ensure continued growth of industry whilst maintaining value for the Western Australian community.
- Implementation of new pearling industry fees and charges.
- Development of Ecological Sustainable Development reports for key aquaculture sectors to ensure transparency and accountability.
- Review of the Ministerial Policy Guideline No.8: 'Assessment of applications for authorisations for Aquaculture and Pearling in coastal waters of Western Australia' to address changing community expectations about assignment of rights to a community resource.
- Development of a management framework for the allocation of western rock lobster puerulus (juveniles) for aquaculture purposes.
- Review of marron aquaculture licensing framework to remove impediments to development.

Service 4: Management and Conservation of Fish and Fish Habitat

The Department safeguards the state's wild fish habitat by providing advice; monitoring the status and use of fish habitat resources; undertaking research; fostering community awareness of fish habitat requirements; and developing, implementing, managing and enforcing appropriate strategies, policies, plans and regulations.

	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	3,961	4,466	4,410	4,451	
Less Income	413	690	690	690	
Net Cost of Service	3,548	3,776	3,720	3,761	
Adjustments ^(a)	(240)	(64)	(64)	(64)	
Appropriation for delivery of Service	3,308	3,712	3,656	3,697	

(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 for community education and compliance.....	\$134	\$119	\$115	\$116	
Average cost per hour for management.....	\$146	\$120	\$115	\$116	
Average cost per hour for research.....	\$144	\$128	\$120	\$121	
Full Time Equivalents (FTEs)	30	30	30	28	

(a) Costs per hour include an allocation of departmental support costs.

Major Achievements For 2005-06

- Proclaimed legislation to give effect to changes to the management arrangements for the Ningaloo Marine Park and new arrangements for the Jurien Bay Marine Park.
- Involved in regional marine planning including engagement with the National Oceans Office to address the Commonwealth South West marine planning process.
- Participated in the development of national and state policies, legislation and responses to introduced marine pests in accordance with the National System to be introduced in July 2007.
- Developed arrangements to deliver cost effective Government services in marine conservation reserves by progressing formal engagement and collaboration with the Department of Conservation and Land Management through an Inter-Department Committee.
- Supported the Government's program for marine conservation reserves.

Major Initiatives For 2006-07

- Development of a strategic plan for the management and protection of fish and fish habitats in the Kimberley region.
- Implementation of legislation and management capability to support the National System for the management of introduced marine pests in Western Australia.
- Implementation of actions arising from the Department of Conservation and Land Management / Department of Fisheries Inter-Departmental Committee in relation to marine park planning processes and effective delivery of management services in marine conservation reserves.
- Continued liaison with stakeholders and other Government agencies in respect to fisheries issues around the proposed Dampier Archipelago / Cape Preston, Walpole / Nornalup and Capes marine conservation reserves.
- Proclamation of legislation for the Muiron Islands Marine Management Area, the Montebello / Barrow Islands Marine Conservation Reserves and the Rowley Shoals Marine Park.
- Establishment of the Kalbarri Blue Holes Fish Habitat Protection Area (FHPA) and development of legislation to implement the Plan of Management for the Point Quobba FHPA.
- Work with relevant Government agencies and stakeholders, including the National Oceans Office, to progress regional marine planning for the southwest region.

CAPITAL WORKS PROGRAM

The capital works program for 2006-07 includes projects totalling \$5.5 million. The projects being progressed in 2005-06 focus on the building of a Marine Operations Centre in Mandurah as well as on the replacement programs and upgrades for operating plant and equipment, small boats and outboards, and 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				
Abrolhos Islands Program				
Abrolhos Islands Airstrip Maintenance	40	20	20	20
Communication Equipment	421	375	80	-
Fish Habitat				
2001-02 to 2007-08	166	114	82	-
COMPLETED WORKS				
Abrolhos Islands Program				
2001-02 Program	2,010	2,010	19	-
Abrolhos Islands Research Centre	1,800	1,800	1,800	-
Aquaculture Upgrades				
2003-04 Program	100	100	68	-
Computing Hardware and Software -				
2003-04 Program	615	615	133	-
2004-05 Program	285	285	285	-
2005-06 Program	538	538	538	-
Fitout, Furniture and Office Equipment -				
2003-04 Program	820	820	324	-
2005-06 Program	123	123	123	-
Hillarys Research Facility	16,000	16,000	300	-
Information Systems Development -				
2003-04 Program	965	965	633	-
2004-05 Program	65	65	65	-
Joint Marine Operations Centre - Fremantle	2,190	2,190	849	-
Marine Park				
Ningaloo Marine Park	262	262	262	-
Operational Equipment -				
2004-05 Program	182	182	30	-
2005-06 Program	140	140	140	-
2005-06 Scientific Program	100	100	100	-
Recreational Initiatives	601	601	52	-
Regional Aquaculture				
2004-05 Program	134	134	132	-
Regional Recreational Initiatives				
2005-06 Program	100	100	100	-
Small Boats, Outboards and Trailers -				
2004-05 Program	1,196	1,196	652	-
2005-06 Program	673	673	673	-
NEW WORKS				
Buildings				
Mandurah Marine Operations Centre	6,050	-	-	1,829
Computing Hardware and Software -				
2006-07 Program	641	-	-	641
Fitout, Furniture and Office Equipment -				
2006-07 Program	140	-	-	140
Global Allocations				
2006-07 Program	1,400	-	-	1,400
Information Systems Development -				
2006-07 Program	400	-	-	400
Large Vessels -				
Large Vessel Replacement - McLaughlan	1,400	-	-	700
Operational Equipment -				
2006-07 Program	147	-	-	147
2006-07 Scientific Program	102	-	-	102
Regional Aquaculture				
2006-07 Program	100	-	-	100
	39,906	29,408	7,460	5,479

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	15,255	2,351	7,460	5,479	8,405	2,375	4,328
	15,255	2,351	7,460	5,479	8,405	2,375	4,328
LESS							
Asset Sales	325	286	286	334	267	40	250
Drawdowns from the Holding Account	1,282	1,328	1,328	2,841	2,542	2,375	3,603
Internal Funds and Balances	4,223	-	5,109	-	-	(515)	-
Other.....	475	475	475	475	475	475	475
Capital Contribution	8,950	262	262	1,829	5,121	-	-

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)	25,320	24,131	24,131	24,192	24,178	24,926	25,473
Superannuation	2,606	2,434	2,434	2,409	2,391	2,452	2,482
Grants and subsidies ^(c)	4,150	3,500	3,500	3,500	3,500	3,500	3,500
Consultancies expense	368	381	381	386	386	396	400
Supplies and services	14,215	13,722	13,722	14,329	14,036	14,346	14,645
Accommodation	1,799	1,663	1,663	1,701	1,700	1,742	1,911
Finance costs	114	99	99	86	86	56	40
Capital user charge	3,781	4,066	4,066	4,066	4,075	4,080	4,085
Depreciation and amortisation	1,838	3,298	3,298	3,623	3,784	3,784	3,784
Fisheries adjustment scheme	320	500	500	500	500	500	500
Costs of disposal of non-current assets	430	-	-	-	-	-	-
Other expenses	104	1,076	1,076	586	544	553	545
TOTAL COST OF SERVICES	55,045	54,870	54,870	55,378	55,180	56,335	57,365
Income							
User charges and fees	32	340	340	340	340	340	340
Regulatory fees and fines	21,048	21,925	21,925	22,130	22,293	22,944	23,632
Gain on disposal of non-current assets	(105)	40	40	40	40	40	40
Grants and subsidies	3,775	4,478	4,478	4,326	4,326	4,326	4,326
Interest revenue	891	250	250	250	250	250	250
Other revenue	3,052	1,149	1,149	1,266	1,266	1,266	1,266
Total Income	28,693	28,182	28,182	28,352	28,515	29,166	29,854
NET COST OF SERVICES	26,352	26,688	26,688	27,026	26,665	27,169	27,511
INCOME FROM STATE GOVERNMENT							
Service appropriations	23,869	25,898	25,898	26,236	25,877	26,246	26,602
Resources received free of charge	408	524	524	524	522	522	522
Liabilities assumed by the Treasurer	427	402	402	402	402	402	402
TOTAL INCOME FROM STATE GOVERNMENT	24,704	26,824	26,824	27,162	26,801	27,170	27,526
SURPLUS (DEFICIENCY) FOR THE PERIOD	(1,648)	136	136	136	136	1	15
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(1,648)	136	136	136	136	1	15

(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 434, 443 and 428 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	10,891	6,904	5,486	5,117	4,801	5,066	4,773
Restricted cash	1,631	1,213	1,709	1,787	1,865	1,943	1,943
Receivables	922	986	911	911	911	911	876
Amounts receivable for services.....	1,328	2,841	2,841	2,542	2,375	3,603	2,530
Prepayments.....	72	98	72	72	72	72	72
Total current assets	14,844	12,042	11,019	10,429	10,024	11,595	10,194
NON-CURRENT ASSETS							
Amounts receivable for services.....	3,870	3,925	3,925	4,605	5,613	5,402	6,264
Land and buildings.....	10,131	23,178	25,674	27,503	31,724	31,724	31,724
Plant and equipment.....	5,610	8,467	6,701	8,882	11,303	11,186	13,133
Other.....	27,789	14,657	15,317	13,175	11,178	9,922	8,567
Total non-current assets.....	47,400	50,227	51,617	54,165	59,818	58,234	59,688
TOTAL ASSETS.....	62,244	62,269	62,636	64,594	69,842	69,829	69,882
CURRENT LIABILITIES							
Payables	1,263	1,052	1,263	1,275	1,299	1,335	1,383
Provision for employee entitlements	4,032	3,324	4,080	4,129	4,178	4,227	4,217
Finance leases	167	181	181	195	208	228	228
Accrued salaries	-	207	78	156	234	312	312
Other.....	44	-	45	45	45	45	45
Total current liabilities.....	5,506	4,764	5,647	5,800	5,964	6,147	6,185
NON-CURRENT LIABILITIES							
Provision for employee entitlements	2,608	2,460	2,642	2,676	2,710	2,743	2,743
Other.....	1,186	1,006	1,005	811	604	374	374
Total non-current liabilities	3,794	3,466	3,647	3,487	3,314	3,117	3,117
TOTAL LIABILITIES.....	9,300	8,230	9,294	9,287	9,278	9,264	9,302
EQUITY							
Contributed equity	23,145	23,407	23,407	25,236	30,357	30,357	30,357
Accumulated surplus / (deficit)	18,709	20,629	18,845	18,981	19,117	19,118	19,133
Reserves	11,090	10,003	11,090	11,090	11,090	11,090	11,090
Total equity.....	52,944	54,039	53,342	55,307	60,564	60,565	60,580
TOTAL LIABILITIES AND EQUITY	62,244	62,269	62,636	64,594	69,842	69,829	69,882

(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)	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
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	21,103	23,002	23,002	23,014	22,494	22,854	23,210
Capital contribution	8,950	262	262	1,829	5,121	-	-
Holding account drawdowns	1,282	1,328	1,328	2,841	2,542	2,375	3,603
Net cash provided by State government	31,335	24,592	24,592	27,684	30,157	25,229	26,813
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(25,084)	(23,971)	(23,971)	(24,031)	(24,017)	(24,765)	(25,693)
Superannuation	(2,606)	(2,032)	(2,032)	(2,007)	(1,989)	(2,050)	(2,080)
Grants and subsidies	(4,150)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)
Consultancies payments.....	(346)	(381)	(381)	(386)	(386)	(396)	(400)
Supplies and services	(13,495)	(13,444)	(13,444)	(14,097)	(13,741)	(13,824)	(13,875)
Accommodation.....	(1,811)	(1,663)	(1,663)	(1,701)	(1,700)	(1,742)	(1,911)
Finance costs.....	(114)	(99)	(99)	(86)	(86)	(56)	(40)
Capital user charge.....	(3,781)	(4,066)	(4,066)	(4,066)	(4,075)	(4,080)	(4,085)
Goods and Services Tax	(3,393)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
Fisheries adjustment scheme	(320)	(500)	(500)	(500)	(500)	(500)	(500)
Other.....	(152)	(1,076)	(1,076)	(588)	(544)	(553)	(545)
Receipts							
User charges and fees.....	32	340	340	340	340	340	340
Fisheries license fees.....	21,048	21,937	21,937	22,130	22,293	22,944	23,632
Grants and subsidies	3,775	4,478	4,478	4,326	4,326	4,326	4,326
Interest received.....	891	250	250	250	250	250	250
Goods and Services Tax	3,580	2,328	2,328	2,328	2,328	2,328	2,328
Other receipts	2,955	1,149	1,149	1,266	1,266	1,266	1,280
Net cash from operating activities.....	(22,971)	(22,578)	(22,578)	(22,650)	(22,063)	(22,340)	(22,801)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(14,656)	(2,351)	(7,460)	(5,479)	(8,405)	(2,375)	(4,328)
Proceeds from sale of non-current assets	325	286	286	334	267	40	250
Net cash from investing activities.....	(14,331)	(2,065)	(7,174)	(5,145)	(8,138)	(2,335)	(4,078)
CASH FLOWS FROM FINANCING ACTIVITIES							
Other payments for financing activities.....	(155)	(167)	(167)	(180)	(194)	(210)	(227)
Net cash from financing activities.....	(155)	(167)	(167)	(180)	(194)	(210)	(227)
NET INCREASE / (DECREASE) IN CASH HELD	(6,122)	(218)	(5,327)	(291)	(238)	344	(293)
Cash assets at the beginning of the reporting period	18,644	8,335	12,522	7,195	6,904	6,666	7,010
Cash assets at the end of the reporting period.....	12,522	8,117	7,195	6,904	6,666	7,010	6,717

(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
Grants to Industry	4,150	3,500	3,500	3,500	3,500	3,500	3,500
TOTAL	4,150	3,500	3,500	3,500	3,500	3,500	3,500

TRUST ACCOUNT DETAILS**Recreational Fishing Trust Account**

The Recreational Fishing Trust Account was established under the *Fish Resources Management Act* on 1 October 1995. It is utilised to fund the management of Recreational Fishing activities.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance	10	10	12	15
Receipts:				
Appropriations	8,711	11,105	10,530	10,640
Other.....	2,381	3,288	2,500	2,500
	11,102	14,403	13,042	13,155
Payments	11,090	14,393	13,027	13,142
CLOSING BALANCE	12	10	15	13

Fisheries Research and Development Trust Account

The Fisheries Research and Development Fund was continued under the *Fish Resources Management Act*, which was established on 1 October 1995. It is utilised to fund the management of commercial, fish and fish habitat protection and pearling and aquaculture activities.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance	16,647	6,338	10,688	5,358
Receipts:				
Appropriations	24,108	12,987	13,562	16,544
Other.....	22,883	27,480	23,790	23,996
	63,638	46,805	48,040	45,898
Payments	52,950	40,685	42,682	40,829
CLOSING BALANCE	10,688	6,120	5,358	5,069

Fisheries Adjustment Schemes Trust Account

The Fisheries Adjustment Schemes Trust Account was established under the *Fisheries Adjustment Scheme Act*. It is mainly utilised to fund the payment of compensation agreed under the Fisheries Adjustment Scheme.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance	1,213	1,213	1,058	1,058
Receipts:				
Appropriations	-	500	500	500
	1,213	1,713	1,558	1,558
Payments	155	500	500	500
CLOSING BALANCE	1,058	1,213	1,058	1,058

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	2,982	2,500	2,500	2,500
GST receipts on sales	598	650	650	650
TOTAL	3,580	3,150	3,150	3,150

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

KIMBERLEY DEVELOPMENT COMMISSION

PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY; PILBARA AND GASCOYNE

DIVISION 63

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 114 Net amount appropriated to deliver services.....	1,710	2,258	2,258	1,497	1,532	1,559	1,572
Total appropriations provided to deliver services.....	1,710	2,258	2,258	1,497	1,532	1,559	1,572
CAPITAL							
Capital Contribution	-	87	87	-	-	-	-
GRAND TOTAL	1,710	2,345	2,345	1,497	1,532	1,559	1,572

MISSION

To facilitate the development of the Kimberley for the prosperity and benefit of all its people.

The Commission is proactive and inclusive; it strives to continually enhance the wellbeing of the region's people, its communities and its organisations through leadership and actions in support of social and economic development.

SIGNIFICANT ISSUES AND TRENDS

- Provision of physical and social infrastructure linked with industry and community partnerships will ensure sustainability and continuity of growth for regional prosperity and amenity.
- Identification and development of significant regional opportunities for Indigenous peoples through partnerships and Native Title agreement making will require substantial local capacity building for participants to achieve economic and social independence.
- Mining and agriculture opportunities require strategic support and leadership to ensure localisation policies exist within development plans that grow regional business and focus upon local labour markets.
- Indigenous economic and social development initiatives, identified through analysing socio-economic trends, will assist in determining the needs of the region and focus development opportunities.
- Regional power and development options remain significant issues for Kimberley business and residents where growth is dependent upon power provision.
- Growth and development of sustainable tourism is dependent upon enhanced services, environmental management, infrastructure and indigenous involvement.

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>							
Policies, strategies, plans and regional promotion	1,227	1,465	1,402	1,097			
<i>Service 2:</i>							
Industry and infrastructure identification, coordination and development	1,349	1,465	1,518	1,189			
Total Cost of Services	2,576	2,930	2,920	2,286	2,303	2,337	1,957
<i>Less Income</i>	647	614	614	614	614	614	120
Net Cost of Services	1,929	2,316	2,306	1,672	1,689	1,723	1,837
Adjustments ^(a)	(219)	(58)	(48)	(175)	(157)	(164)	(265)
Appropriation provided to deliver Services.	1,710	2,258	2,258	1,497	1,532	1,559	1,572
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	87	87	-	-	-	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS	1,710	2,345	2,345	1,497	1,532	1,559	1,572

(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 Chief Executive Officer, the 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.	An environment conducive to the balanced economic and social development of the Kimberley region.	<ol style="list-style-type: none"> 1. Policies, strategies, plans and regional promotion 2. Industry and infrastructure identification, coordination and 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: An environment conducive to the balanced economic and social development of the Kimberley region.					
Delivers effective activities in assisting economic and social development	90%	90%	90%	90%	
Makes a positive contribution to economic and social development in the Kimberley	90%	90%	90%	90%	
Provides a reliable source of information and advice	94%	90%	90%	90%	
Is an accessible source of information and advice	94%	90%	90%	90%	

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

Service 1: Policies, Strategies, Plans and Regional Promotion

The Commission will provide effective regional development policies and strategies together with accurate and accessible information on the region to facilitate and support the economic and social development of the 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	1,227	1,465	1,402	1,097	The decrease in 2006-07 is the result of non-recurring grants.
Less Income	307	362	295	295	
Net Cost of Service	920	1,103	1,107	802	
Adjustments ^(a)	(105)	(29)	(23)	(84)	
Appropriation for delivery of Service	815	1,074	1,084	718	

(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 hour	\$279	\$203	\$312	\$244	
Full Time Equivalent (FTEs)	5	5	5	5	

Major Achievements For 2005-06

- Facilitated, supported and developed corporate governance, regional leadership and cross-cultural awareness programs across the region.
- Developed the framework and mechanisms for the Kimberley Community Foundation that will enhance long-term regional investment opportunities.
- Supported the development of comprehensive plans to stabilise and expand the Kimberley sugar industry.
- Enhanced planning and monitoring of major tourism initiatives associated with establishing Broome as Australia's North West Gateway to the Kimberley.
- Contributed significantly towards the Kimberley Sustainable Tourism Project, providing strategic planning and co-operation with key regional stakeholders.
- Supported strategic community initiatives to develop physical and social infrastructure.

Major Initiatives For 2006-07

- Support the development of the Kimberley Social Planning Project in collaboration with other regional stakeholders to address cross regional issues such as homelessness, substance abuse and youth issues.
- Work collaboratively to develop a social and economic profile of the West Kimberley to contribute towards a better understanding of current and projected issues facing Indigenous people in the region and potential labour force opportunities.
- Continue to work with key stakeholders to provide development planning assistance in managing the region's onshore and offshore resources.
- Contribute towards the ongoing support for tourism growth and continued encouragement and assistance in the development of Indigenous tourism ventures for improved employment opportunities both through involvement and service industries.
- Contribute regional expertise in effective Native Title negotiations to ensure opportunities for Indigenous groups are progressed in partnership with industry for the benefit of Kimberley Indigenous people.
- Maintain and enhance an informative website that promotes and disseminates progressive and relevant information about the Kimberley region.

Service 2: Industry and Infrastructure Identification, Coordination and Development

The commission will identify, co-ordinate and promote through its major strategies the establishment, improvement and diversification of the region's infrastructure, industries and enterprises.

	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	1,349	1,465	1,518	1,189	The decrease in 2006-07 is the result of non-recurring grants.
Less Income	340	252	319	319	
Net Cost of Service	1,009	1,213	1,199	870	
Adjustments ^(a)	(114)	(29)	(25)	(91)	
Appropriation for delivery of Service	895	1,184	1,174	779	

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

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 hour.....	\$279	\$203	\$316	\$248	
Full Time Equivalents (FTEs)	6	6	5	6	

Major Achievements For 2005-06

- Actively participated in negotiations for the expansion of the Argyle Diamond Mine to ensure strategic regional employment outcomes were achieved and the regional importance of the project was effectively considered.
- Provided assistance to secure strategic regional port infrastructure developments and maritime support facilities to improve regional capacity and growth thus encouraging further interest in regional investment.
- Actively participated in negotiations for the release of Stage Two of the Ord River Irrigation Area and continued to examine enhanced sustainability outcomes for the region's sugar industry through a range of industry related initiatives.
- Provided strategic and regional support for the development of improved telecommunications access and information technology training to regional towns and communities.
- Advocated for and supported the continuation of a subsidised coastal shipping service as an essential aspect to economic growth and provide alternative transport and employment opportunities within the transport and services sector.

Major Initiatives For 2006-07

- Work strategically and practically with remote community stores to develop enhanced management techniques, improved supply chain methods for sustainability of the enterprises and realising growth potential.
- Facilitate the further enhancement of the Indigenous art industry through targeted strategic support to develop industry opportunities through planning, marketing, support networks and diversification.
- Support the further development of the pastoral industry by maximising the potential of the industry and developing Indigenous management and operational capacity to become commercially viable and provide employment and training opportunities.
- Support the planning and development of regional community resource and recreation centres in collaboration with service providers and government agencies for the delivery of services and social programs.
- Monitor and support appropriate development of regional ports to meet the maritime safety and industry requirements and encompass potential resource and agricultural development opportunities.
- Through State, Commonwealth and regional partnerships, implement improved access to more appropriate telecommunications in regional towns and Indigenous communities. Provide on site training, support and advice for the betterment of regional communications for social and business access.
- Develop regional community art and culture centres in collaboration with community, State, Commonwealth and local governments to further enhance social and economic amenity to cater for the diversity of needs of the community.
- Support industry groups and small business to establish appropriate forums to create interest and promote regional investment opportunities and showcase the regions economic and social attributes and potential.
- Implement and administer the Ord Enhancement Scheme to enhance services to Indigenous people in the East Kimberley through engagement with key stakeholders.
- Engage with relevant agencies and air service providers to ensure that regular air services are available and maintained for access to major centres and remote communities providing for regular passenger transfers, freight, health and emergency services.

CAPITAL WORKS PROGRAM

The capital works program for the Kimberley Development Commission in 2006-07 provides for ongoing asset replacement of computer and 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				
Computer and Office Equipment Replacement				
2005-06 Program	20	20	20	-
Disability access - Broome office.....	87	87	87	-
NEW WORKS				
Computer and Office Equipment Replacement				
2006-07 Program	65	-	-	65
	172	107	107	65

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	22	107	107	65	20	20	20
	22	107	107	65	20	20	20
LESS							
Drawdowns from the Holding Account	20	20	20	65	20	20	20
Internal Funds and Balances	2	-	-	-	-	-	-
Capital Contribution	-	87	87	-	-	-	-

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)	666	707	707	737	747	750	750
Superannuation	60	55	55	61	61	61	62
Grants and subsidies ^(c)	879	1,250	1,250	500	500	500	85
Consultancies expense	23	-	-	-	-	-	-
Supplies and services	668	807	673	741	747	778	798
Accommodation	149	9	143	142	141	141	155
Capital user charge	32	21	21	22	25	26	26
Depreciation and amortisation	39	40	40	50	50	50	50
Other expenses	60	41	31	33	32	31	31
TOTAL COST OF SERVICES	2,576	2,930	2,920	2,286	2,303	2,337	1,957
Income							
User charges and fees	98	-	-	-	-	-	-
Grants and subsidies	450	580	580	580	580	580	85
Rent	4	-	-	-	-	-	-
Other revenue	95	34	34	34	34	34	35
Total Income	647	614	614	614	614	614	120
NET COST OF SERVICES	1,929	2,316	2,306	1,672	1,689	1,723	1,837
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,710	2,258	2,258	1,497	1,532	1,559	1,572
TOTAL INCOME FROM STATE GOVERNMENT	1,710	2,258	2,258	1,497	1,532	1,559	1,572
SURPLUS (DEFICIENCY) FOR THE PERIOD	(219)	(58)	(48)	(175)	(157)	(164)	(265)
Extraordinary items	59	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(160)	(58)	(48)	(175)	(157)	(164)	(265)

(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 11, 10 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	330	369	276	283	296	309	279
Restricted cash	797	931	787	621	451	274	39
Receivables	18	12	18	18	18	18	18
Amounts receivable for services.....	20	65	65	20	20	20	20
Prepayments.....	-	20	-	-	-	-	-
Total current assets	1,165	1,397	1,146	942	785	621	356
NON-CURRENT ASSETS							
Amounts receivable for services.....	40	15	15	45	75	105	135
Plant and equipment.....	59	27	41	36	16	14	-
Other.....	135	231	220	240	230	202	186
Total non-current assets	234	273	276	321	321	321	321
TOTAL ASSETS.....	1,399	1,670	1,422	1,263	1,106	942	677
CURRENT LIABILITIES							
Payables	78	191	62	48	48	48	48
Provision for employee entitlements	168	156	168	168	168	168	168
Accrued salaries	-	23	-	-	-	-	-
Total current liabilities.....	246	370	230	216	216	216	216
NON-CURRENT LIABILITIES							
Provision for employee entitlements	29	45	29	29	29	29	29
Other.....	-	-	-	30	30	30	30
Total non-current liabilities	29	45	29	59	59	59	59
TOTAL LIABILITIES.....	275	415	259	275	275	275	275
EQUITY							
Contributed equity	44	131	131	131	131	131	131
Accumulated surplus/(deficit)	1,080	1,124	1,032	857	700	536	271
Total equity.....	1,124	1,255	1,163	988	831	667	402
TOTAL LIABILITIES AND EQUITY	1,399	1,670	1,422	1,263	1,106	942	677

(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	1,670	2,218	2,218	1,447	1,482	1,509	1,522
Capital contribution	-	87	87	-	-	-	-
Holding account drawdowns	20	20	20	65	20	20	20
Net cash provided by State government	1,690	2,325	2,325	1,512	1,502	1,529	1,542
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(704)	(707)	(707)	(737)	(747)	(750)	(750)
Superannuation	(55)	(55)	(55)	(61)	(61)	(61)	(62)
Grants and subsidies	(924)	(1,250)	(1,250)	(500)	(500)	(500)	(85)
Consultancies payments.....	(16)	-	-	(10)	(10)	(10)	(10)
Supplies and services	(699)	(770)	(646)	(716)	(723)	(753)	(787)
Accommodation.....	(183)	(9)	(143)	(142)	(141)	(141)	(155)
Capital user charge.....	(32)	(21)	(21)	(22)	(25)	(26)	(26)
Goods and services tax	(346)	(64)	(64)	(64)	(64)	(64)	(325)
Other.....	(17)	(74)	(74)	(32)	(46)	(46)	(32)
Receipts							
Grants and subsidies	450	580	580	580	580	580	85
Rent receipts.....	16	-	-	-	-	-	-
Goods and services tax	320	64	64	64	64	64	325
Other receipts	228	34	34	34	34	34	35
Net cash from operating activities.....	(1,962)	(2,272)	(2,282)	(1,606)	(1,639)	(1,673)	(1,787)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(9)	(107)	(107)	(65)	(20)	(20)	(20)
Net cash from investing activities.....	(9)	(107)	(107)	(65)	(20)	(20)	(20)
NET INCREASE/(DECREASE) IN CASH HELD							
Cash assets at the beginning of the reporting period	1,408	1,354	1,127	1,063	904	747	583
Cash assets at the end of the reporting period.....	1,127	1,300	1,063	904	747	583	318

(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
Halls Creek Healthy Stores and Croc Festival .	250	-	-	-	-	-	-
Indigenous Arts	-	150	150	-	-	-	-
Kimberley Regional Development Scheme	538	500	500	500	500	500	-
Kununurra Youth Centre	-	100	100	-	-	-	-
Mowanjum Arts Centre	-	500	500	-	-	-	-
Other Grants	91	-	-	-	-	-	85
TOTAL.....	879	1,250	1,250	500	500	500	85

PILBARA DEVELOPMENT COMMISSION

PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY; PILBARA AND GASCOYNE

DIVISION 64

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 115 Net amount appropriated to deliver services.....	6,474	7,329	7,729	2,383	1,656	1,660	1,673
Total appropriations provided to deliver services.....	6,474	7,329	7,729	2,383	1,656	1,660	1,673
CAPITAL							
Item 179 Capital Contribution	-	-	-	85	-	-	5
GRAND TOTAL	6,474	7,329	7,729	2,468	1,656	1,660	1,678

MISSION

To help achieve regional growth and prosperity in the Pilbara. The Commission seeks to add value to economic opportunities and quality of life as well as supporting and enhancing the natural environment of the Pilbara Region.

SIGNIFICANT ISSUES AND TRENDS

- The Pilbara is continuing to experience rapid economic growth in the resources sector. In particular the iron ore and petroleum industries continue to develop and expand to meet growth in demand from China and the rest of Asia.
- The economic growth is evident in the main towns of the region which are currently experiencing population growth. However, the expansion of the resource sector has led to severe shortages of residential land and substantial increases in housing and rental costs.
- Whilst there continues to be strong economic growth, a key concern for business is the ability to attract and retain skilled workers. This is particularly evident in the manufacturing and small business sectors.
- Difficulties in attracting workers to the region have placed a strong emphasis on the need to enhance and improve community infrastructure and the physical amenity of the region's communities. High standards of community amenity and services are seen as crucial in enhancing the region's lifestyle and attracting employees to the area.
- Enhanced service delivery and improvements to health and education infrastructure is seen as fundamental to the sustainable development of the region. There is a need to continue to coordinate the responses of State, Federal and local government agencies to identify issues to ensure that infrastructure and service delivery meet community demands and expectations.
- Given the rapid pace of development, a key strategy is to ensure that the region gains long term sustainable economic and social benefits from the expansion of the resources sector.

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>							
Business and Industry Development	2,118	540	540	560			
<i>Service 2:</i>							
Infrastructure and Service Identification and Coordination.....	4,776	10,537	14,032	9,357			
<i>Service 3:</i>							
Regional Promotion and Information Services	1,951	650	650	670			
Total Cost of Services	8,845	11,727	15,222	10,587	8,395	2,261	1,766
<i>Less Income.....</i>	<i>5,148</i>	<i>4,021</i>	<i>4,101</i>	<i>7,107</i>	<i>5,612</i>	<i>615</i>	<i>120</i>
Net Cost of Services	3,697	7,706	11,121	3,480	2,783	1,646	1,646
Adjustments ^(a)	2,777	(377)	(3,392)	(1,097)	(1,127)	14	27
Appropriation provided to deliver Services.	6,474	7,329	7,729	2,383	1,656	1,660	1,673
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	-	-	85	-	-	5
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	6,474	7,329	7,729	2,468	1,656	1,660	1,678

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

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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.	Enhancement of the Pilbara Region's economic and social development.	<ol style="list-style-type: none"> 1. Business and Industry Development 2. Infrastructure and Service Identification and Coordination 3. Regional Promotion and Information 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: Enhancement of the Pilbara Region's economic and social development.					
Customers satisfied that the Pilbara Development Commission is effective in meeting its service objectives.....	92%	80%	80%	80%	

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

Service 1: Business and Industry Development

Encourage business and industry development through the identification and coordination of 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	2,118	540	540	560	
Less Income	1,233	151	151	25	
Net Cost of Service	885	389	389	535	
Adjustments ^(a)	177	-	(92)	(97)	
Appropriation for delivery of Service	1,062	389	297	438	

(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
Projects completed or strategic objectives met within agreed timeframes.....	88%	80%	80%	80%	
Full Time Equivalentents (FTEs)	3	3	3	3	

Major Achievements For 2005-06

- In partnership with key stakeholders, participated in the development of safari style accommodation in the Karajini National Park to support the emerging Indigenous Tourism Industry.
- In conjunction with LandCorp, Department of Land Information, Department of Housing and Works and local government authorities, ensured a response to the shortage of residential land in the region. This resulted in the development of 176 residential lots at Tambrey in Karratha and the commencement of planning for residential developments to overcome land shortages in Port and South Hedland and Newman.

- Worked with Telstra Country Wide and the Department of Industry and Resources to provide ADSL Internet access to the communities of Tom Price, Paraburdoo and Wickham. Broadband Internet access is now available to all residences and businesses in those communities.
- In conjunction with the Chambers of Commerce and the resources sector in the region, developed an online Pilbara Business Capability Register which has maximised opportunities for small businesses in the region to provide goods and services to the resources sector.

Major Initiatives For 2006-07

- In partnership with key State and Commonwealth agencies and training providers, deliver the 'Skilling Outback WA' program to develop the information technology skills of people in remote Indigenous communities.
- In partnership with key stakeholders, develop and implement strategies to address the impact of accumulated dust on the Port Hedland environment.
- Facilitate a major conference and establish a network and mentoring group for women in the Pilbara with a focus on the promotion and development of business and management skills.
- In conjunction with the Western Australian Country Health Service, ascertain the viability of developing a patient accommodation facility at the Port Hedland Regional Hospital to support improvements in health service delivery in the region.

Service 2: Infrastructure and Service Identification and Coordination

Identify infrastructure needs and coordinate the removal of impediments to achieve delivery of service.

	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.....	4,776	10,537	14,032	9,357	2005-06 includes carryover of grants from 2004-05.
Less Income	2,780	3,771	3,450	6,572	Increase in grant funding from Regional Investment Fund Program.
Net Cost of Service	1,996	6,766	10,582	2,785	
Adjustments ^(a)	2,500	24	(3,200)	(950)	
Appropriation for delivery of Service	4,496	6,790	7,382	1,835	

(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
Projects completed or strategic objectives met within agreed timeframes.....	87%	80%	80%	80%	
Full Time Equivalent (FTEs)	7	7	7	7	

Major Achievements For 2005-06

- Secured State and Commonwealth Environmental and Indigenous Heritage approvals for a \$2.5 million upgrade of recreation areas in Port Hedland, a major project of the Port Hedland Enhancement Scheme.
- In partnership with the Shire of Roebourne and Western Power, achieved the construction of a \$2.0 million multi purpose recreation facility as Stage One of the Roebourne Youth Precinct and the undergrounding of the power supply in the main street, two major projects of the Roebourne Enhancement Scheme.
- Continued to chair taskforces for Port Hedland and the Central Pilbara areas of the region to ensure a coordinated approach by State government agencies to development issues arising from the expansion of the resources sector. The taskforces have resulted in improved delivery of childcare, health and education services and planning for residential and industrial land development.
- Facilitated linkages between the Department of Education and Training, Curtin University and the resources sector to develop partnerships, programs and learning pathways that will lead to improved outcomes for students in the region.
- Administered the Pilbara Fund, which saw 43 successful submissions from local governments, industry, community groups and State Government agencies supported. Support for these projects will see more than \$37.0 million invested in the improvement of facilities and services across the Pilbara.

Major Initiatives For 2006-07

- Continue to manage the delivery of the Port Hedland Enhancement Scheme to improve the physical and visual amenity of the town including the upgrade of the town centre, the refurbishment of the Visitor Centre, the restoration of the old cemetery and new tourist and community infrastructure.
- Facilitate the establishment of new tourist opportunities for the Town of Port Hedland through the delivery of a staged program that will result in the installation of interpretive information and display materials to promote the Flatback Turtle habitat and subsequent planning for a centre that includes educational opportunities.
- Facilitate the delivery of the final projects for the Roebourne Enhancement Scheme including the relocation of the town oval, the upgrade of the Community Hall to incorporate youth facilities and the establishment of the community capability development program.
- Develop a regional network of videoconference and online learning centres to enhance the capacity of small and remote communities to access education and training opportunities.
- Continue to facilitate the coordinated provision of State Government services and infrastructure to communities in the region to meet increased demands as a result of the expansion of the resources industry.

Service 3: Regional Promotion and Information Services

Raise awareness of the advantages of both living in and visiting the Pilbara region through the provision and promotion of accurate and accessible information.

	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	1,951	650	650	670	
Less Income	1,135	99	500	510	
Net Cost of Service	816	551	150	160	
Adjustments ^(a)	100	(401)	(100)	(50)	
Appropriation for delivery of Service	916	150	50	110	

(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
Projects completed or strategic objectives met within agreed timeframes.....	87%	80%	80%	80%	
Full Time Equivalent (FTEs)	3	3	3	3	

Major Achievements For 2005-06

- In conjunction with key stakeholders, supported the 'Antica Terra Pulsante' project to promote the Pilbara and Indigenous art at a major cultural festival in Florence, Italy.
- Produced quarterly housing and land snapshots for the communities of Karratha, Newman and Port and South Hedland. The documents are an important information source for monitoring the impact of development on local housing and residential land markets and minimising any potential for social dislocation of residents.
- Produced a full colour brochure promoting the lifestyle and amenity of the region to potential residents of the region as a means of attracting skilled workers. The brochure was used extensively by the State Government's Skilled Migration Unit in promoting the region at international skills expos in the United Kingdom.
- Redeveloped the Commission's website to ensure that accessibility, the visual impact and its functionality is in line with website best practice. The redeveloped site will allow easy access to a range of information for the Commission's key stakeholders and the general public.

Major Initiatives For 2006-07

- Release the Pilbara Economic Perspective, which contains factual information on the region's economy and infrastructure to inform investors and developers of the region's economic development potential.
- Develop a DVD / CD-ROM with information on lifestyle and employment opportunities across the Pilbara. The interactive product will allow people interested in the region to gain an insight into living and working in the Pilbara as part of a strategy to meet existing and future skills shortages in the region.
- Facilitate a major conference to promote the natural advantage of the Pilbara with a focus on the resource industry, tourism and small business.

CAPITAL WORKS PROGRAM

The Pilbara Development Commission's planned capital works expenditure in 2006-07 is for ongoing computer and office equipment replacement and the relocation of the Karratha office.

	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 Equipment Replacement 2003-04 Program	80	80	12	-
NEW WORKS				
Computer and Office Equipment Replacement 2006-07 Program	90	-	-	90
Karratha Office Relocation.....	90	-	-	90
Telephone System Replacement Program.....	25	-	-	25
	285	80	12	205

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	19	-	12	205	30	20	75
	19	-	12	205	30	20	75
LESS							
Drawdowns from the Holding Account	-	-	-	120	30	20	70
Internal Funds and Balances.....	19	-	12	-	-	-	-
Capital Contribution	-	-	-	85	-	-	5

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)	954	743	895	891	902	772	790
Superannuation	79	66	82	79	84	66	68
Grants and subsidies ^(c)	5,244	9,800	12,956	8,361	6,207	500	-
Consultancies expense	188	-	40	30	40	30	35
Supplies and services	1,996	735	713	644	632	533	564
Accommodation	156	91	162	166	174	180	143
Capital user charge	26	98	98	124	116	91	91
Depreciation and amortisation	40	40	40	40	40	40	40
Other expenses	162	154	236	252	200	49	35
TOTAL COST OF SERVICES	8,845	11,727	15,222	10,587	8,395	2,261	1,766
Income							
Gain on disposal of non-current assets	1	-	-	-	-	-	-
Grants and subsidies	3,002	4,000	4,000	7,000	5,500	500	-
Other revenue	2,145	21	101	107	112	115	120
Total Income	5,148	4,021	4,101	7,107	5,612	615	120
NET COST OF SERVICES	3,697	7,706	11,121	3,480	2,783	1,646	1,646
INCOME FROM STATE GOVERNMENT							
Service appropriations	6,474	7,329	7,729	2,383	1,656	1,660	1,673
TOTAL INCOME FROM STATE GOVERNMENT	6,474	7,329	7,729	2,383	1,656	1,660	1,673
SURPLUS (DEFICIENCY) FOR THE PERIOD	2,777	(377)	(3,392)	(1,097)	(1,127)	14	27

(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, 13 and 13 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	435	372	364	648	31	45	72
Restricted cash	5,224	511	1,891	510	-	-	-
Receivables	73	1,102	73	73	73	73	73
Amounts receivable for services.....	-	120	120	30	20	70	40
Prepayments.....	-	5	-	-	-	-	-
Total current assets	5,732	2,110	2,448	1,261	124	188	185
NON-CURRENT ASSETS							
Amounts receivable for services.....	86	9	9	19	39	9	9
Plant and equipment.....	90	42	50	122	134	154	189
Intangibles.....	13	12	25	25	25	25	25
Other.....	-	-	-	93	71	31	31
Total non-current assets	189	63	84	259	269	219	254
TOTAL ASSETS.....	5,921	2,173	2,532	1,520	393	407	439
CURRENT LIABILITIES							
Payables	21	138	21	21	21	21	21
Provision for employee entitlements	132	92	132	132	132	132	132
Accrued salaries	-	29	-	-	-	-	-
Other.....	22	-	22	22	22	22	22
Total current liabilities.....	175	259	175	175	175	175	175
NON-CURRENT LIABILITIES							
Provision for employee entitlements	70	85	73	73	73	73	73
Total non-current liabilities	70	85	73	73	73	73	73
TOTAL LIABILITIES.....	245	344	248	248	248	248	248
EQUITY							
Contributed equity	137	137	137	222	222	222	227
Accumulated surplus / (deficit)	5,539	1,692	2,147	1,050	(77)	(63)	(36)
Total equity.....	5,676	1,829	2,284	1,272	145	159	191
TOTAL LIABILITIES AND EQUITY.....	5,921	2,173	2,532	1,520	393	407	439

(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	6,431	7,286	7,686	2,343	1,616	1,620	1,633
Capital contribution	-	-	-	85	-	-	5
Holding account drawdowns	-	-	-	120	30	20	70
Net cash provided by State government	6,431	7,286	7,686	2,548	1,646	1,640	1,708
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(951)	(743)	(892)	(891)	(902)	(772)	(790)
Superannuation	(81)	(66)	(82)	(79)	(84)	(66)	(68)
Grants and subsidies	(5,234)	(9,800)	(12,956)	(8,361)	(6,207)	(500)	-
Consultancies payments.....	(188)	-	(40)	(30)	(40)	(30)	(35)
Supplies and services	(1,858)	(575)	(533)	(459)	(442)	(393)	(464)
Accommodation.....	(264)	(146)	(307)	(314)	(325)	(279)	(283)
Capital user charge.....	(26)	(98)	(98)	(124)	(116)	(91)	(91)
Goods and Services Tax	(734)	(65)	(675)	(678)	(680)	(170)	(140)
Other.....	(234)	(256)	(271)	(289)	(239)	(400)	(70)
Receipts							
Grants and subsidies	3,002	4,000	4,000	7,000	5,500	500	-
Goods and Services Tax	689	65	675	678	680	170	140
Other receipts	3,142	21	101	107	112	425	195
Net cash from operating activities.....	(2,737)	(7,663)	(11,078)	(3,440)	(2,743)	(1,606)	(1,606)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(19)	-	(12)	(205)	(30)	(20)	(75)
Net cash from investing activities.....	(19)	-	(12)	(205)	(30)	(20)	(75)
NET INCREASE / (DECREASE) IN CASH HELD							
.....	3,675	(377)	(3,404)	(1,097)	(1,127)	14	27
Cash assets at the beginning of the reporting period	1,984	1,260	5,659	2,255	1,158	31	45
Cash assets at the end of the reporting period.....	5,659	883	2,255	1,158	31	45	72

(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
Regional Development Scheme.....	337	500	520	500	500	500	-
Port Hedland Enhancement Scheme	708	4,020	8,098	1,900	707	-	-
Roebourne Enhancement Scheme	1,204	1,341	383	961	-	-	-
Pilbara Fund.....	2,995	3,939	3,955	5,000	5,000	-	-
TOTAL.....	5,244	9,800	12,956	8,361	6,207	500	-

TRUST ACCOUNT DETAILS**Wittenoon Relocation Trust Account**

The Wittenoon Relocation Trust Account is controlled through the Infrastructure and Service Identification and Coordination Service. It is utilised to purchase privately owned properties in Wittenoon.

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
Appropriations	-	-	400	-
	-	-	400	-
Payments.....	-	-	400	-
CLOSING BALANCE	-	-	-	-

GASCOYNE DEVELOPMENT COMMISSION

PART 15 - MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY; PILBARA AND GASCOYNE

DIVISION 65

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 116 Net amount appropriated to deliver services.....	2,041	2,259	2,321	1,450	1,469	1,496	1,511
Total appropriations provided to deliver services.....	2,041	2,259	2,321	1,450	1,469	1,496	1,511

MISSION

To achieve sustainable economic and social development of the Gascoyne Region - A better place to live. The Gascoyne will be recognised as providing a great lifestyle and visitor experience through its diversity, good employment and investment opportunities, unique natural environment and climate.

SIGNIFICANT ISSUES AND TRENDS

- Improvements in delivery and accessibility to education and training are considered crucial to the ongoing development of industry and community in the Gascoyne. Education and training is not highly valued resulting in a relatively poorly skilled workforce and an inability for people to find meaningful employment.
- Due to the growth in the resource sector, the Gascoyne is experiencing labour shortages across all industries. The provision of career pathways through vocational training and higher education relevant to the needs of Gascoyne industries is required to create a local workforce.
- The progression of Indigenous economic development projects will remain a priority. The opening and subsequent management of a functional Aboriginal Heritage and Cultural Centre, the establishment of a Traditional Elders Group and the Indigenous Business Incubation Project will provide genuine opportunities for Indigenous community and economic development.
- The provision of appropriate water, wastewater, power and transport services is required for all of the communities in the Gascoyne.
- The Burringurrah Aboriginal Community and areas of the Upper Gascoyne will also receive considered focus for development as research and analysis of options are progressed into an actionable development strategy.

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
Aboriginal Heritage and Cultural Centre	153	158	164	170

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>							
Regional Development	6,452	3,105	2,598	2,176			
Total Cost of Services	6,452	3,105	2,598	2,176	2,129	2,295	1,844
<i>Less Income</i>	623	700	700	717	717	717	217
Net Cost of Services	5,829	2,405	1,898	1,459	1,412	1,578	1,627
Adjustments ^(a)	(3,788)	(146)	423	(9)	57	(82)	(116)
Appropriation provided to deliver Services	2,041	2,259	2,321	1,450	1,469	1,496	1,511
TOTAL CONSOLIDATED FUND APPROPRIATIONS	2,041	2,259	2,321	1,450	1,469	1,496	1,511

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

RESOURCE AGREEMENT

The following outcome, service and financial information is the subject of a Resource Agreement signed by the Minister, the Chief Executive Officer, the 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.	An environment conducive to the balanced economic and social development of the Gascoyne region.	1. Regional 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: An environment conducive to the balanced economic and social development of the Gascoyne region.					
The Commission is effective and makes a positive contribution to the economic and social development of the Gascoyne Region ...	87%	85%	85%	85%	

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

Service 1: Regional Development

Develop policies, plans and strategies to facilitate a coordinated approach to economic and social development in the Gascoyne.

Encourage new business investment that is environmentally sustainable.

Identify needs and coordinate infrastructure development that will generate employment, investment and sustainable economic and social growth.

Promote the region as a place that offers investment opportunities, a quality lifestyle and pristine environment.

	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	6,452	3,105	2,598	2,176	Non-recurring funding for the Aboriginal Heritage and Cultural Centre offset by carryover of grants from 2005-06.
Less Income	623	700	700	717	
Net Cost of Service	5,829	2,405	1,898	1,459	
Adjustments ^(a)	(3,788)	(146)	423	(9)	
Appropriation for delivery of Service	2,041	2,259	2,321	1,450	

(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 project hour.....	178	150	170	175	
Full Time Equivalents (FTEs)	12	11	12	12	

Major Achievements For 2005-06

- Completion of the Ningaloo Ocean and Earth Research Centre project Feasibility Study and Business Plan.
- Hosted a successful Gascoyne Regional Investment Tour, resulting in several positive outcomes for Gascoyne business enterprises.
- Supported local governments, industry and community through the Regional Development Scheme and Minor Grants program through funding initiatives for infrastructure development, business and export development, community events and promotional activities.
- Established an effective leadership and succession planning model for the Indigenous community which is regionally recognised as the Traditional Elders Group.
- Facilitated the development of a discrete Indigenous Tourism Business.
- Completed the coordination role for constructing a land backed wharf at the Carnarvon Boat Harbour.
- Provided comprehensive reporting on Regional Development Policy initiatives, including the Carnarvon 2020 Strategy.
- Completed a comprehensive analysis on economic development options for the Upper Gascoyne.
- Facilitated a major education workshop in Carnarvon.

Major Initiatives For 2006-07

- Support initiatives and projects through the Regional Development Scheme and Minor Grant program
- Produce a Gascoyne Education Precinct Strategic Plan that identifies options to improve the delivery of education and training.
- Publish a Food Industry discussion paper to demonstrate opportunities that will provide a diverse range of business development options for the primary industries of the Gascoyne.
- Facilitate the opening of an appropriately managed and functional Aboriginal Heritage and Cultural Centre.
- Promote and seek capital and operational funding to establish the Ningaloo Ocean and Earth Research Centre in Exmouth.
- Work with key stakeholders to review the Carnarvon 2020 Strategy and progress existing projects.
- Promote the Gascoyne through initiatives that are driven by industry.
- Work with government agencies to progress development options for the Mt Augustus and Upper Gascoyne area.
- Facilitate and support a Gascoyne Education Working Group to focus on long term education and training issues for the Gascoyne.
- Work with other government agencies on initiatives that will result in career and training pathways that will benefit Gascoyne industries and result in an appropriately skilled work force.
- Provide ongoing support for local governments, Chambers of Commerce, industry and community groups to enhance their access to resources and assistance to develop and coordinate their efforts.
- Implement a Strategic Waste Initiative Scheme project to improve waste management in the Gascoyne.

CAPITAL WORKS PROGRAM

The Gascoyne Development Commission's planned capital works expenditure in 2006-07 is for ongoing asset replacement program.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Aboriginal Heritage and Cultural Centre	4,734	4,734	1,000	-
Asset Replacement				
2004-05 Program	40	40	14	-
2005-06 Program	40	40	40	-
NEW WORKS				
Asset Replacement				
2006-07 Program	40	-	-	40
	4,854	4,814	1,054	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	3,456	1,040	1,054	40	40	40	40
	3,456	1,040	1,054	40	40	40	40
LESS							
Drawdowns from the Holding Account	40	40	40	40	40	40	40
Internal Funds and Balances	3,416	1,000	1,014	-	-	-	-
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)	821	593	609	719	702	735	737
Superannuation	75	55	77	78	79	82	84
Grants and subsidies ^(c)	494	500	635	425	403	519	121
Supplies and services	4,836	1,708	872	731	677	689	631
Accommodation	98	95	101	103	104	109	110
Capital user charge	46	63	63	45	34	31	31
Depreciation and amortisation	28	35	35	35	35	35	35
Loss on disposal of non-current assets	-	2	2	2	2	2	2
Other expenses	54	54	204	38	93	93	93
TOTAL COST OF SERVICES	6,452	3,105	2,598	2,176	2,129	2,295	1,844
Income							
Grants and subsidies	585	652	652	652	652	652	152
Rent	-	48	-	-	-	-	-
Other revenue	38	-	48	65	65	65	65
Total Income	623	700	700	717	717	717	217
NET COST OF SERVICES	5,829	2,405	1,898	1,459	1,412	1,578	1,627
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,041	2,259	2,321	1,450	1,469	1,496	1,511
Resources received free of charge	8	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	2,049	2,259	2,321	1,450	1,469	1,496	1,511
SURPLUS (DEFICIENCY) FOR THE PERIOD	(3,780)	(146)	423	(9)	57	(82)	(116)

(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 12, 12 and 12 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	202	412	135	115	175	112	112
Restricted cash	355	-	202	202	202	202	100
Receivables	216	339	219	210	214	208	198
Amounts receivable for services.....	40	40	40	40	40	40	40
Prepayments.....	-	10	-	-	-	-	-
Total current assets	813	801	596	567	631	562	450
NON-CURRENT ASSETS							
Amounts receivable for services.....	65	61	61	56	51	46	41
Plant and equipment.....	61	67	78	81	84	87	90
Total non-current assets	126	128	139	137	135	133	131
TOTAL ASSETS.....	939	929	735	704	766	695	581
CURRENT LIABILITIES							
Payables	688	77	50	53	51	55	50
Provision for employee entitlements	131	84	131	119	109	107	99
Accrued salaries	-	25	10	14	21	28	35
Total current liabilities.....	819	186	191	186	181	190	184
NON-CURRENT LIABILITIES							
Provision for employee entitlements	46	32	47	30	40	42	50
Total non-current liabilities	46	32	47	30	40	42	50
TOTAL LIABILITIES.....	865	218	238	216	221	232	234
EQUITY							
Contributed equity	90	90	90	90	90	90	90
Accumulated surplus/(deficit)	(16)	621	407	398	455	373	257
Total equity.....	74	711	497	488	545	463	347
TOTAL LIABILITIES AND EQUITY	939	929	735	704	766	695	581

(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	2,005	2,223	2,285	1,415	1,434	1,461	1,476
Holding account drawdowns	40	40	40	40	40	40	40
Net cash provided by State government	2,045	2,263	2,325	1,455	1,474	1,501	1,516
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(805)	(592)	(598)	(744)	(695)	(728)	(730)
Superannuation	(75)	(55)	(77)	(78)	(79)	(82)	(84)
Grants and subsidies	(484)	(500)	(635)	(425)	(403)	(519)	(121)
Supplies and services	(3,897)	(1,689)	(1,512)	(734)	(756)	(763)	(725)
Accommodation	(101)	(97)	(103)	(105)	(106)	(111)	(112)
Capital user charge	(46)	(63)	(63)	(45)	(34)	(31)	(31)
Goods and services tax	(465)	(67)	(67)	(57)	(57)	(57)	(57)
Other	(35)	(66)	(216)	(55)	(39)	(39)	(29)
Receipts							
Grants and subsidies	585	652	652	652	652	652	152
Rent receipts	-	55	-	-	-	-	-
Goods and services tax	308	55	55	65	52	63	68
Other receipts	38	18	73	91	91	91	91
Net cash from operating activities	(4,977)	(2,349)	(2,491)	(1,435)	(1,374)	(1,524)	(1,578)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(26)	(30)	(54)	(40)	(40)	(40)	(40)
Net cash from investing activities	(26)	(30)	(54)	(40)	(40)	(40)	(40)
NET INCREASE/(DECREASE) IN CASH HELD	(2,958)	(116)	(220)	(20)	60	(63)	(102)
Cash assets at the beginning of the reporting period	3,515	528	557	337	317	377	314
Cash assets at the end of the reporting period	557	412	337	317	377	314	212

(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
Controlled grants are from funding provided through the Regional Development Scheme:							
Grants to Government Agencies	148	240	191	128	121	156	36
Grants to Community Groups	6	20	6	4	4	5	2
Grants to private organisations	217	240	279	187	177	228	53
Grants Other	123	-	159	106	101	130	30
TOTAL	494	500	635	425	403	519	121

Part 16**Minister for Disability Services; Citizenship and Multicultural Interests; Women's Interests; Minister Assisting the Minister for Federal Affairs****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
1123	Disability Services Commission			
	– Delivery of Services	244,101	244,594	273,112
	– Capital Contribution	4,179	4,179	811
	Total	248,280	248,773	273,923
	GRAND TOTAL			
	– Delivery of Services	244,101	244,594	273,112
	– Capital Contribution	4,179	4,179	811
	Total	248,280	248,773	273,923

DISABILITY SERVICES COMMISSION

PART 16 - MINISTER FOR DISABILITY SERVICES; CITIZENSHIP AND MULTICULTURAL INTERESTS; WOMEN'S INTERESTS; MINISTER ASSISTING THE MINISTER FOR FEDERAL AFFAIRS

DIVISION 66

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 117 Net amount appropriated to deliver services.....	226,886	243,904	244,388	272,906	292,120	316,315	340,311
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	197	197	206	206	206	206	206
Total appropriations provided to deliver services	227,083	244,101	244,594	273,112	292,326	316,521	340,517
CAPITAL							
Item 180 Capital Contribution	2,763	4,179	4,179	811	511	2,541	2,974
GRAND TOTAL	229,846	248,280	248,773	273,923	292,837	319,062	343,491

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

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

SIGNIFICANT ISSUES AND TRENDS

- Ageing carers – many people with disabilities live at home with ageing parents. The ageing and associated health issues of carers are placing new and urgent demands on accommodation and community-based support services. Ongoing planning is being undertaken to help support families plan for the future.
- Ageing of people with disabilities – the current population of people with disabilities has significantly outlived previous population cohorts. This improved life expectancy has been attributed to advances in medical technology and changing socio-demographic factors. Some people with disabilities age prematurely (for example, people with Down syndrome are more likely to have early onset dementia), placing additional demands on services. The number of people aged over 50 years in accommodation services continues to increase. While the Commission is committed to 'ageing in place', there is some demand from ageing people with disabilities for more appropriate aged care services.

- Accommodation support – the number of people supported in group homes and hostels has changed over the years. Few people now choose to move into hostels; people with extremely high support needs are now more likely to move into group homes. Many people who traditionally lived in group homes and hostels are now choosing to live in the community, as individual funding allows people with disabilities to choose their place of residence and model of support. The most significant growth has been in the number of people in supported community living, which includes a variety of formal and informal support arrangements.
- Demand – the demand for services continues to be driven by sustained increases in the number of people with disabilities and the take up rate of disability services. Factors influencing demand include ageing carers, the ageing of people with disabilities, increased survival rates of people with severe and profound disabilities and changing community expectations. The Commission faces the continuing challenge of balancing its response to those in most critical need, while maintaining the capacity for early intervention and support strategies that prevent or delay the need for crisis intervention and enable people with disabilities to live more independent and fulfilling lives.
- Families and carers – families and carers continue to be a major source of support for people with disabilities. Almost 87 per cent of Western Australians with disabilities who require assistance receive assistance through family and friends. The provision of support services for families and carers to help them maintain their caring role is critical in promoting individual and family wellbeing, reducing the need for crisis support and avoiding premature or inappropriate entry into high cost residential care.
- Commonwealth State and Territory Disability Agreement (CSTDA) – some 15 per cent of the Commission’s budget is from funding provided by the Commonwealth Government under the CSTDA. The current agreement covers the period 2002-03 to 2006-07. A key priority for future agreements is to secure a fair level of indexation and adequate growth funding.
- Family leadership and community capacity – a key focus of the Commission is on acknowledging the strengths and leadership of families as well as support for local communities to include people with disabilities as valued citizens.
- Community access – as public authorities throughout Western Australia implement Disability Access and Inclusion Plans, people with disabilities will be better able to access and participate in the community. There is growing awareness of the rights of people with disabilities to access all facets of community life, along with increased recognition of the importance of working in partnership with the private sector to support the creation of more accessible and welcoming communities.
- Responding to the needs of Aboriginal people with disabilities - Aboriginal people with disabilities, especially those living in regional and remote areas of the State, are under-represented in their use of disability services. The Commission is supporting the development and promotion of new and culturally appropriate models of support and service delivery that are acceptable and responsive to local Aboriginal communities. New strategies are being used to provide information to Aboriginal families and communities about the availability of support and services.
- People with disabilities without day options – as people with disabilities grow older many lose employment and alternatives to work placements. Changes to employment criteria by the Commonwealth Government have also contributed to this. One third of the Commission’s accommodation service users have no formal day options. Loss of day options places additional burdens on families and accommodation providers. At the same time there is a growing recognition of the need for better retirement planning for people with disabilities to help establish and maintain stronger connections with their local community as they age.
- Access to employment – present and future job seekers, including young people with high support needs, have increasing difficulty in accessing and maintaining employment. Despite advocacy to improve employment opportunities for people with disabilities, there is still evidence that school leavers and other young adults, especially those with high support needs are missing out on opportunities to secure and maintain employment. The Commonwealth Government supported employment reforms are impacting on State funded services resulting in an increased demand on alternatives to employment, accommodation and respite services. It is estimated that these reforms by the Commonwealth Government will continue to impose considerable recurrent cost to the State budget.
- Joined-up services - there is an increasing trend towards whole-of-government approaches to implementing State Government priorities, including the requirement for operational protocols development and collaboration.

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
Accommodation Support and Preventative Services	2,100	2,100	15,634	29,834
Continence Management and Support Scheme	2,700	2,608	2,671	2,761
Respite.....	1,000	1,000	1,000	1,000
Young People in Nursing Homes	500	1,000	1,500	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>							
Accommodation Support	157,135	169,615	169,728	185,992			
<i>Service 2:</i>							
Individual and Family Support	85,077	93,897	90,998	104,905			
<i>Service 3:</i>							
Individual Coordination.....	29,027	31,130	30,634	31,726			
<i>Service 4:</i>							
Strategic Coordination	10,563	8,557	10,838	11,230			
Total Cost of Services	281,802	303,199	302,198	333,853	351,520	373,648	397,803
<i>Less Income.....</i>	<i>54,230</i>	<i>58,496</i>	<i>56,846</i>	<i>59,982</i>	<i>58,443</i>	<i>56,366</i>	<i>56,525</i>
Net Cost of Services	227,572	244,703	245,352	273,871	293,077	317,282	341,278
Adjustments ^(a)	(489)	(602)	(758)	(759)	(751)	(761)	(761)
Appropriation provided to deliver Services.	227,083	244,101	244,594	273,112	292,326	316,521	340,517
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	2,763	4,179	4,179	811	511	2,541	2,974
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	229,846	248,280	248,773	273,923	292,837	319,062	343,491

(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, 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 Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Enhance the environment and wellbeing of people with disabilities and their carers by the provision of necessary supports and services.	<ol style="list-style-type: none"> 1. Accommodation Support 2. Individual and Family Support 3. Individual Coordination 4. Strategic Coordination

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: Enhance the environment and wellbeing of people with disabilities and their carers by the provision of necessary supports and services.					
Take-up rate - the number of service users per 1,000 Western Australians who are in receipt of a Disability Support Pension ^(b)	326	110	325	328	

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

(b) The methodology for calculating the take-up rate has been refined since the 2005-06 Budget target was set.

Service 1: Accommodation Support

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

	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	157,135	169,615	169,728	185,992	Increase reflects growth funds.
Less Income	24,138	27,323	25,245	27,726	
Net Cost of Service	132,997	142,292	144,483	158,266	
Adjustments ^(a)	(286)	(350)	(444)	(436)	
Appropriation for delivery of Service	132,711	141,942	144,039	157,830	

(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 person.....	\$46,711	\$47,982	\$48,772	\$51,765	
Full Time Equivalents (FTEs)	1,098	1,101	1,102	1,172	

Major Achievements For 2005-06

- The project plan for the redevelopment of the Supported Accommodation Service is being progressed with the goal of identifying alternative service provision for all supported options.
- Continued redevelopment of Commission accommodation facilities, including relocation of five residents from Bennett Brook Hostel to Como; a new site for residents of Dorset Hostel has been identified and planning commenced; and the redevelopment of Fairholme has been completed.
- The Challenging Behaviours Consortium was formed by six service providers to further develop their skill in managing people with challenging behaviours, thereby increasing the number of providers able to respond to the needs of people with challenging behaviour and providing greater choice for individuals.
- Completed computerisation of the Commission's Accommodation Services Periodic Service Review Management System. The Quality Assurance Review Group is progressing the implementation of the Commission's Accommodation Services revised Periodic Service Review standards.
- A number of projects undertaken within the local government authorities of Swan, Stirling and Cockburn have increased participation in local community life for 100 residents of the Commission's Accommodation Services Directorate.
- Collaborative remote area projects (Western Desert, Murchison and Central Lands) have been implemented to increase the support available to ageing people with disabilities, thereby enabling them to remain in their local communities.
- 116 people (including 44 people with carers aged over 70 years) were supported through the Combined Application Process for Accommodation Support Funding. This includes a higher number of people with high support needs than anticipated.
- A project has commenced to investigate the use of an alternative instrument for resource allocation to individuals seeking Accommodation Support Funding.

Major Initiatives For 2006-07

- Continue redevelopment of Commission accommodation facilities, including ongoing planning for construction of dwellings for Dorset Hostel residents in Armadale, and progress three other sites for residents of Bennett Brook.
- Expand the Challenging Behaviours Consortium Group to include additional accommodation providers.
- Implement the revised Periodic Service Review standards across the Accommodation Services Directorate.
- Implement the first stage of a five year plan focussing on re-connecting residents of Accommodation Services Directorate with local communities through intensive liaison with relevant local government authorities.
- Provide 113 people with new or expanded accommodation support from growth funding and offer vacancies over and above these places to people as vacancies arise.

- Continue the development of an alternative instrument for resource allocation for individuals seeking Accommodation Support Funding.
- Continue to implement the strategies in the Disability Industry Plan.
- As part of the commitment under the Council of Australian Governments (COAG), commence a five year project jointly with the Commonwealth Government to reduce the number of younger people with disabilities living in residential aged care.
- Continue the redevelopment of the Supported Accommodation Services to assist people with disabilities requiring significant support arrangements.

Service 2: Individual and Family Support

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

	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	85,077	93,897	90,998	104,905	Increase reflects growth funds
Less Income	25,264	26,439	26,685	27,243	
Net Cost of Service	59,813	67,458	64,313	77,662	
Adjustments ^(a)	(129)	(166)	(198)	(215)	
Appropriation for delivery of Service	59,684	67,292	64,115	77,447	

(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 person	\$5,052	\$5,362	\$5,246	\$5,876	
Full Time Equivalents (FTEs)	254	259	256	258	

Major Achievements For 2005-06

- The second stage of the Commission's videoconferencing strategy has been fully implemented. This has involved staff training for 55 staff and family workshops including people living in regional Western Australia.
- The program of training locally based psychologists and therapists in regional locations has increased the capacity of regional communities within these key allied health fields.
- The Country Resource and Consultancy Team for the Southwest region is fully operational. This team trains and supports locally based therapists to provide therapy intervention for children and adults with disabilities in the region.
- A new Waitlist Strategy has been developed to support families waiting to access a service place in the Commission's Individual and Family Support Service. The strategy includes parent workshops, written information, phone support and email access.

- Therapy centres have been established in Wembley and Rockingham. The centres are providing localised supports in the areas of early childhood development and early intervention autism services.
- Work has commenced on the Behavioural Services Framework under the Commission's Individual and Family Support Service to support the ongoing development of services within the Disability Professional Services Policy Framework.
- A focused equipment service has been developed in the Commission's Individual and Family Support Service. A small team of specialist therapists is now providing high quality equipment and home modification services to adult users of the Commission's services.
- The Disability Professional Services purchasing framework has been reviewed with a focus on equity for service users, access to services and procurement policy. A draft framework, which includes reference to: demand management strategies; equitable price per place; funding where need is located; market mix to match need; and benchmarked funding per place has been developed. It is envisaged that this framework will be implemented over the next four years in consultation with stakeholders to achieve greater equity and service reach.
- The allocation of funding through tenders to increase respite capacity is contributing to the increase in the availability of support and respite to enable people with disabilities to continue living with their families. Individual funding and funding targeted to individual's needs, complements generic and comprehensive services, increasing respite access for people with complex needs.
- The 'Covering WA' project has seen the expansion of service provider availability to most parts of the State. A resource kit has been developed to help the sector to problem solve any future gaps, and to consider alternative governance structures to improve the sustainability of remote Boards.
- The development of the Shared Management Model has been a collaborative effort between families, service providers and the Commission. The initiative provides a model and resource kit that will guide individuals, families and service providers in ways of working together to administer and manage a person's services and support.
- The Commission has a draft report on the Review of the Alternatives to Employment Program, which will be finalised and implemented during 2006-07.
- Version 2 of eCAEP (web-based tool for the management of the Community Aids and Equipment Program) is operational at all service outlets and providing auditable tracking of equipment purchase and supply as well as sound budgetary management.
- Liaison with the Commonwealth Department of Employment and Workplace Relations has occurred at the regional and local level to improve employment opportunities for people with disabilities in outer regional and remote areas.
- Implemented the bilateral agreement with the Commonwealth Government on respite for older carers.
- Implementation of the new Remote Area Strategy has commenced. Projects have started in the Western Desert, Fitzroy Valley and Murchison. Development work for additional projects has commenced in the Northern Goldfields and Central Lands.
- Developed with the Department of Sport and Recreation a Joint Strategic Framework for the Development of Inclusive Sport and Recreation for people with disabilities.

Major Initiatives For 2006-07

- Develop and implement a new and expanded range of interactive videoconferencing workshops for families and service providers in regional areas in response to feedback from families.
- Streamline the Commission's Country Psychology programs to increase the effectiveness of psychology services in regional areas.
- Expand and further develop the partnership between the Commission and the Western Australian Country Health Service to meet the therapy needs of people with disabilities living in regional areas.

- Continue the development of the Commission's Early Childhood Service through the implementation of multi-disciplinary models of service.
- Implement enhanced service provision in early childhood intervention in response to increased level of government funding in this area.
- Continue to implement the Shared Management Model across the State, enabling individuals and their families a level of involvement in the management of their service that is appropriate to their particular circumstances.
- Finalise and implement the report on the Review of the Alternatives to Employment Program.
- Continue the implementation of the Remote Area Strategy to create new community-based models of support for people with disabilities living in remote areas of Western Australia, including Murchison, East Kimberley, Western Desert, inland Gascoyne, Central Lands, Indian Ocean Territories and Northern Goldfields.
- Facilitate cross-sector forums to promote inclusive sport and recreation.
- Implement strategies to enable the Commission's Individual and Family Support Service to respond effectively to population growth in the metropolitan area and to the needs of adults living independently in the community.
- Implement a range of initiatives to increase and improve support for Aboriginal people and culturally and linguistically diverse background individuals, families and communities receiving services from the Commission's Individual and Family Support Service consistent with the Commission's policies and strategic directions.
- Implement a new 'Partnerships in Protection' system in regional areas to increase safeguards for vulnerable children and adults.
- Increase the level of collaboration and joint planning between the Commission's Country Services Coordination programs and other organisations that aim to improve the lives of people with disabilities living in regional areas.
- Jointly develop with the Department of Health a Continence Management and Support Scheme.
- Provide additional growth funding to expand the provision of more flexible service-based respite.

Service 3: Individual Coordination

This service relates to the provision of a range of supports and strategies through Local Area Coordinators, who develop resources and support networks in local communities; provide information and link people with local resources and support networks; and also provide individualised funding to enable people with disabilities and their families to choose and purchase their own support and 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	29,027	31,130	30,634	31,726	Increase reflects growth funds
Less Income	2,325	2,569	2,390	2,462	
Net Cost of Service	26,702	28,561	28,244	29,264	
Adjustments ^(a)	(57)	(70)	(89)	(83)	
Appropriation for delivery of Service	26,645	28,491	28,155	29,181	

(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 service user (Local Area Coordination)	\$2,393	\$2,396	\$2,443	\$2,510	
Average cost per service user (Direct Consumer Funding)	\$7,673	\$7,684	\$8,139	\$8,119	
Full Time Equivalents (FTEs)	169	167	173	177	

Major Achievements For 2005-06

- Resources allocated for the expansion of the Local Area Coordination Program to keep pace with the growth in the number of people with disabilities eligible for support have been fully deployed. In regional areas additional Local Area Coordinators have been engaged on the basis of a two-year expansion plan. Metropolitan staffing has been enhanced to support the development of the regional model focussing on areas with significant population growth.
- A three year Indigenous Access Plan for 2004 to 2006 for regional areas is nearing completion. A wide range of strategies has been implemented to increase the accessibility and responsiveness of disability support and services in rural and remote areas of the State and in the metropolitan area.
- Implementation of Stage Two of the 'Information for You Website' has commenced. Feedback from consumers indicates that the website is a valuable source of information for individuals and families. Further development of the website will coincide with the development of the Commission's main website.
- Approximately 45 individual / family support options have been successfully transferred to non-government organisations, thereby reducing the management and coordination responsibilities of families. Feedback indicates that the transition of these options has been successful and has reduced stress on families.
- Local Area Coordinators have been engaged in a wide range of local initiatives that have led to the establishment and development of local parent support groups and advocacy networks.
- The implementation of the new Local Area Coordination (LAC) accountability framework is nearing completion. This has included a comprehensive training program for Local Area Coordinators. The new arrangements will reduce the workload of Local Area Coordinators, thereby increasing the time they have available to support people with disabilities and their families.
- Steps have been taken to increase opportunities for Regional Managers to exercise leadership within their areas of responsibility. This includes opportunities to set priorities and allocate resources in line with local demands and conditions.
- The new Local Area Coordination evaluation system has been implemented. A new framework has been prepared for the evaluation of the program on an annual basis. A 'LAC Health Check' feedback week (facilitated by an independent consultant) was held in October 2005. Individuals and families indicated positive levels of satisfaction with the program.
- The expansion of Local Area Coordination into the Indian Ocean Territories has been successfully implemented. Regular monitoring of the new community-based support system will take place over the next two years.

Major Initiatives For 2006-07

- Implement further strategies to enable Local Area Coordinators to respond effectively to population growth in metropolitan and regional areas.
- Implement additional strategies to increase and improve support for Aboriginal people and culturally and linguistically diverse background individuals, families and communities consistent with the Commission's policies and strategic directions.
- Increase opportunities for people with disabilities and their families to gain access to a range of funding management options.
- Develop and implement additional strategies to support young school leavers and other young adults with mild intellectual disabilities to transition towards independent living. Innovative approaches are needed to increase the level of participation, contribution and citizenship of young adults within their local communities.
- Participate in across-department initiatives to implement State Government priorities, including the requirement for operational protocols development and collaboration. This cross-agency collaboration is likely to include the development of operational frameworks and systems to promote integrated responses to meet the needs of people with complex needs.

Service 4: Strategic Coordination

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

	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	10,563	8,557	10,838	11,230	
Less Income	2,503	2,165	2,526	2,551	
Net Cost of Service	8,060	6,392	8,312	8,679	
Adjustments ^(a)	(17)	(16)	(27)	(25)	
Appropriation for delivery of Service	8,043	6,376	8,285	8,654	

(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	\$94,313	\$86,434	\$91,076	\$92,810	
Full Time Equivalents (FTEs)	44	42	45	46	

Major Achievements For 2005-06

- Implemented training for organisations on 'Standard 9' and developed and distributed training manuals covering the standard to all providers.
- Implemented the Commission's Access for Aboriginal and Torres Strait Islander People Policy and Practice, including the provision of cultural awareness training for staff in metropolitan and regional areas; and the development of a video program to assist disability service providers to deliver culturally appropriate services.
- Supported the development of a coordinated interdepartmental policy and program response to justice issues for people with disabilities, including the development of a police training program to assist police in dealing with people with disabilities.
- Developed the Commission's third five year Strategic Plan for 2006 to 2010.
- Implemented information strategies for people from culturally and linguistically diverse backgrounds, including translating information brochures.
- Reporting requirements for the Carers Charter have been achieved using an addendum to disability funded organisations annual self-assessment against the Disability Services Standards as the reporting mechanism.
- The eligibility pathway to services for people diagnosed with Autism Spectrum Disorder was clarified, and an Eligibility Appeals Process for Commission eligibility determinations was established.
- Established partnerships and appropriate protocols with Departments for Community Development; Health; Justice; and Sport and Recreation.
- Supported the development by ACROD (National Industry Association for Disability Services) of the Companion Card Scheme.
- Commenced redevelopment of the Commission's website with the aim of creating a one-stop-shop for people with disabilities and their carers to access information on the disability sector and resources.
- Launched the Disability Research Network Website.
- Commenced Stage Two of the 'You're Welcome – WA Access Strategy', with Cities of Subiaco, Bassendean and Conservation and Land Management (CALM) joining as 'You're Welcome' partners.
- Developed a disability awareness package for school children.
- Commenced the implementation of Disability Access and Inclusion Plans (DAIP) with public authorities, including the provision of training with public authorities across the State, and the development of a manual and other resources to support DAIPs.
- Established a joint Disability Services Commission and Tourism Western Australia Accessible Tourism Reference Group to facilitate tourism opportunities for people with disabilities.
- Conducted a Consumer Satisfaction Survey to determine client and carer satisfaction with services.
- Commenced partnership development with some Regional Development Commissions (RDC). Local level initiatives have been successful in using the processes of the RDCs to increase access for people with disabilities to local consultative mechanisms. The South West Development Commission is being used as a model for effective consultative processes.
- The review of quality systems and standards monitoring is underway. Major stakeholders have been consulted and an 'industry round table' is planned. It is envisaged that the review and recommendations will be completed in July 2006.

Major Initiatives For 2006-07

- Quality Systems Improvement Grants will use a risk management approach to target services requiring further development in quality systems management.
- Further implementation of the Commission's Access for Aboriginal and Torres Strait Islander People Policy and Practice.
- Commence implementation of the Substantive Equality Framework within selected Commission services.
- Complete implementation of the Commission's Eligibility Policy.
- Continue to expand the implementation of the 'You're Welcome – Western Australian Access Strategy' across the State.
- Continue to raise community awareness on disability issues through a coordinated cross-sector strategy.
- Support the implementation of the disability awareness package for school children in schools across the State.
- Implement new reporting requirements on Disability Access and Inclusion Plans by public authorities and provide first progress report to Parliament.
- Commence implementation of the recommendations of the quality systems and standards monitoring review.
- Implement a range of targeted projects to increase the accessibility and responsiveness of generic medical, health, allied health and dental services to better meet the needs of people with disabilities.
- Develop a framework for the evaluation of the effectiveness of the Commission's family support strategies.
- Renegotiate funding arrangements under the Commonwealth State Territory Disability Agreement.
- Develop regional population profiles of people with disabilities to improve future planning.
- Develop an online data reporting facility for the Annual Client and Service Data Collection.

CAPITAL WORKS PROGRAM

The capital works expenditure for 2006-07 provides for the preservation, upgrade and fit-out of the Commission's hostels and group homes. The proposed work will enhance and sustain the economic life of the facilities and contribute to improved service delivery.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Renovation Program				
2005-06	1,800	70	70	1,730
COMPLETED WORKS				
Community Disability Housing Program				
2003-04	1,329	1,329	739	-
2005-06	450	450	450	-
Computer Acquisition Program				
2004-05	400	400	120	-
2005-06	400	400	400	-
Hostels Redevelopment Program				
2003-04	1,457	1,457	405	-
2005-06	1,550	1,550	1,550	-
IT Strategic Plan				
2005-06	250	250	250	-
Renovation Program				
2003-04	1,800	1,800	864	-
2004-05	1,800	1,800	1,800	-
NEW WORKS				
Community Disability Housing Program				
2006-07	1,430	-	-	1,430
Computer Acquisition Program				
2006-07	400	-	-	400
Hostels Redevelopment Program				
2006-07	500	-	-	500
IT Strategic Plan				
2006-07	250	-	-	250
Renovation Program				
2006-07	1,800	-	-	1,800
	15,616	9,506	6,648	6,110

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	3,076	7,280	6,648	6,110	2,689	3,167	4,208
Working capital requirement							
Loan and Other Repayments	511	511	511	511	511	511	511
	3,587	7,791	7,159	6,621	3,200	3,678	4,719
LESS							
Asset Sales	210	1,730	-	1,730	-	-	-
Borrowings.....	-	-	2,158	-	-	-	-
Drawdowns from the Holding Account	614	782	782	4,080	2,689	1,137	1,745
Internal Funds and Balances	-	1,100	40	-	-	-	-
Capital Contribution	2,763	4,179	4,179	811	511	2,541	2,974

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)	81,035	86,163	84,737	88,459	90,107	91,584	94,134
Superannuation	7,837	7,749	7,934	8,148	8,424	8,623	8,623
Grants and subsidies ^(c)	162,593	178,254	178,471	201,190	217,742	236,949	255,516
Consultancies expense	-	187	-	-	-	-	-
Supplies and services	21,956	20,329	21,647	23,397	23,909	24,625	26,918
Accommodation	5,273	4,967	5,462	5,658	5,861	6,073	6,671
Finance costs	488	561	434	522	449	425	379
Capital user charge	199	1,083	1,083	2,063	2,272	2,403	2,539
Depreciation and amortisation	2,129	2,191	2,368	2,622	2,690	2,898	2,953
Doubtful debts	-	2	-	-	-	-	-
Costs of disposal of non-current assets	208	1,650	-	1,730	-	-	-
Other expenses	84	63	62	64	66	68	70
TOTAL COST OF SERVICES	281,802	303,199	302,198	333,853	351,520	373,648	397,803
Income							
User charges and fees	5,699	5,778	6,192	6,056	6,207	6,362	6,521
Grants and subsidies	45,812	48,978	48,582	50,124	50,164	47,932	47,932
Proceeds from disposal of non-current assets ..	219	1,730	-	1,730	-	-	-
Other revenue	2,500	2,010	2,072	2,072	2,072	2,072	2,072
Total Income	54,230	58,496	56,846	59,982	58,443	56,366	56,525
NET COST OF SERVICES	227,572	244,703	245,352	273,871	293,077	317,282	341,278
INCOME FROM STATE GOVERNMENT							
Service appropriations	227,083	244,101	244,594	273,112	292,326	316,521	340,517
Resources received free of charge	761	605	761	761	761	761	761
TOTAL INCOME FROM STATE GOVERNMENT	227,844	244,706	245,355	273,873	293,087	317,282	341,278
SURPLUS (DEFICIENCY) FOR THE PERIOD	272	3	3	2	10	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	272	3	3	2	10	-	-

(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 1565, 1576 and 1653 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	80	73	80	80	80	80	80
Restricted cash	2,300	1,643	1,515	1,830	2,145	2,460	2,775
Receivables	1,276	1,203	1,138	1,150	1,163	1,175	1,175
Amounts receivable for services	782	4,080	4,080	2,689	1,137	1,745	-
Prepayments	224	322	-	-	-	-	-
Total current assets	4,662	7,321	6,813	5,749	4,525	5,460	4,030
NON-CURRENT ASSETS							
Amounts receivable for services	6,564	5,335	5,531	6,162	8,434	10,331	14,047
Land and buildings	31,359	27,675	31,895	31,327	30,758	31,901	31,939
Plant and equipment	4,673	2,692	2,620	5,593	4,186	3,369	3,503
Intangibles	-	538	428	268	108	(52)	(212)
Other	7,322	13,348	12,690	12,205	14,339	14,441	15,685
Total non-current assets	49,918	49,588	53,164	55,555	57,825	59,990	64,962
TOTAL ASSETS	54,580	56,909	59,977	61,304	62,350	65,450	68,992
CURRENT LIABILITIES							
Superannuation	8	29	32	33	66	47	27
Payables	1,905	756	594	654	606	689	638
Provision for employee entitlements	14,620	16,365	15,059	15,510	15,976	16,455	16,948
Borrowings	511	511	511	511	511	511	511
Interest payable	125	115	106	125	108	104	95
Accrued salaries	-	329	335	344	708	1,062	1,458
Other	579	669	440	677	662	576	576
Total current liabilities	17,748	18,774	17,077	17,854	18,637	19,444	20,253
NON-CURRENT LIABILITIES							
Provision for employee entitlements	7,988	7,544	8,227	8,475	8,728	8,991	9,261
Borrowings	5,794	7,441	7,441	6,930	6,419	5,908	5,397
Total non-current liabilities	13,782	14,985	15,668	15,405	15,147	14,899	14,658
TOTAL LIABILITIES	31,530	33,759	32,745	33,259	33,784	34,343	34,911
EQUITY							
Contributed equity	11,704	15,722	15,883	16,694	17,205	19,746	22,720
Accumulated surplus / (deficit)	(28,701)	(28,859)	(28,698)	(28,696)	(28,686)	(28,686)	(28,686)
Reserves	40,047	36,287	40,047	40,047	40,047	40,047	40,047
Total equity	23,050	23,150	27,232	28,045	28,566	31,107	34,081
TOTAL LIABILITIES AND EQUITY	54,580	56,909	59,977	61,304	62,350	65,450	68,992

(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.

**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	224,408	241,250	241,549	269,791	288,917	312,880	336,801
Capital contribution	2,763	4,179	4,179	811	511	2,541	2,974
Holding account drawdowns	614	782	782	4,080	2,689	1,137	1,745
Net cash provided by State government	227,785	246,211	246,510	274,682	292,117	316,558	341,520
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(81,872)	(85,174)	(83,725)	(87,751)	(89,024)	(90,487)	(92,975)
Superannuation	(7,679)	(7,720)	(7,909)	(8,147)	(8,391)	(8,643)	(8,643)
Grants and subsidies	(162,593)	(178,254)	(178,471)	(201,190)	(217,742)	(236,949)	(255,516)
Consultancies payments.....	-	(181)	-	-	-	-	-
Supplies and services	(21,686)	(19,927)	(22,133)	(22,419)	(23,290)	(23,950)	(26,029)
Accommodation.....	(5,200)	(4,705)	(5,386)	(5,580)	(5,782)	(5,989)	(6,852)
Finance costs.....	(488)	(552)	(453)	(503)	(466)	(429)	(389)
Capital user charge.....	(199)	(1,083)	(1,083)	(2,063)	(2,272)	(2,403)	(2,539)
Goods and Services Tax	(16,652)	(18,582)	(18,923)	(21,000)	(22,672)	(24,136)	(25,636)
Other.....	(99)	(118)	(62)	(63)	(66)	(68)	(68)
Receipts							
User charges and fees.....	6,091	5,766	5,766	6,044	6,195	6,349	6,521
Grants and subsidies	45,812	48,978	48,582	50,124	50,164	47,932	47,932
Goods and Services Tax	16,213	18,582	18,923	21,000	22,672	24,136	25,636
Other receipts	2,730	2,010	2,580	2,072	2,072	2,072	2,072
Net cash from operating activities	(225,622)	(240,960)	(242,294)	(269,476)	(288,602)	(312,565)	(336,486)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(4,073)	(7,280)	(6,648)	(6,110)	(2,689)	(3,167)	(4,208)
Proceeds from sale of non-current assets	210	1,730	-	1,730	-	-	-
Net cash from investing activities.....	(3,863)	(5,550)	(6,648)	(4,380)	(2,689)	(3,167)	(4,208)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(511)	(511)	(511)	(511)	(511)	(511)	(511)
Proceeds from borrowings	-	-	2,158	-	-	-	-
Net cash from financing activities	(511)	(511)	1,647	(511)	(511)	(511)	(511)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	(2,211)	(810)	(785)	315	315	315	315
Cash assets at the beginning of the reporting period	4,591	2,526	2,380	1,595	1,910	2,225	2,540
Cash assets at the end of the reporting period.....	2,380	1,716	1,595	1,910	2,225	2,540	2,855

(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
Grants to External Service Providers ^(a)	147,206	161,821	162,265	184,009	199,713	218,071	236,607
Grants to Internal Service Providers.....	15,387	16,433	16,206	17,181	18,029	18,878	18,909
TOTAL.....	162,593	178,254	178,471	201,190	217,742	236,949	255,516

(a) Indexation provided to the Non-Government Human Services Sector is based on a composite wage cost index of 3.1 per cent in 2004-05, 3.5 per cent in 2005-06, 3.4 per cent in 2006-07, 3.3 per cent in 2007-08 and 2.9 per cent in 2008-09 and 2009-10.

Part 17**Minister for Community Development; Seniors and Volunteering;
Youth; Minister Assisting the Minister for Planning and Infrastructure****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
1143	Community Development			
	– Delivery of Services	216,702	218,190	245,337
	– Capital Contribution	7,072	7,782	8,759
	Total	223,774	225,972	254,096
	GRAND TOTAL			
	– Delivery of Services	216,702	218,190	245,337
	– Capital Contribution	7,072	7,782	8,759
	Total	223,774	225,972	254,096

COMMUNITY DEVELOPMENT

PART 17 - MINISTER FOR COMMUNITY DEVELOPMENT; SENIORS AND VOLUNTEERING; YOUTH; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE

DIVISION 67

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 118 Net amount appropriated to deliver services.....	200,186	215,909	217,397	244,537	249,673	259,274	268,011
Item 119 Contribution to the Western Australian Family Foundation Trust Account.....	560	560	560	560	560	560	560
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	189	233	233	240	247	254	262
Total appropriations provided to deliver services.....	200,935	216,702	218,190	245,337	250,480	260,088	268,833
CAPITAL							
Item 181 Capital Contribution	4,984	7,072	7,782	8,759	7,214	1,777	-
GRAND TOTAL	205,919	223,774	225,972	254,096	257,694	261,865	268,833

(a) Adjusted for comparability to reflect the transfer of the Responsible Parenting initiative.

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

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

SIGNIFICANT ISSUES AND TRENDS

- The *Children and Community Services Act 2004* came into effect on 1 March 2006. The Act increases accountability and transparency in the Department's responses to families in the case of concern for a child's wellbeing, and its responsibilities for children in its care. Families are to be involved in critical decision-making that affects their lives. The new Act revises the definition of when a child is in need of protection, and provides for prehearing conferences, court reports and flexible protection orders to better meet the needs of children and families. There will be increased demand upon the Department's resources to meet new accountabilities.
- The implementation of the *Working With Children (Criminal Record Checking) Act 2004* commenced on 1 January 2006. Legislation requiring criminal record checking for people working with children exists in Queensland and New South Wales, will commence in Victoria this year and is under consideration in South Australia and other jurisdictions.

- A Western Australian Commissioner for Children and Young People is being established to advocate for children and young people, have the capacity to undertake special inquiries, and lead functions under the *Working with Children (Criminal Record Checking) Act 2004*.
- The number of children in care continues to increase, for both those who enter care and those remaining in care. There were 2,100 children in care on 30 June 2005, a five per cent increase on the previous year, with an estimated increase of eight per cent by 30 June 2006. This places pressure on the Department to maintain a range of flexible, high quality services for children in care. Indigenous children and young people are over-represented in the population of children in care (36 per cent) compared to their proportion (six per cent) of the overall population of children in Western Australia. There remains a need for quality and collaborative services to prevent children entering care, support them whilst in care and manage their transition from care.
- In recognition of the importance of independent scrutiny of the interests of children and young people in State care, Western Australia's first Advocate for Children in Care has been appointed. The position provides advocacy services, complaints management and strategic advice, and will play an important role in quality assurance and policy and practice development. This position will work closely with the Standards Monitoring Unit which is being established to assess risk in areas relating to compliance, practice standards and duty of care, and to provide advice to management where monitoring activity indicates a need for practice improvement.
- Research has demonstrated that young children's early experiences are critically important to their later wellbeing and contribution to society. High quality early childhood initiatives provide important supports to parents and developmental opportunities for children, including children in licensed child care services. The Government is committed through Early Years and other strategies to developing effective responses through interagency collaboration and government, community and business relationships.
- Childhood is a critical time for developing attitudes and behavioural patterns that influence the rest of life. Young people have the highest alcohol consumption in Australia and are the age group at highest risk of alcohol-related injury including road trauma, violence, sexual coercion and accidental death.
- The Commonwealth-State Supported Accommodation Assistance Program (SAAP) five year SAAP V Multilateral Agreement commenced on 1 October 2005, and the SAAP V Bilateral Agreement between the Australian and Western Australian Governments was signed on 31 January 2006, to provide ongoing funding for services for homeless people and those at risk of homelessness. The strategic priorities for SAAP V aim to build on the achievements made in the area of homelessness under the four previous SAAP agreements. The three strategic priorities are to increase involvement in early intervention and prevention strategies, provide better assistance to people who present with a number of support needs, and provide ongoing assistance to ensure stability for clients post-crisis.
- Maintaining the standard of child care is an important issue for the community. In recognition of this, the State Government has provided additional funding of \$4.6 million over five years to enhance the capacity of the Child Care Licensing and Standards Unit.
- The Department requires high quality information systems to provide services and support accountability and productivity. In this regard, implementation of 'Assist-D', a system which will improve both the quality of service delivery and overall productivity, has commenced.
- With the implementation of the *Acts Amendment (Family and Domestic Violence) Act 2004*, police responses to family and domestic violence have been strengthened with high numbers of charges being laid and police orders being issued against perpetrators. This has led to the need for greater coordination of responses to ensure the safety of victims and increased accountability of perpetrators. Services are attempting to respond to the increased demand generated by the legislative changes. There is also a greater emphasis on support for victims and children to remain safely at home, through services such as Outreach.
- Suicide has a significant effect on communities as well as for family, friends and others. The financial, social and psychological costs of suicide are substantial. Ensuring that children and young people have the resilience to cope with such challenges is a key objective of the Office for Children and Youth.

- By 2006 the first of Western Australia's half a million baby boomers will have turned 60. Throughout their lives baby boomers have had a big impact on economic, social and cultural life, and are set to continue to do so as they age and create a 'senior boom'. It is estimated that by 2021 one in four people in Western Australia will be a senior, with approximately 600,000 seniors in the State.
- In 2005, over one in eight Australians (13 per cent of the population) was estimated to be providing care free of charge to a person who needed assistance due to disability, chronic illness or old age. The proportion of people requiring care in the future will increase as the population ages. At the same time there will be a smaller number of younger people, and together with changing work and family conditions, this may reduce the ability of family members and friends to provide informal care. The Government is committed through its Caring for Carers commitments and other strategies to developing effective responses to carer issues.
- It is estimated that between one and five per cent of the seniors population will experience elder abuse, with those aged over 75 with a physical or decision-making disability most at risk. As the proportion of older people grows, the issue of elder abuse is anticipated to increase.
- Volunteering contributes to building community capacity and provides citizens and corporations with a sense of involvement and connectedness. Of increasing significance is the growing involvement of the business sector in corporate and employee volunteering programs and philanthropy.
- Women currently comprise 30 per cent of members of government boards and committees. The Office for Women's Policy continues to progress improvements to women's representation through a range of strategies at the State level.
- Population ageing and community demands for high levels of health care are expected to lead to further skill shortages in the nursing and aged care sectors. Research which identified barriers to the employment of women migrants and refugees with qualifications in nursing and aged care has led to a collaborative project which aims to recognise those skills and address the barriers to entry.
- The overrepresentation of women at the lower status end of the labour market and the continued widening of the gender pay gap in Western Australia necessitate a particular focus on the impact of the federal welfare and industrial relations reforms on women.

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
At-Risk Children in Out-of-Home Care	13,287	15,931	19,882	23,833
Continuation of 2001 Election Commitments	5,394	5,532	5,532	5,532
Emergency Response Management	2,124	2,171	2,248	-
Enhanced Child Care Licensing and Standards Unit	1,000	1,000	1,000	1,000
Indexation for the Non-Government Human Services Sector	395	539	1,581	2,623
Police Checks for Volunteers	70	70	70	70
Responsible Parenting Initiative	3,230	4,370	7,110	8,220
SAAP New Refuge - Northern Suburbs	200	412	424	436
SAAP Sector Viability	1,207	1,242	1,279	1,316
SAAP V Agreement	998	1,785	1,937	2,095

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>							
Community development.....	60,704	62,357	63,041	67,343			
<i>Service 2:</i>							
Children's and young persons' policy	6,554	6,962	7,356	6,913			
<i>Service 3:</i>							
Positive ageing policy	3,956	3,990	4,226	4,173			
<i>Service 4:</i>							
Women's policy and progress	2,073	2,127	2,147	2,181			
<i>Service 5:</i>							
Volunteering policy and coordination	1,194	1,030	1,077	1,095			
<i>Service 6:</i>							
Aboriginal and Torres Strait Islander policy coordination	493	518	540	609			
<i>Service 7:</i>							
Care and safety services.....	156,037	154,385	163,979	178,581			
<i>Service 8:</i>							
Family and domestic violence coordination.....	2,544	2,772	2,765	2,510			
<i>Service 9:</i>							
Working with children criminal record checking	424	3,958	2,602	5,089			
Total Cost of Services	233,979	238,099	247,733	268,494	272,816	284,516	293,610
<i>Less Income.....</i>	<i>22,191</i>	<i>20,177</i>	<i>22,285</i>	<i>22,355</i>	<i>21,567</i>	<i>22,144</i>	<i>22,592</i>
Net Cost of Services	211,788	217,922	225,448	246,139	251,249	262,372	271,018
Adjustments ^(b)	(10,853)	(1,220)	(7,258)	(802)	(769)	(2,284)	(2,185)
Appropriation provided to deliver Services.	200,935	216,702	218,190	245,337	250,480	260,088	268,833
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	4,984	7,072	7,782	8,759	7,214	1,777	-
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	205,919	223,774	225,972	254,096	257,694	261,865	268,833

(a) Adjusted for comparability to reflect the transfer of the Responsible Parenting initiative.

(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, Director General and the Treasurer.

The relationship of Ministers to services is shown below:

Responsible Minister	Services
Minister for Community Development; Seniors and Volunteering; Youth; Minister Assisting the Minister for Planning and Infrastructure	<ol style="list-style-type: none"> 1. Community development 2. Children's and young persons' policy 3. Positive ageing policy 5. Volunteering policy and coordination 6. Aboriginal and Torres Strait Islander policy coordination 7. Care and safety services 8. Family and domestic violence coordination 9. Working with children criminal record checking
Minister for Disability Services; Citizenship and Multicultural Interests; Women's Interests; Minister Assisting the Minister for Federal Affairs.	<ol style="list-style-type: none"> 4. Women's policy and progress

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 Goal	Desired Outcomes	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Communities are strengthened so that individuals and families are able to better meet their needs, achieve self-reliance and contribute to their own solutions.	<ol style="list-style-type: none"> 1. Community development
	Policies are developed and coordinated within the Department and across government for children, families, communities, seniors, women, young people and volunteers, and Western Australians are engaged in the process.	<ol style="list-style-type: none"> 2. Children's and young persons' policy 3. Positive ageing policy 4. Women's policy and progress 5. Volunteering policy and coordination 6. Aboriginal and Torres Strait Islander policy coordination
	Families and communities are supported to provide for the care and safety of their members.	<ol style="list-style-type: none"> 7. Care and safety services 8. Family and domestic violence coordination 9. Working with children criminal record checking

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: Communities are strengthened so that individuals and families are able to better meet their needs, achieve self-reliance and contribute to their own solutions.					
Stakeholders in the community development project who report the community was strengthened as a result of involvement in the project.....	95%	90%	92%	90%	
Customers who report their needs were met as a result of using services.....	98%	95%	97%	95%	
Customers who report increased knowledge and skills	93%	95%	90%	95%	
Customers who are confident they will manage well in the future	92%	95%	93%	95%	
Customers who report the service involved them in contributing to the solution.....	97%	95%	95%	95%	
Outcome: Policies are developed and coordinated within the Department and across government for children, families, communities, seniors, women, young people and volunteers, and Western Australians are engaged in the process.					
Stakeholders who identify policies for these target groups achieved an across government focus ^(b)	74%	70%	68%	70%	
Extent to which Western Australians are engaged in policy development ^(b)	78%	75%	68%	75%	
Outcome: Families and communities are supported to provide for the care and safety of their members.					
Customers who report they were supported to provide care and safety to their family members.....	93%	95%	92%	95%	
Stakeholder organisations which report communities in which they operate were supported to provide care and safety to their members ^(b)	72%	60%	72%	70%	
Children with a substantiated report of maltreatment who did not have a further substantiated report of maltreatment within 12 months.....	94%	95%	90%	95%	
Children abused in care by carers.....	0.51%	0%	0.51%	0%	
Placement of children in accordance with the Aboriginal and Torres Strait Islander placement principle.....	n/a	n/a	n/a	85%	

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

(b) The 2004-05 actual and 2005-06 estimate for these indicators have been calculated using an improved methodology. The 2004-05 actual is, therefore, different to that which was published in the 2004-05 Annual Report.

Service 1: Community Development

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

	2004-05 Actual ^(a) \$'000	2005-06 Budget ^(a) \$'000	2005-06 Estimated Actual ^(a) \$'000	2006-07 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	60,704	62,357	63,041	67,343	The 2006-07 estimate is higher than 2005-06 largely as a result of additional funding for At-Risk Children in Out-of-Home Care initiatives.
Less Income.....	2,950	570	1,744	1,606	
Net Cost of Service.....	57,754	61,787	61,297	65,737	
Adjustments ^(b)	(2,973)	(368)	(2,042)	(231)	
Appropriation for delivery of Service	54,781	61,419	59,255	65,506	

(a) Adjusted for comparability to reflect the transfer of the Responsible Parenting initiative.

(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 ^(a)	2005-06 Budget ^(a)	2005-06 Estimated ^(a)	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Community development projects for children and families	196	171	207	190	The increase in the average cost for 2006-07 is largely due to additional funding for At-Risk Children in Out-of-Home Care initiatives.
Capacity development services ^{(b) (c)}	356	341	324	321	
Community development projects for Aboriginal and Torres Strait Islander people	83	65	88	80	
Average cost per community development project for children and families	\$30,184	\$37,375	\$32,559	\$33,143	
Average cost per capacity development service	\$170,517	\$182,865	\$194,571	\$209,791	
Average cost per community development project for Aboriginal and Torres Strait Islander people	\$37,294	\$46,129	\$36,493	\$38,358	
Full Time Equivalents (FTEs)	290	293	295	342	FTEs have increased from 2005-06 to 2006-07 due mainly to additional staff for the Child Care Licensing and Standards Unit and At-Risk Children in Out-of-Home Care initiatives.

(a) Adjusted for comparability to reflect the transfer of the Responsible Parenting initiative.

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

(c) Capacity development services include the transfer of the Responsible Parenting initiative. A new indicator will be developed to measure the Responsible Parenting initiative for the 2007-08 budget.

Major Achievements For 2005-06

- Implemented the Early Years Strategy in additional communities to increase community support for parents of young children.
- Gazetted and amended child care regulations under the new *Children and Community Services Act 2004*:
 - *Children and Community Services (Child Care) Regulations 2006*;
 - *Children and Community Services (Family Day Care) Regulations 2006*;
 - *Children and Community Services (Outside School Hours) Regulations 2006*; and
 - *Children and Community Services (Outside School Hours Family Day Care) Regulations 2006*.
- Licensed 185 outside school hours care services registered for licensing by 27 August 2005.
- Expanded the Helping Young People to Engage (HYPE) strategy to five sites in the Kimberley region (Derby, Fitzroy, Halls Creek, Wyndham and Kununurra) to build the capacity of communities to deal with anti-social behaviour of young people, and developed a metropolitan HYPE at Thornlie Shopping Centre.
- Implemented a training program for utilising a strengths-based philosophy in case practice and community development.
- Introduced an eight week induction program to introduce and provide skills development in the Department's philosophy, policy and practice for field workers to ensure good practice standards.
- Held community development roundtables with key stakeholders from relevant organisations to contribute to practice and knowledge development in Western Australia.
- Completed a review of the Capacity Building Strategic Framework 2005-07 to incorporate updated practice examples and ensure the framework remains current.
- Developed a Cultural Diversity Policy and Framework 2006-09 which recognises that people who need services should find these services accessible and responsive to their individual circumstances, specifically their cultural and religious identity and language.
- The Responsible Parenting program was run by the Department of the Premier and Cabinet in 2005-06. During this period legislation was introduced into Parliament to establish a system of responsible parenting agreements and orders for parents of children who are engaging in anti-social or offending behaviour or not attending school. The first step in a State-wide implementation of this service was taken, with the commencement of the Parenting Service in the South East metropolitan corridor.
- Assisted the Department of the Premier and Cabinet to progress the Commissioner for Children and Young People Bill 2005 through Parliament.

Major Initiatives For 2006-07

- Progress the implementation of the HYPE strategy in the metropolitan area, and link the five Kimberley sites (Derby, Fitzroy, Halls Creek, Wyndham and Kununurra) with local Safe Places Safe People initiatives to support local communities to keep their young people safe.
- Introduce an improved framework for compliance with, and enforcement of, child care regulations.
- Develop a policy framework and service options to promote an increase in the number of men accessing services.
- Continue community development roundtables with key stakeholders from relevant organisations to discuss and debate issues that further develop practices in Western Australia.
- Enhance field worker start up and other training by incorporating the strengths-based approach to practice, whereby staff systematically work with the strengths of communities and individuals to achieve positive results.
- Implement the Department's Cultural Diversity Policy and Framework 2006-09 to promote the development and delivery of culturally and linguistically responsive, and accessible, services.
- Continue the ParentSupport service in the South East and East metropolitan police districts as part of the Responsible Parenting initiative, and undertake work to commence services in a remote site and the South metropolitan and Peel police districts.

Service 2: Children's and Young Persons' Policy

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

	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	6,554	6,962	7,356	6,913	
Less Income	41	80	70	70	
Net Cost of Service	6,513	6,882	7,286	6,843	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	6,513	6,882	7,286	6,843	

(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 ^(a)	2005-06 Budget ^(a)	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Policy advice and information projects for children and young people	10	11	11	10	
Community development projects for children and young people	15	18	18	19	
Average cost per policy advice and information project for children and young people	\$94,802	\$84,874	\$82,858	\$92,613	The average cost has increased in 2006-07 as a result of a decrease in the number of projects.
Average cost per community development project for children and young people	\$373,703	\$334,923	\$358,018	\$315,077	The average cost has decreased in 2006-07 largely as a result of an increase in the number of projects.
Full Time Equivalents (FTEs)	23	22	21	21	

(a) The 2004-05 actuals and 2005-06 budget estimate for the Offices for Children and Youth, Women's Policy and Seniors Interests and Volunteering have been re-stated due to the community engagement efficiency indicator no longer being reported.

Major Achievements For 2005-06

- Provided sponsorship to four community-based organisations for conferences and events for stakeholders in the children and youth sectors.
- Presented the eighth Western Australian Youth Awards Showcase, hosted the State Government's Positive Image Award and presented the Children's Week Awards of Recognition in partnership with Meerilinga Young Children's Foundation.
- Conducted research into children and youth engagement models, and consulted with children and young people about their application in Western Australia.
- Worked with the newly established Cadet Consultative Group to ensure cadets are able to input their ideas into the development of the program, expanded training opportunities within Cadets Western Australia, and launched a new look program involving a mass media and public relation campaign in March 2006.

- Through regional development officers, supported the development of a youth conference in the Goldfields, compiled a summary of key stakeholder and service resources in each area of the State, supported events such as the Kimberley Ord Valley Muster and Esperance Fun Day Out, and disseminated news, information and opportunities to the sector. Created two new development officer positions in Karratha and Bunbury.
- Held an Indigenous Young People's Summit in November 2005 to engage young people in the development of a culturally appropriate leadership training program.
- In partnership with the CREATE Foundation and the Children and Young People in Care Advisory Committee, presented a report on the development of a charter of rights for children and young people in care, and commenced the formation of a working group to oversee the implementation of the charter.
- Developed an Indigenous-targeted suicide prevention brochure, a new publication about teens and alcohol and other drugs, and a promotional brochure about the Office for Children and Youth, and launched 'Caterpillar Toothpaste', a children's book about decision-making.
- Developed and distributed a Youth Advisory Council Coordinator's Manual, providing practical advice and support to workers in the youth sector.
- Created a new community development and funding officer position to streamline funding programs, and worked with the Department of the Premier and Cabinet and Lotterywest to develop a coordinated funding approach for grants for school leavers' activities.

Major Initiatives For 2006-07

- Continue to provide opportunities for children and young people to have their say on issues of importance to them through the development of a postcard design competition enabling children to send messages to the Office for Children and Youth.
- Coordinate workshops for children and adults working with children on building resilience in children and youth.
- Develop a booklet for parents on building resilience in children, in partnership with leading researcher Sharne Rolfe.
- Coordinate a parenting campaign in both metropolitan and regional Western Australia, with an emphasis on identifying and addressing gaps in information provision.
- Work with key stakeholders to develop youth-appropriate information covering legal issues, rights and responsibilities.
- Conduct a review of funding provided through the Community Service Grant program.
- Streamline the funding and application processes of the Youth Grants Western Australia program.
- Conduct community education in regional areas of Western Australia based on the priorities in the 2006-08 Strategic Plan of the Office for Children and Youth.
- In partnership with key stakeholders and in accordance with the priorities of the 2006-08 Strategic Plan of the Office for Children and Youth:
 - provide leadership and development opportunities for children and young people, based on best practice principles;
 - promote positive mental and emotional health;
 - increase awareness of the harm of inappropriate alcohol consumption and reduce the onset of high-risk patterns of alcohol consumption during adolescence and beyond; and
 - recognise and celebrate the achievements of children and young people, and the contributions they make to the community.
- Continue to administer and enhance the Cadets Western Australia program, working in partnership with host organisations and the Department of Education and Training and the Curriculum Council to ensure participants in the program have their voluntary work recognised through the State Government's Community Service program.

Service 3: Positive Ageing Policy

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

	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	3,956	3,990	4,226	4,173	
Less Income	98	212	182	130	
Net Cost of Service	3,858	3,778	4,044	4,043	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	3,858	3,778	4,044	4,043	

(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 ^(a)	2005-06 Budget ^(a)	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Policy advice and information projects which facilitate positive ageing	29	29	29	29	
Community development projects for seniors..	22	20	20	20	
Seniors Cards managed.....	223,510	226,000	230,000	235,000	
Average cost per policy advice and information project which facilitates positive ageing	\$45,148	\$47,536	\$39,774	\$43,649	
Average cost per community development project for seniors	\$101,200	\$109,052	\$127,861	\$124,249	The 2006-07 target is higher than 2005-06 due to the reprioritisation of funds in 2005-06 from policy to community development to fund the contribution for the establishment of the Western Australian Carers Centre.
Average cost of a Seniors Card	\$1.88	\$1.91	\$2.24	\$1.80	The 2005-06 estimated actual includes the cost of publishing the Seniors Card Discount Directory, which is produced every two years.
Full Time Equivalents (FTEs)	29	28	27	27	

(a) The 2004-05 actuals and 2005-06 budget estimate for the Offices for Children and Youth, Women's Policy and Seniors Interests and Volunteering have been re-stated due to the community engagement efficiency indicator no longer being reported.

Major Achievements For 2005-06

- Promoted the Seniors Card to seniors and businesses in the North West, and relocated the Western Australian Seniors Card Centre to Forrest Place to provide a 'one-stop-shop' for seniors, offering a wide range of advice including details about the State's Seniors Card.
- Coordinated with local, national and international researchers to inform the State Housing Strategy, and commenced a scoping project to research models for a housing advisory maintenance service to support 'ageing in place'.
- Partnered with the Department of Local Government and Regional Development to develop the Active Ageing at the Local Level program, providing \$450,000 for local initiatives.
- Established the Carer Advisory Council, which held its first meeting in December 2005.
- Undertook a major research project on older people and depression, the results of which guided the widely distributed publication 'Staying Mentally Healthy' and underpinned a 'Depression is Not a Normal Part of Ageing' community awareness initiative.
- Established the Alliance for the Prevention of Elder Abuse and developed a three year strategic plan for the Alliance, focusing on informing government policy and promoting community and professional awareness and understanding of elder abuse.
- Held the first Western Australian Ministerial roundtable on the abuse and neglect of elder people.
- Appointed two senior intergenerational officers in Albany and Geraldton and provided funding for intergenerational activities, and camps and initiatives for grandparents raising grandchildren.
- Partnered with the Department of Indigenous Affairs and the Office for Children and Youth to fund the Nyikina Association in Derby to support grandparents and grandchildren to undertake cultural camps and activities to foster intergenerational understanding.
- Completed 'Western Australia's Seniors – Active Ageing Benchmark Indicators', with input from key stakeholders including the World Health Organisation, which will be used to measure the active ageing of seniors in Western Australia.
- Conducted research to investigate the link between major life transitions and successful ageing among Western Australia's seniors 65 years of age and over.
- Completed a Diversity Analysis project among seniors from culturally and linguistically diverse backgrounds to investigate what these seniors consider 'successful ageing' to be, and barriers against 'successfully ageing'.

Major Initiatives For 2006-07

- Initiate a major research project into the benefits and costs associated with the ageing of the Western Australian population.
- Expand and update the range of topic sheets produced by the Office for Seniors Interests and Volunteering to include topics such as carers and mature employment, and an update of the popular Population Characteristics and Trends topic sheet.
- Continue to support the Carers Advisory Council, including the preparation of its inaugural report to Parliament.
- Work with the community on the issue of abuse and exploitation of older Western Australians, including appropriate support and information services.

Service 4: Women's Policy and Progress

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

	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	2,073	2,127	2,147	2,181	
Less Income	-	-	-	-	
Net Cost of Service	2,073	2,127	2,147	2,181	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	2,073	2,127	2,147	2,181	

(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 ^(a)	2005-06 Budget ^(a)	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Policy advice and information projects for women	20	22	22	22	
Community development projects for women .	11	8	8	10	
Average cost per policy advice and information project for women	\$70,423	\$67,088	\$69,501	\$70,621	
Average cost per community development project for women	\$60,434	\$81,364	\$77,207	\$62,761	The average cost has decreased in 2006-07 as a result of an increase in the number of projects.
Full Time Equivalents (FTEs)	19	15	17	17	

(a) The 2004-05 actuals and 2005-06 budget estimate for the Offices for Children and Youth, Women's Policy and Seniors Interests and Volunteering have been re-stated due to the community engagement efficiency indicator no longer being reported.

Major Achievements For 2005-06

- Led the development of a model of gender analysis in the State public sector by facilitating support and monitoring of trial projects in four departments (Community Development, Consumer and Employment Protection, Health, and Local Government and Regional Development).
- Built the capacity of women's groups and community organisations by providing small grants, information and policy advice, and engaged with peak community and women's organisations in the development of policy.
- Developed a new funding framework for the Western Australian Women's Grants Program.
- Collaborated with government departments, non-government agencies and community groups to conduct research into leadership programs for women and improving the representation of women on boards and committees, provided information targeting women regarding superannuation, and sponsored the Department of Consumer and Employment Protection's Work-Life Balance Conference 2006.

- In consultation with the Department of the Premier and Cabinet and the Office of Equal Employment Opportunity, analysed women in leadership issues, including a review of progress towards the 50 per cent target set by Government for women on government boards and committees, an examination of the under-representation of women in leadership roles in the public sector, and a scan of national and international best practice.
- Formed strategic alliances with government and non-government sector organisations for the benefit of women, including the development of information targeting women to promote their economic independence (in partnership with the Government Employees Superannuation Board), and the provision of appropriate information on body image and lifestyle to young women.
- Undertook a review of Indigenous Women's Congress, developed and launched the Indigenous Women's Report Card in consultation with the Congress, and funded the Congress to facilitate consultations and develop Indigenous women's groups.
- Introduced the 'Volunteers@WIS Program' to recruit and train community volunteers to staff the Women's Information Service.
- Supported regional women's groups to conduct celebrations for International Women's Day 2006 'Reaching for Rights and Recognition'.
- Developed a paper on the potential effects of the national industrial relations changes on women, which was discussed at the September 2005 meeting of the Commonwealth, States, Territories and New Zealand Ministers' Conference on the Status of Women.
- Produced the first update to the Women's Report Card, providing information on the progress and status of Western Australian women against a range of indicators in the areas of safety, health, law, family care, seniors, the workplace and opportunity.

Major Initiatives For 2006-07

- Strengthen the engagement of the non-government sector with government policies, programs and services affecting women through the establishment of a new Women's Advisory Council and increased mechanisms such as a summit for women from the non-government sector to advise the Minister.
- Promote opportunities for women in leadership roles, with a focus on increasing women's participation on government boards and committees.
- Lead research to address the under-utilisation of migrant and refugee women's skills in the aged care and health sectors.
- Progress the Australian Research Council project to develop Australian models of gender analysis.
- Use the information in the Women's Report Card, the Indigenous Women's Report Card and the Culturally and Linguistically Diverse Women's discussion paper, and the updates of these, to engage with government agencies and non-government organisations to seek improved outcomes for women.

Service 5: Volunteering Policy and Coordination

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

	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	1,194	1,030	1,077	1,095	
Less Income	-	-	-	-	
Net Cost of Service	1,194	1,030	1,077	1,095	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	1,194	1,030	1,077	1,095	

(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
Policy projects which facilitate volunteering ...	13	13	13	11	
Average cost per policy project which facilitates volunteering	\$91,858	\$79,219	\$82,822	\$99,572	The average cost has increased in 2006-07 due to a decrease in the number of projects and additional funding provided for volunteer police checks.
Full Time Equivalents (FTEs)	3	3	3	3	

Major Achievements For 2005-06

- Commenced discussions with key organisations which have implemented employee volunteering programs to identify the issues involved in developing and sustaining these programs.
- Reviewed and updated the Public Sector Guidelines for Working with Volunteers, including guidelines for public sector agencies about the importance of identifying the extent and nature of their volunteer workforce.
- Commenced development of an information and training program on effective employment policies and practices for volunteers, and provided information and assistance to the volunteering sector in relation to the introduction of the Working with Children checks.
- Introduced a system of free national police checks for volunteers who have also been required to have Working with Children checks.

Major Initiatives For 2006-07

- Extend work with the volunteering community and the Volunteer Resource Centres to encourage, support and promote local community-based volunteering and, in particular, focus on ways to better harness the valuable resources of baby boomers, seniors and young people in volunteering.
- Amend the *Volunteer (Protection from Liability) Act 2002* to extend protection from liability to food donors and facilitate the donation of food for charitable and benevolent purposes.
- Work in partnership with the community sector to develop and deliver a helpline, resource manual, website and training program to assist volunteer organisations to undertake effective recruitment, screening, supervision and support of volunteers.

Service 6: Aboriginal and Torres Strait Islander Policy Coordination

Departmental policy coordination, policy advice, analysis and information for Aboriginal and Torres Strait Islander 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	493	518	540	609	The 2006-07 estimate is higher than 2005-06 due to the carryover of funds from 2005-06 for the Indigenous staff conference.
Less Income.....	-	-	-	-	
Net Cost of Service	493	518	540	609	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	493	518	540	609	

(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
Policy and information projects for Aboriginal and Torres Strait Islander people	12	13	13	16	The average cost has decreased in 2006-07 as a result of an increase in the number of projects.
Average cost per policy and information project for Aboriginal and Torres Strait Islander people	\$41,083	\$39,883	\$41,501	\$38,075	
Full Time Equivalents (FTEs)	6	6	6	6	

Major Achievements For 2005-06

- Progressed the development of a framework to engage Aboriginal and Torres Strait Islander men, portraying positive experiences, images and messages of parenting and fatherhood.
- Completed a review of a group of Indigenous children who recently came into the care of the Department and made recommendations for improving services.
- Completed an Indigenous Youth Consultation Project in Cannington to better understand the attitudes Aboriginal and Torres Strait Islander children hold about parental drug and alcohol use and services that assist children and families with these difficulties.
- Developed a capacity building policy 'Building Solid Relationships: A Capacity Building Approach with Communities to Safeguard and Promote the Wellbeing of Children and Young People', and began the development of a related communication strategy.
- Developed and progressed the Aboriginal and Torres Strait Islander Community Consultation and Placement Model to meet the requirements of Section 81 of the *Children and Community Services Act 2004*, which relates to consultation that must take place when arranging placements for Aboriginal and Torres Strait Islander children.
- Progressed the development of a Cultural Leave and Sensitivity Framework to address cultural issues for Aboriginal and Torres Strait Islander staff.

Major Initiatives For 2006-07

- Conduct an Indigenous Youth Consultation project in Port Hedland to better understand the attitudes Aboriginal and Torres Strait Islander children hold about parental drug and alcohol use and services that assist children and families with these difficulties.
- Develop an Elders Policy to acknowledge some common traits that identify the role of Aboriginal Elders in the community across the State, as determined by family and community, and incorporate guidelines for the Department to engage Aboriginal Elders in the work of the Department in respectful ways.
- Establish a new Aboriginal and Torres Strait Islander Advisory Committee, including members external to the Department.
- Design an Indigenous staff survey to determine the planning and development of an Indigenous Staff Conference for 2006 to discuss the *Children and Community Services Act 2004* and retention of Indigenous staff, and review and progress the Indigenous Vision 2005-09 Action Plan.
- Complete the Cultural Leave and Sensitivity Framework to support staff to respond to cultural obligations.

Service 7: Care and Safety Services

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

	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	156,037	154,385	163,979	178,581	The 2006-07 estimate has increased as a result of additional funding received for At-Risk Children in Out-of-Home Care and SAAP initiatives.
Less Income.....	19,092	17,788	19,956	18,683	
Net Cost of Service	136,945	136,597	144,023	159,898	
Adjustments ^(a)	(7,880)	(852)	(5,216)	(571)	
Appropriation for delivery of Service	129,065	135,745	138,807	159,327	

(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
Care and safety case equivalents ^(a)	44,545	46,822	47,510	49,886	
Average cost per care and safety case equivalent services	\$3,503	\$3,297	\$3,451	\$3,580	
Case reviews for children in care produced on time	n/a	n/a	n/a	75%	
Full Time Equivalents (FTEs)	976	994	991	1,099	FTEs have increased from 2005-06 to 2006-07 due mainly to additional staff for the At-Risk Children in Out-of-Home Care and Emergency Response Management initiatives.

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

Major Achievements For 2005-06

- Completed work on regulations, proclamation papers, practice procedures, information systems and training for the introduction of the *Children and Community Services Act 2004* which was fully proclaimed on 1 March 2006.
- Developed and distributed the information booklet 'Identifying and Responding to Child Abuse and Neglect' along with 'How Do I Recognise when a Child is at Risk of Abuse or Neglect' supplement.
- Implemented the Child Safety Assessment Framework as the primary assessment tool for the Department and incorporated extensive training in the tool in start up training.
- Implemented training for staff in the interview method employed by the Specialist Child Interview Unit and increased staff to the Unit to meet the demand for interviews. Commenced an evaluation of the specialist child interviewing process.
- Developed a protocols and practice manual, in partnership with funded leaving and aftercare services, for the provision of services to young people preparing to leave the care of the Department and move to independent living.
- Progressed the implementation of the National Plan for Foster Children, Young People and their Carers and provided ongoing reports to Community Services Ministers' Advisory Council and the Community and Disability Services Ministerial Conference.
- Progressed the establishment of a work unit to monitor Departmental standards for protection and care. The Manager, Monitoring Standards, commenced work in April 2006.
- Commenced the development of new options for children and young people who require intensive support to reduce immediate risks of abuse in care, including professional home-based care, enhanced treatment responses and intensive placement support services.
- Established a panel of pre-qualified providers to provide intensive support and placement services for children and young people with extreme, challenging and high risk behaviours in the Great Southern and South West region, and commenced the development of responses for the remainder of the State through direct negotiation with existing funded not-for-profit providers.
- Commenced revision of the Strategic Plan for Children and Young People in Care.
- Finalised protocols with the Disability Services Commission for respective agency responsibilities for children in care with disabilities, including the provision of supports to families where children with disabilities are at risk of coming into care.
- Developed protocols with the Department of Education and Training to enhance collaborative education services and support for children and young people in out-of-home care.
- Commenced preparation for a review of the *Adoption Act 1994*.
- Produced a comprehensive directory of services for homeless people, through the State Homelessness Strategy.
- Completed an evaluation of the Western Australian State Homelessness Strategy.
- Negotiated the five year SAAP V Multilateral and Bilateral Agreements with the Australian Government.
- Progressed the development of the Department's State-wide computer system, 'Assist-D', through the selection of and negotiations with a suitable supplier.
- Commenced an evaluation of child sexual abuse treatment services provided by non-government funded services.
- Appointed an Advocate for Children and Young People in Care to provide complaint management and advocacy for children and young people in care, promote their participation in decision-making and ensure that out-of-home care is provided in accordance with legislation.

- Provided an ongoing calendar of child protection roundtable discussions incorporating both local and international speakers at the forefront of practice.
- Commissioned the report 'A Duty of Care to Children and Young People in Western Australia' by external consultant Gwenn Murray, developed an action plan to respond to the recommendations, and commenced implementation.
- Released a draft policy for the reunification of children and young people in the care of the Department with their families, for public consultation.

Major Initiatives For 2006-07

- Progress the implementation of recommendations in the report 'A Duty of Care to Children and Young People in Western Australia'.
- Implement policy on the reunification of children in the care of the Department with their families.
- Enhance the Department's Fostering Services role to establish a State-wide foster care recruitment, assessment, training and support service.
- Appoint additional staff to alleviate workload pressures and improve the standard of services provided to children and their carers.
- Provide 20 new specialised placements available for high need, high risk children in the Department's care, ten of which will be provided by non-government services.
- Trial an interagency child safety team model for cooperation between agencies in Geraldton and Joondalup, to strengthen the safety and wellbeing of children and families in those areas and clarify different agencies' roles and responsibilities with regards to child protection.
- Consolidate the practice requirements of new *Children and Community Services Act 2004* legislation.
- Complete an evaluation of child sexual abuse treatment services.
- Increase child sexual abuse treatment services in Mandurah and Bunbury.
- Strengthen requirements for the reporting of children who have been harmed through abuse and neglect by including standards for reporting in the funding agreements for Department-funded services working with vulnerable children and families.
- Promote the development of evidence-based responses to children in need of protection through public seminar forums and roundtable discussions by international and national social policy and child protection experts.
- Provide increased funding to SAAP services to enhance the viability of the sector.
- Establish a new refuge for women and children escaping family and domestic violence in the north metropolitan area.
- Implement the SAAP V Multilateral and Bilateral Agreements including initiatives funded through the Innovation and Investment Fund.
- Review the *Adoption Act 1994* to ensure it supports the wellbeing of adopted children and reflects contemporary practices and responds to changing patterns in the international adoption situation.
- Increase the capability of the Department to respond to emergencies through expansion of the Emergency Services Unit, creation of emergency services officer positions across the state, establishment of an Early Response Team and the collocation of the unit within the State Crisis Centre.

Service 8: Family and Domestic Violence Coordination

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

	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	2,544	2,772	2,765	2,510	The 2006-07 estimate is lower than 2005-06 due to the latter including carryover funds from 2004-05 for election commitments and domestic violence grants.
Less Income	10	-	40	-	
Net Cost of Service	2,534	2,772	2,725	2,510	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	2,534	2,772	2,725	2,510	

(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
Family and domestic violence coordination and community education projects	9	9	9	9	The 2006-07 target is lower than 2005-06 due to the latter including carryover funds from 2004-05 for election commitments and domestic violence grants.
Average cost per family and domestic violence coordination and community education projects	\$282,657	\$307,992	\$307,188	\$278,847	
Full Time Equivalents (FTEs)	13	12	12	12	

Major Achievements For 2005-06

- Progressed the Western Australian Family and Domestic Violence State Strategic Plan 2004-08 through development of a progress report on the 2004-05 Action Plan and implementation of the 2005-06 Action Plan.
- Developed family and domestic violence resources and an internet site for young people experiencing family and domestic violence, young people experiencing dating violence, and on how to support friends who are experiencing abuse.
- Completed a review of the Regional Family and Domestic Violence Committee model and began implementing recommendations to strengthen agency coordination and collaboration to respond to family and domestic violence.
- Undertook a Men's Project which through consultation identified a number of responses to work directly with men in the reduction of family and domestic violence, and provided a series of workshops on how to engage violent men.
- Initiated a cross-government project addressing links between mental health, substance abuse and family and domestic violence which has led to the development of a plan to improve coordinated responses to families experiencing multiple problems.
- Completed a research and consultation project on rural women's experience of family and domestic violence which has assisted to plan service responses in country areas.
-

- Established a consumer advisory group of women who have experienced family and domestic violence, providing input and advice on policy development and ensuring projects and services are relevant to the needs of women and children escaping or living with violence.
- Redeveloped good practice models through broad consultation, reflecting up to date knowledge and standards, and quality responses to people affected by family and domestic violence. These standards have been applied to family and domestic violence services funded through the Departments for Community Development and Corrective Services.
- Completed a review of the Freedom From Fear campaign with recommendations being implemented.
- Completed a collaborative project between Divisions of General Practice and Regional Domestic Violence Committees to provide family and domestic violence training and resources to General Practitioners and their practice staff in the Canning Division of General Practice.
- Produced a review of literature relating to family and domestic violence in culturally and linguistically diverse communities in Australia and undertook a scoping of recent initiatives in Western Australia. Released the African Forum on Domestic Violence report and produced two booklets, translated into 18 other languages.
- Developed, in partnership with the Women and Children's Health Service, a package of policy, protocols and a training model for screening to identify and respond to women affected by family and domestic violence in health and Government settings.
- Undertook a Domestic Violence Safety and Accountability audit in partnership with the Armadale Domestic Violence Intervention project, which provided a series of recommendations on improving the coordination of responses to family and domestic violence.
- Initiated a partnership with the Media Entertainment and Arts Alliance which has led to the development of a code for reporting family and domestic violence and provided supporting resources for journalists.
- Resourced the expansion of a project to address family and domestic violence experienced by same sex couples, to ensure services are responsive to their specific needs.

Major Initiatives For 2006-07

- Undertake early intervention activities, including peer education programs with young people in schools, in partnership with the Women's Council for Domestic and Family Violence Services (Western Australia) to prevent the future use of violence in relationships. Other early intervention activities will include projects for young and Indigenous men, and men from culturally and linguistically diverse backgrounds, to prevent the use of violence in family relationships.
- Develop and support innovative responses, including pilots of new approaches, to working with victims and perpetrators of domestic violence through Outreach and coordination projects.
- Progress the Western Australian Family and Domestic Violence State Strategic Plan 2004-2008 through the implementation of the Action Plan 2006-07 to improve coordination of services and responses.
- Implement new models of community and regional coordination as outlined in the review of the Regional Family and Domestic Violence Committee model. These models will enhance safety and reduce violence through the core agencies of police, justice, health, housing, education and community services working collaboratively and in a coordinated manner.
- Implement a comprehensive information strategy including a range of resources, based on the implementation of the review of the Freedom from Fear campaign.
- Maintain and strengthen the capacity of the community to contribute to the development of government policy through a consumer advisory group, Indigenous advisory and cultural and linguistic diversity advisory group on family and domestic violence issues.
- Undertake a research and information agenda including measurement of rates and changes in rates of domestic violence in the Western Australian community, including the impacts on specific groups.

Service 9: Working with Children Criminal Record Checking

Services to provide for the compulsory and high standard of criminal record checking of those people who carry out or propose to carry out child related work.

	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	424	3,958	2,602	5,089	The 2006-07 estimate is higher than the 2005-06 estimated actual due to the Unit becoming operational on 1 January 2006, hence there being only half a year of processing in 2005-06. In addition, the 2005-06 estimated actual is less than the 2005-06 budget due to the number of checks performed being less than budgeted.
Less Income.....	-	1,527	293	1,866	
Net Cost of Service	424	2,431	2,309	3,223	The revenue in 2006-07 is expected to increase as a result of the increase in checks being performed.
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	424	2,431	2,309	3,223	

(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

	2004-05 Actual	2005-06 Budget	2005-06 Estimated	2006-07 Target	Reason for Significant Variation between 2005-06 Estimated and 2006-07 Target
Number of screenings	n/a	25,000	12,568	64,200	The 2006-07 estimate is higher than the 2005-06 estimated actual due to the Unit becoming operational on 1 January 2006, hence there being only half a year of processing in 2005-06. In addition, the 2005-06 estimated actual is less than the 2005-06 budget due to the number of checks performed being less than budgeted.
Average cost per screening ^(a)	n/a	\$158	\$207	\$79	
Full Time Equivalents (FTEs)	3	18	16	22	

(a) The average cost for the 2005-06 budget and estimated actual are considerably higher than 2006-07 due to the 2005-06 figures including the cost of setting up the Working with Children Screening Unit. If the implementation and set-up costs were excluded, the average cost for the 2005-06 budget and estimated actual would be \$95 and \$159 respectively.

Major Achievements For 2005-06

- Established the Working with Children Screening Unit to implement Working with Children checks, including development of a specialised information system.
- Commenced the community education strategy to support implementation of the legislation.
- Commenced the assessment of applications for Working with Children checks and issued Working with Children Cards following commencement of the *Working with Children (Criminal Record Checking) Act 2004* and regulations on 1 January 2006.
- Developed the *Working with Children (Criminal Record Checking) Amendment Regulations 2006*.
- Established contracts with CrimTrac and other service providers involved in the receipt and processing of applications.

Major Initiatives For 2006-07

- Progress the establishment of approved screening agencies to carry out certain delegated functions under the *Working with Children (Criminal Record Checking) Act 2004*.
- Commence stage two of the phasing-in of Working with Children checks.
- Continue improvement of application processes including options for remote area locations.
- Continue implementation of community education strategies and production of materials to engage the public.

CAPITAL WORKS PROGRAM

The Department's capital works program provides for the replacement, maintenance and expansion of assets that support the delivery of the Department's services. These assets include service delivery offices, community facilities (including child care, hostels and group homes), office furniture and equipment, and information services hardware and related software.

During the 2005-06 year, significant projects that were completed include the new Canowindra Hostel, Myera Hostel upgrade, Hudson Road Family Centre additions and extensions to the Dalyellup Community Centre (in partnership with the Shire of Capel).

Other projects that commenced this year include the Bamberra Hostel upgrade, Esperance Office refurbishment and the new Broome Office. Planning also commenced for the relocation or refurbishment of a number of offices that include Carnarvon, Kalgoorlie and Manjimup, and a new office located in the Town of Kwinana. Other community facilities in the planning stage include Kununurra Youth Facility, Busselton Community Centre, Fitzroy Crossing Community Resource Centre and Craigie Community House.

Major information, communication and technology projects include: the rollout of Internet Protocol telephony to a number of sites; the restructure of the Department's application development, test and production environments in line with best practice; the implementation of the Working with Children Card system; the replacement of personal computers across the State; major system upgrades resulting from the promulgation of new legislation; and the introduction of improved security to support a mobile workforce and inter-agency collaboration.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Accommodation				
Service Delivery Office Accommodation	881	681	367	200
ASSIST Client Application System	13,698	4,498	3,641	5,000
Buildings Minor Works				
Broome Office.....	679	179	149	500
Heritage Buildings	265	164	40	101
Community Centre Program				
2002-03 Program	1,807	1,459	762	348
Bunbury Community Houses	921	571	530	350
Craigie Community Centre.....	890	500	500	390
Computer Hardware and Software				
Infrastructure Replacement (four year cycle).....	19,287	6,526	3,946	5,000
Furniture and Equipment				
Replacement Program.....	1,924	1,035	416	889
Hostels				
Refurbishment of Existing Hostel Accommodation	8,265	3,943	3,170	2,882
COMPLETED WORKS				
Accommodation				
Service Unit Accommodation Upgrades	850	850	831	-
Buildings Minor Works				
Office for Senior's Interests - Accommodation Upgrade	545	545	459	-
Community Centre Program				
Dongara Community Centre.....	312	312	312	-
Fitzroy Community Centre	872	872	872	-
Computer Hardware and Software				
Enterprise Architecture	1,822	1,822	600	-
Information Systems Redevelopment.....	1,020	1,020	469	-
Software Development	1,284	1,284	200	-
Software Upgrade 2003-04.....	100	100	100	-
Upgrade of Financial Systems	255	255	235	-
NEW WORKS				
Accommodation - Upgrade of Provider Support Accommodation	684	-	-	684
Buildings Minor Works - Manjimup Office.....	345	-	-	345
Community Facility Program (includes Children's Services).....	450	-	-	450
	57,156	26,616	17,599	17,139

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	8,446	14,510	17,599	17,139	11,094	9,096	8,300
	8,446	14,510	17,599	17,139	11,094	9,096	8,300
LESS							
Drawdowns from the Holding Account	3,155	2,973	2,973	-	1,145	3,160	4,032
Funding Included in Service Appropriations ^(a)	250	4,465	4,855	2,741	2,735	4,159	4,268
Internal Funds and Balances.....	57	-	1,989	5,639	-	-	-
Capital Contribution	4,984	7,072	7,782	8,759	7,214	1,777	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2004-05 Actual ^{(a) (b)}	2005-06 Budget ^{(a) (b) (c)}	2005-06 Estimated Actual ^{(a) (b)}	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
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(d)	77,685	79,260	80,287	90,711	89,080	93,892	97,713
Superannuation	8,006	8,167	8,429	9,471	9,703	10,633	11,004
Grants and subsidies ^(e)	30,758	28,424	35,169	33,985	34,658	35,489	37,217
Services purchased from non-government agencies ^(f)	66,463	62,335	69,887	74,333	76,489	80,706	83,772
Supplies and services	31,294	37,976	31,433	35,995	38,286	37,112	35,931
Accommodation	10,041	9,809	9,854	11,089	12,097	13,284	14,270
Capital user charge	4,860	4,920	4,920	5,608	6,097	6,212	6,049
Depreciation and amortisation	3,416	4,188	5,524	7,013	6,287	7,066	7,532
Doubtful debts	106	-	-	-	-	-	-
Costs of disposal of non-current assets	463	-	-	-	-	-	-
Other expenses	110	288	288	289	119	122	122
TOTAL COST OF SERVICES	233,202	235,367	245,791	268,494	272,816	284,516	293,610
Income							
User charges and fees	157	1,684	1,681	1,641	2,020	1,451	1,479
Grants and subsidies	17,615	18,023	19,245	19,559	18,385	19,522	19,933
Proceeds from disposal of non-current assets ..	323	-	-	-	-	-	-
Other revenue	4,096	470	1,359	1,155	1,162	1,171	1,180
Total Income	22,191	20,177	22,285	22,355	21,567	22,144	22,592
NET COST OF SERVICES	211,011	215,190	223,506	246,139	251,249	262,372	271,018
INCOME FROM STATE GOVERNMENT							
Service appropriations	199,853	213,970	216,140	245,337	250,480	260,088	268,833
Resources received free of charge	375	254	375	375	375	375	375
Liabilities assumed by the Treasurer	694	540	700	700	700	700	700
TOTAL INCOME FROM STATE GOVERNMENT	200,922	214,764	217,215	246,412	251,555	261,163	269,908
SURPLUS (DEFICIENCY) FOR THE PERIOD	(10,089)	(426)	(6,291)	273	306	(1,209)	(1,110)
Extraordinary items	57	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(10,032)	(426)	(6,291)	273	306	(1,209)	(1,110)

- (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 statements have not been adjusted to reflect the transfer of the Responsible Parenting initiative.
- (c) The 2005-06 budget estimate for Services Purchased from Non-Government Agencies is understated, and Supplies and Services and other expenditure items are overstated, due to classification issues.
- (d) The Full Time Equivalents (FTEs) for 2004-05 Actual, 2005-06 Estimated Actual and 2006-07 Estimate are 1,362, 1,388 and 1,549 respectively.
- (e) Refer Details of Controlled Grants and Subsidies table for further information.
- (f) Indexation provided for State funded services and the State component of the SAAP is based on a composite wage-cost index of 3.1 per cent in 2004-05, 3.5 per cent in 2005-06, 3.4 per cent in 2006-07, 3.3 per cent in 2007-08 and 2.9 per cent in 2008-09 and 2009-10.

**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	14,154	5,505	8,638	4,425	5,618	6,012	5,175
Restricted cash	2,160	3,824	2,397	2,641	2,641	2,952	3,272
Receivables	1,462	1,866	1,431	1,402	1,373	1,373	1,373
Amounts receivable for services.....	2,973	-	-	1,145	3,160	4,032	-
Prepayments	5,913	5,433	5,664	5,161	5,161	5,161	5,161
Total current assets	26,662	16,628	18,130	14,774	17,953	19,530	14,981
NON-CURRENT ASSETS							
Amounts receivable for services.....	4,099	8,329	9,665	15,683	19,361	22,946	30,816
Land and buildings.....	49,423	42,400	48,407	47,391	46,375	45,599	44,686
Plant and equipment.....	2,054	8,056	6,075	10,495	12,373	12,017	11,934
Other.....	11,843	16,737	14,434	18,498	17,168	16,171	13,667
Total non-current assets.....	67,419	75,522	78,581	92,067	95,277	96,733	101,103
TOTAL ASSETS.....	94,081	92,150	96,711	106,841	113,230	116,263	116,084
CURRENT LIABILITIES							
Payables	1,191	973	1,191	1,192	1,191	1,191	1,191
Provision for employee entitlements	15,795	15,740	16,466	17,220	17,969	18,718	19,015
Accrued salaries	-	1,442	237	253	253	1,702	2,185
Other.....	1,347	1,279	1,374	1,375	1,768	1,768	1,768
Total current liabilities.....	18,333	19,434	19,268	20,040	21,181	23,379	24,159
NON-CURRENT LIABILITIES							
Provision for employee entitlements	4,015	4,358	4,219	4,532	4,799	5,066	5,217
Other.....	58	157	58	58	58	58	58
Total non-current liabilities	4,073	4,515	4,277	4,590	4,857	5,124	5,275
TOTAL LIABILITIES.....	22,406	23,949	23,545	24,630	26,038	28,503	29,434
EQUITY							
Contributed equity	14,230	21,155	22,012	30,784	37,998	39,775	39,775
Accumulated surplus / (deficit)	10,544	9,244	4,253	4,526	2,293	1,084	(26)
Reserves	46,901	37,802	46,901	46,901	46,901	46,901	46,901
Total equity.....	71,675	68,201	73,166	82,211	87,192	87,760	86,650
TOTAL LIABILITIES AND EQUITY	94,081	92,150	96,711	106,841	113,230	116,263	116,084

(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 statements have not been adjusted to reflect the transfer of the Responsible Parenting initiative.

**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	196,183	209,740	210,574	238,174	243,642	252,471	260,963
Capital contribution	4,984	7,072	7,782	8,759	7,214	1,777	-
Holding account drawdowns	3,155	2,973	2,973	-	1,145	3,160	4,032
Net cash provided by State government	204,322	219,785	221,329	246,933	252,001	257,408	264,995
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(79,479)	(78,148)	(79,175)	(89,695)	(88,064)	(91,427)	(96,782)
Superannuation	(7,462)	(7,601)	(7,703)	(8,770)	(9,002)	(9,933)	(10,304)
Grants and subsidies	(30,631)	(28,424)	(35,169)	(33,985)	(34,658)	(35,489)	(37,217)
Services purchased from non-government agencies	(66,290)	(62,085)	(69,637)	(73,833)	(76,098)	(80,706)	(83,772)
Supplies and services	(30,602)	(37,894)	(31,230)	(35,791)	(37,910)	(36,737)	(35,556)
Accommodation	(10,128)	(9,809)	(9,854)	(11,089)	(12,097)	(13,284)	(14,270)
Capital user charge	(4,860)	(4,920)	(4,920)	(5,608)	(6,097)	(6,212)	(6,049)
Goods and Services Tax	(11,513)	(11,028)	(11,028)	(10,887)	(10,887)	(10,916)	(10,916)
Other	(110)	(116)	(116)	(117)	(119)	(122)	(122)
Receipts							
User charges and fees	156	1,684	1,681	1,641	2,020	1,451	1,479
Grants and subsidies	17,615	18,023	19,245	19,559	18,385	19,522	19,933
Goods and Services Tax	11,608	11,059	11,059	10,916	10,916	10,916	10,916
Other receipts	4,366	470	1,359	1,155	1,162	1,171	1,180
Net cash from operating activities	(207,330)	(208,789)	(215,488)	(236,504)	(242,449)	(251,766)	(261,480)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(2,730)	(10,045)	(11,120)	(14,398)	(8,359)	(4,937)	(4,032)
Net cash from investing activities	(2,730)	(10,045)	(11,120)	(14,398)	(8,359)	(4,937)	(4,032)
CASH FLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(5,738)	951	(5,279)	(3,969)	1,193	705	(517)
Cash assets at the beginning of the reporting period	22,052	8,378	16,314	11,035	7,066	8,259	8,964
Cash assets at the end of the reporting period	16,314	9,329	11,035	7,066	8,259	8,964	8,447

(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 statements have not been adjusted to reflect the transfer of the Responsible Parenting initiative.

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
Children In Care.....	22,548	20,973	24,973	25,973	27,473	29,152	30,880
Family Crisis Program.....	1,832	1,500	1,800	1,984	1,984	1,984	1,984
Capital Grants	787	1,692	2,962	1,000	698	-	-
Volunteering	527	409	455	502	513	513	513
Positive Ageing Initiatives.....	348	20	553	350	250	100	100
Disaster Relief.....	34	-	-	-	-	-	-
Youth Grants And Disbursements ^(a)	3,837	3,630	4,311	4,061	3,700	3,700	3,700
Other.....	845	200	115	115	40	40	40
TOTAL.....	30,758	28,424	35,169	33,985	34,658	35,489	37,217

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

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

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

	2004-05 Actual \$'000	2005-06 Budget \$'000	2005-06 Estimated Actual \$'000	2006-07 Budget Estimate \$'000
Opening Balance.....	622	226	323	44
Receipts:				
Appropriations	560	560	560	560
Other.....	-	-	-	-
	1,182	786	883	604
Payments	859	560	839	604
CLOSING BALANCE.....	323	226	44	-

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
Aboriginal Child Care Training.....	28	55	55	55
Children's Services.....	369	330	407	435
Christmas / Cocos Island	177	141	230	310
Departmental Services ^(a)	4,499	2,001	3,940	4,196
GST Input Credits.....	11,364	11,028	11,028	10,887
GST Receipts on Sales.....	244	31	31	29
National Youth Week	23	20	22	22
Supported Accommodation Assistance Program.....	17,036	17,624	17,624	17,330
Unattached Refugee Children.....	6	6	7	7
TOTAL.....	33,746	31,236	33,344	33,271

(a) Departmental services includes fees and charges for Working with Children criminal record screening.

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

Part 18
Minister for Small Business; Peel and the South West;
Minister Assisting the 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
1173	Small Business Development Corporation			
	– Delivery of Services	8,443	8,388	10,035
	– Capital Contribution	184	184	134
	Total	8,627	8,572	10,169
1181	Peel Development Commission			
	– Delivery of Services	1,540	1,540	1,521
	Total	1,540	1,540	1,521
1193	South West Development Commission			
	– Delivery of Services	4,226	4,226	6,177
	– Capital Contribution	791	850	876
	Total	5,017	5,076	7,053
	GRAND TOTAL			
	– Delivery of Services	14,209	14,154	17,733
	– Capital Contribution	975	1,034	1,010
	Total	15,184	15,188	18,743

SMALL BUSINESS DEVELOPMENT CORPORATION

PART 18 - MINISTER FOR SMALL BUSINESS; PEEL AND THE SOUTH WEST; MINISTER ASSISTING THE MINISTER FOR EDUCATION AND TRAINING

DIVISION 68

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 120 Net amount appropriated to deliver services^(a).....	8,419	8,443	8,388	10,035	9,452	9,241	9,464
Total appropriations provided to deliver services.....	8,419	8,443	8,388	10,035	9,452	9,241	9,464
CAPITAL							
Item 182 Capital Contribution	313	184	184	134	313	134	137
GRAND TOTAL	8,732	8,627	8,572	10,169	9,765	9,375	9,601

(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 create opportunity and wealth for small to medium sized businesses in Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- Buoyant economic conditions over the last year have provided an ideal climate for small businesses to succeed. Recognising however that the boom conditions in Western Australia will not continue indefinitely, small businesses, as part of their risk management planning, should be ensuring their business systems and fundamentals are sufficiently robust to withstand any future softening in economic activity.
- The mining and resources boom in Western Australia has had a two fold impact on small businesses. While many opportunities have been created through the expansion of this sector, the boom has placed significant strains on small businesses, particularly those operating in regional areas. Competition from larger businesses with greater financial wherewithal has placed additional pressures on these businesses particularly in terms of finding suitable staff and meeting associated staff costs. Notably, small businesses in regional areas are having to meet high wage costs, as well as inflated costs for staff housing and rental accommodation. These pressures are restricting the ability of small business to grow and develop further, as well as take advantage of opportunities presented by the boom.
- Skill shortages across many industries in Western Australia will continue to be experienced while strategies to address the issue take effect. Competition for labour will remain strong and difficulties in attracting and retaining quality staff must be taken into account in business planning. Small businesses should consider options to meet their future labour needs, including capitalising on government initiatives to develop skilled labour through apprenticeships and traineeships as well as skilled migration.
- The growing number of business migrants will provide a positive boost to the Western Australian economy by generating new business and capital, export income, innovation and employment. Traditional markets, such as the United Kingdom and new emerging markets, such as South Africa, South East Asia and Europe will be important areas of focus to attract business migrants and promote Western Australia as a preferred destination.

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)	3,243	3,403	3,501	3,937	3,706	3,737	3,845
Superannuation	310	319	329	373	357	360	369
Cost of goods sold.....	59	70	70	70	70	70	70
Grants and subsidies ^(c)	2,293	2,838	2,585	2,967	3,015	3,064	3,114
Supplies and services	1,991	2,110	2,297	2,716	2,145	1,629	1,561
Accommodation	453	518	532	572	584	601	555
Capital user charge.....	227	149	211	160	132	119	113
Depreciation and amortisation	150	116	116	122	116	116	116
State taxes	176	169	178	200	193	194	200
Costs of disposal of non-current assets.....	2	-	-	-	-	-	-
Other expenses	18	13	13	13	13	13	14
TOTAL COST OF SERVICES	8,922	9,705	9,832	11,130	10,331	9,903	9,957
Income							
User charges and fees.....	174	180	180	180	180	180	180
Grants and subsidies	139	157	157	60	60	60	60
Interest revenue	114	80	100	80	60	30	30
Other revenue	116	100	100	100	100	100	100
Total Income	543	517	537	420	400	370	370
NET COST OF SERVICES	8,379	9,188	9,295	10,710	9,931	9,533	9,587
INCOME FROM STATE GOVERNMENT							
Service appropriations	8,419	8,443	8,388	10,035	9,452	9,241	9,464
Liabilities assumed by the Treasurer	9	2	2	2	-	-	2
TOTAL INCOME FROM STATE GOVERNMENT	8,428	8,445	8,390	10,037	9,452	9,241	9,466
SURPLUS (DEFICIENCY) FOR THE PERIOD	49	(743)	(905)	(673)	(479)	(292)	(121)

(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 48, 46 and 54 respectively.

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

- Changes to the federal industrial relations environment will impact differently on small businesses depending on their business structure. The speed of introduction of the changes and initial scarcity of information regarding the changes has resulted in a lack of understanding and awareness within the small business sector. Existing and prospective small business operators need sound advice on the specific implications for their business and employees.
- The importance of succession or exit planning for small business operators is increasingly being recognised, with the development of such plans now seen as an integral element of good business practice that operators cannot afford to neglect. Succession and exit planning is critical to facilitating the continuation of viable businesses into the future and ensuring business operators are able to exit the business under favourable circumstances.

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
Business Enterprise Centres	200	200	200	200
Business Migration Program Expansion	400	400	-	-

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 I:</i>							
Information, Guidance, Referral and Business Development Services	8,922	9,705	9,832	11,130			
Total Cost of Services	8,922	9,705	9,832	11,130	10,331	9,903	9,957
<i>Less Income</i>	543	517	537	420	400	370	370
Net Cost of Services	8,379	9,188	9,295	10,710	9,931	9,533	9,587
Adjustments ^(a)	40	(745)	(907)	(675)	(479)	(292)	(123)
Appropriation provided to deliver Services	8,419	8,443	8,388	10,035	9,452	9,241	9,464
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	313	184	184	134	313	134	137
TOTAL CONSOLIDATED FUND APPROPRIATIONS	8,732	8,627	8,572	10,169	9,765	9,375	9,601

(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, Managing Director and Treasurer.

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

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

Government Goal	Desired Outcome	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.	Development of new and existing Small Business in Western Australia.	1. Information, Guidance, Referral and Business Development 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: Development of new and existing Small Business in Western Australia.					
A random sample of Small Business Development Corporation clients asked about the usefulness of the information/guidance provided to them by Small Business Development Corporation					
- Very or somewhat useful.....	85%	90%	85%	90%	
- Not very or not at all useful.....	8%	0%	5%	0%	
- Neutral	7%	10%	10%	10%	

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

Service 1: Information, Guidance, Referral and Business Development Services

Provision of specialised information, referral, and business facilitation services for the effective development of enterprises in Western Australia.

	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	8,922	9,705	9,832	11,130	Costs increase in 2006-07 relates to the transfer of the Skills Migration Unit from the Department of Industry and Resources, increased funding for the expansion of the Business Migration Program and funding to accommodate the new Small Business Centre configuration.
Less Income	543	517	537	420	
Net Cost of Service	8,379	9,188	9,295	10,710	
Adjustments ^(a)	40	(745)	(907)	(675)	
Appropriation for delivery of Service	8,419	8,443	8,388	10,035	

(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 direct client contact/equivalent ^(a)	\$22.89	\$33.30	\$22.60	\$27.77	As a result of a review, 35 Business Enterprise Centres were replaced by 26 Small Business Centres. During the review period there was a reduction in the number of clients serviced. It is expected that client numbers will increase in 2006-07 as the profile of the new centres is established with a corresponding decrease in average cost per Small Business Centre client contact.
Average cost per indirect client contact ^(b)	\$2.68	\$2.03	\$2.61	\$2.63	
Average cost per Small Business Centre client contact	\$36.03	\$33.07	\$54.69	\$47.27	
Cost per unit of policy advice ^(c)	\$1,008,266	\$1,059,424	\$1,021,293	\$1,104,118	
Full Time Equivalents (FTEs)	48	49	46	54	

- (a) Number of direct client contacts/equivalents include direct client contacts plus the number of 'equivalent direct clients' that are serviced through the provision of grant money. Direct client contacts have contacted the Small Business Development Corporation for guidance or information either by a personal visit, by telephone or have visited Small Business Development Corporation websites for four minutes or more, or the Business Licence Information Service website for two minutes or more. Grants are given either under the Innovation to Market Program or the Business Migrant Incentive Program, to provide funding for small businesses or potential business migrants to use the services of a private sector consultant to prepare business or marketing plans, feasibility studies or a business proposal to enhance a visa application.
- (b) Indirect client contacts are exposed to a display of a range of advisory, information, referral and business services that would impact on their growth and business development. These include clients who have attended award functions, expos or other forums which the Small Business Development Corporation has organised, has been the major sponsor where the focus has been on business development or where a Small Business Development Corporation representative has given an address on small business matters; accessed Small Business Development Corporation websites for two to four minutes and the Small Business Research website for two minutes or more.
- (c) Policy advice includes policy submissions, investigative research, ministerial correspondence, industry liaison and small business sector advocacy.

Major Achievements For 2005-06

- Developed a detailed information kit and trialled, in Geraldton, the first in a series of regional workshops to assist small business people better access the government and private sector buying markets by enhancing their skills in quoting and tendering.
- Developed and launched the “gradDIRECT” online matching service which links Western Australian small businesses with recent university graduates and current students for work opportunities including full time, part time, short term and work experience roles.
- Developed and produced three key small business information workshops as online learning tools and in CD ROM format.
- Implemented the recommendations of the review into the Business Enterprise Centre program with the result that the network has been realigned to better meet the needs of small business. 26 Small Business Centres are now better funded and resourced and located in areas of highest demand to improve the level of service to the small business sector.
- Maintained Western Australia’s standing as one of the top three ranked destinations in Australia for business migrants who are transferring their personal and business assets, committing to new business investments that are diversifying the economy, and generating new jobs and exports.

Major Initiatives For 200--07

- Increase the number of business migrants coming to Western Australia by expanding the Business Migration Program to focus on new markets in Asia, Africa and Europe and through new business development initiatives such as a Business Migrant Alumni Network.
- Boost the number of skilled migrants to Western Australia to assist small business employers to meet their skill needs. Co-ordinated effort with the State's Regional Development Commissions will ensure that matching of regional employment opportunities with prospective skilled migrants is maximised.
- Drive the identification, development and delivery of relevant small business growth programs that address current and emerging small business needs using the Small Business Centres throughout Western Australia.
- In partnership with Edith Cowan University, conduct a study that will seek to identify the drivers of, and barriers to, the growth of home based businesses (HBBs) across Western Australia, including future employment potential, a set of predictive criteria for identifying growth orientated HBBs and a transition model of the phases in HBB growth. The project will support the development of strategies and programs aimed at facilitating the growth of HBBs.
- Work with State and local government agencies to explore the feasibility of online, interactive registration and licence application forms for small business.

CAPITAL WORKS PROGRAM

The Capital Works expenditure is primarily for the replacement of furniture and office equipment to support the delivery of the Corporation's services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
COMPLETED WORKS				
Business Enterprise Centres - Computing and Office Equipment Replacement.....	185	185	185	-
Furniture and Office Equipment Replacement 2005-06 Program	250	250	250	-
Furniture and Office Equipment Replacement 2004-05 Program.....	250	250	250	-
Office Refurbishment/Painting as per lease Agreement	50	50	50	-
NEW WORKS				
Furniture and Office Equipment Replacement 2006-07 Program	250	-	-	250
	985	735	735	250

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	244	300	735	250	435	250	253
	244	300	735	250	435	250	253
LESS							
Asset Sales	1	-	-	-	-	-	-
Drawdowns from the Holding Account	122	116	116	116	122	116	116
Internal Funds and Balances	(192)	-	435	-	-	-	-
Capital Contribution	313	184	184	134	313	134	137

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	1,603	900	864	764	300	600	500
Investments	1,500	500	1,000	500	500	-	-
Receivables	190	72	95	95	95	95	95
Inventories.....	63	45	55	55	55	55	55
Interest receivable	7	1	4	4	4	-	-
Amounts receivable for services.....	116	116	116	122	116	116	116
Prepayments	144	183	225	167	167	95	95
Total current assets	3,623	1,817	2,359	1,707	1,237	961	861
NON-CURRENT ASSETS							
Amounts receivable for services.....	61	76	76	85	100	115	130
Plant and equipment.....	435	1,056	842	962	1,273	1,399	1,528
Intangibles	-	34	27	35	43	51	59
Total non-current assets.....	496	1,166	945	1,082	1,416	1,565	1,717
TOTAL ASSETS.....	4,119	2,983	3,304	2,789	2,653	2,526	2,578
CURRENT LIABILITIES							
Superannuation	5	7	7	8	10	12	14
Payables	27	34	27	27	27	27	27
Provision for employee entitlements	603	568	586	593	603	613	623
Accrued salaries	-	12	12	24	37	51	70
Other.....	238	70	141	141	141	141	141
Total current liabilities.....	873	691	773	793	818	844	875
NON-CURRENT LIABILITIES							
Provision for employee entitlements	253	303	247	251	256	261	266
Other.....	-	-	12	12	12	12	12
Total non-current liabilities	253	303	259	263	268	273	278
TOTAL LIABILITIES.....	1,126	994	1,032	1,056	1,086	1,117	1,153
EQUITY							
Contributed equity	741	925	925	1,059	1,372	1,506	1,643
Accumulated surplus/(deficit)	2,252	1,064	1,347	674	195	(97)	(218)
Total equity.....	2,993	1,989	2,272	1,733	1,567	1,409	1,425
TOTAL LIABILITIES AND EQUITY	4,119	2,983	3,304	2,789	2,653	2,526	2,578

(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	8,288	8,312	8,257	9,904	9,321	9,110	9,333
Capital contribution	313	184	184	134	313	134	137
Holding account drawdowns	122	116	116	116	122	116	116
Net cash provided by State government	8,723	8,612	8,557	10,154	9,756	9,360	9,586
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(3,339)	(3,388)	(3,489)	(3,925)	(3,693)	(3,723)	(3,826)
Superannuation	(319)	(317)	(327)	(372)	(355)	(358)	(367)
Grants and subsidies	(2,297)	(2,838)	(2,585)	(2,967)	(3,015)	(3,064)	(3,114)
Supplies and services	(2,065)	(2,240)	(2,426)	(2,713)	(2,197)	(1,680)	(1,615)
Accommodation.....	(456)	(519)	(554)	(574)	(587)	(529)	(554)
Capital user charge.....	(227)	(149)	(211)	(160)	(132)	(119)	(113)
State taxes	(175)	(169)	(178)	(200)	(193)	(194)	(200)
Goods and services tax	(579)	(645)	(645)	(645)	(645)	(645)	(645)
Other.....	(18)	(13)	(13)	(13)	(13)	(13)	(14)
Receipts							
User charges and fees.....	174	180	180	180	180	180	180
Grants and subsidies	167	157	157	60	60	60	60
Interest received	114	80	100	80	60	30	30
Goods and services tax	560	645	645	645	645	645	645
Other receipts	117	100	100	100	100	100	100
Net cash from operating activities.....	(8,343)	(9,116)	(9,246)	(10,504)	(9,785)	(9,310)	(9,433)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(244)	(300)	(550)	(250)	(435)	(250)	(253)
Proceeds from sale of non-current assets	1	-	-	-	-	-	-
Net cash from investing activities.....	(243)	(300)	(550)	(250)	(435)	(250)	(253)
NET INCREASE/(DECREASE) IN CASH HELD							
.....	137	(804)	(1,239)	(600)	(464)	(200)	(100)
Cash assets at the beginning of the reporting period	2,966	2,204	3,103	1,864	1,264	800	600
Cash assets at the end of the reporting period.....	3,103	1,400	1,864	1,264	800	600	500

(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
Small Business Centres - Operational Grants ..	2,245	2,748	2,495	2,877	2,925	2,974	3,024
Innovation to Market	30	60	60	60	60	60	60
Business Migrant Incentive Program	18	30	30	30	30	30	30
TOTAL.....	2,293	2,838	2,585	2,967	3,015	3,064	3,114

PEEL DEVELOPMENT COMMISSION

PART 18 - MINISTER FOR SMALL BUSINESS; PEEL AND THE SOUTH WEST; MINISTER ASSISTING THE MINISTER FOR EDUCATION AND TRAINING

DIVISION 69

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 121 Net amount appropriated to deliver services.....	2,009	1,540	1,540	1,521	1,524	1,384	1,403
Total appropriations provided to deliver services.....	2,009	1,540	1,540	1,521	1,524	1,384	1,403

MISSION

Lead and encourage economic growth and strong communities within a healthy environment.

SIGNIFICANT ISSUES AND TRENDS

- The Peel region continues to be the fastest growing in Western Australia with the population increasing by 4.8 per cent between 2004 and 2005 to total nearly 92,000 residents. The corresponding growth rate for the whole of Western Australia was 1.6 per cent during the same period.
- In the decade to 2005, the Peel region's population grew by 48 per cent from just under 62,000 in 1995. The population is projected to grow by another 40 per cent over the next decade to total 129,000 in 2015. This corresponding projection for Western Australia's population growth is 16 per cent over the next decade to 2015.
- Over the next five years to 2010, people aged between 0 and four years are projected to increase at an average annual rate of three per cent while more significantly those in the population aged 80 and over will increase at an average annual rate of 7.7 per cent during the same period. For Metropolitan Perth those aged between 0 and four years old are projected to increase an annual average rate of one per cent while those aged 85 and over are projected to increase at an average annual rate of three per cent between 2005 and 2010.
- In 2004-05 Peel's Gross Regional Product was estimated to total \$3.5 billion with a diverse economy that incorporates forestry, agriculture, mining, manufacturing, construction, retail, services and tourism. Mining and manufacturing (incorporating the value-added processing of minerals) account for approximately 45 per cent of the Peel regional economy.
- In 2004-05, the Peel region was the source of the Western Australia's total output of bauxite which was refined into 11.1 million tonnes of alumina valued at \$3.5 billion or 10.4 per cent of the total value of the State's mineral and energy output.
- The Peel region currently has major projects (resource and infrastructure) committed or proposed with a total value of over \$5 billion. The resource projects will involve over 3,000 jobs during their construction phases.

- In the year to December 2005, the unemployment rate in the Peel region was 6.6 per cent, a reduction from 7.9 per cent in the 12 months to December 2005. The region's rate of unemployment is still above that for Western Australia, which in the year to December 2005 experienced a 4.7 per cent rate in unemployment. Peel Development Commission, with its partners in industry and government, is undertaking several projects to support local employment through resource and infrastructure projects.
- The recently announced re-commissioning of the Boddington Gold Mine is generating a rapid physical and social infrastructure need for Boddington and surrounding areas in order to support a 1,000-strong construction workforce and a permanent workforce of 650 as the mine seeks to achieve full production by 2008.
- Construction accounts for 9 per cent of the Peel regional economy and in the year to December 2005, the value of all building approvals totalled over \$409.6 million, a 2.6 per cent increase over the 12 months to December 2004. In that same period the Peel region accounted for 5.9 per cent of the total value of building approvals in Western Australia.
- Construction continues on the Southern Suburbs Railway with an additional \$3 million leveraged from a partnership comprising the Western Australian State Government, the Federal Government and Murdoch University for the installation of a fibre-optic telecommunications backbone linking the Perth Central Business District to the Mandurah City Centre. This infrastructure will provide additional broadband telecommunications capacity necessary for additional professional, creative and other technology and information-intensive business opportunities in the Peel region.
- Since the establishment of the Peel Community Broadband Broker project in 2004, the number of available Asymmetrical Digital Subscriber Line (ADSL) ports in the Peel region more than doubled (213 per cent) between October 2004 and September 2005, while ADSL connections by the Peel community (including businesses) has increased by 177 per cent over the same period.
- Tourism is a significant component of the Peel region economy. Of the 470,500 domestic visitors who stayed overnight in 2003 and 2004, 97 per cent were intrastate visitors while half of all overnight domestic visitors (both interstate and intrastate) stayed at the home of a friend or relative.
- While the total value of agricultural output in the Peel region grew by 14 per cent between 2002-03 and 2003-04, the region has become a significant location for the raising and disposal of livestock, growing by 40 per cent over the same period. In 2004-05, the Peel region also accounted for 13 per cent of the total value of Western Australia's hardwood production.
- In the year to June 2005, new business registrations in the Peel region totalled 1,075, a 12 per cent increase over the previous year, in contrast to a 1 per cent increase for Western Australia over the same period. Over the same period the number of total registered businesses in the region grew by 4.2 per cent to total 6,394 as at the end of June 2005. The provision of additional industrial land to accommodate the growth in the number of new businesses registrations remains the highest infrastructure priority in Peel. In this respect 2006-07 will see development commencing at stage one of Pinjarra Light Industrial Area.
- In 2005, there were a total of 1,039 apprenticeships and traineeships in the Peel region, a 26 per cent increase in total numbers over the previous year. The corresponding figure for Western Australia for the same period was 16 per cent.
- In 2005 the Peel Development Commission supported a drug and alcohol analysis of the Peel region, which found that mental health was an issue of most critical concern related to drug and alcohol use. Although it is recognised that mental illness is represented in all parts of the community, it identified a priority for mental health services focused on young and Indigenous people.

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>							
Facilitation and Coordination	2,556	2,951	3,406	1,888			
<i>Service 2:</i>							
Advice and Information	772	132	125	128			
Total Cost of Services	3,328	3,083	3,531	2,016	1,991	1,898	1,436
<i>Less Income</i>	<i>925</i>	<i>566</i>	<i>866</i>	<i>620</i>	<i>600</i>	<i>620</i>	<i>120</i>
Net Cost of Services	2,403	2,517	2,665	1,396	1,391	1,278	1,316
Adjustments ^(a)	(394)	(977)	(1,125)	125	133	106	87
Appropriation provided to deliver Services.	2,009	1,540	1,540	1,521	1,524	1,384	1,403
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	2,009	1,540	1,540	1,521	1,524	1,384	1,403

(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, Chairman and the Treasurer.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
To ensure that regional Western Australia is strong and vibrant.	Development and Promotion of the Peel Region.	1. Facilitation and Coordination 2. Advice and Information

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 and Promotion of the Peel Region.					
Client satisfaction with contribution to the region's economic base	88%	85%	88%	90%	

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

Service 1: Facilitation and Coordination

Facilitate and coordinate regional development 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	2,556	2,951	3,406	1,888	Completion of projects funded by grants.
Less Income	925	566	866	620	
Net Cost of Service	1,631	2,385	2,540	1,268	
Adjustments ^(a)	(394)	(977)	(1,125)	125	
Appropriation for delivery of Service	1,237	1,408	1,415	1,393	

(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 unit of service hour	\$147.53	\$216.00	\$216.00	\$123.00	As above.
Full Time Equivalents (FTEs)	11	11	11	11	

Major Achievements For 2005-06

- Supported the attraction of more than \$18 million in new business into the Peel region, generating over 300 jobs.
- Funded 26 projects valued at over \$3.8 million through the 2005-06 round of the Regional Development Scheme.
- Provided leadership to work with industry sectors such as mining and resources, building and construction to expand local content in major contracts, resulting in over \$9 million in contracts into local businesses.
- Provided primary leadership role in coordinating interagency responses to major mining expansions within the Peel region including Boddington Gold Mine and linking major industry with local capacity.
- Provided leadership role in the facilitation between the building and construction industry and education and training sector to construct a Wet Trades training facility in Mandurah resulting in an increase in the number of apprenticeship and pre-apprenticeship places available in the Peel region.
- Provided leadership to manage the community consultation and public comment process of the Mandurah Central Business District Revitalisation Strategy in partnership with Local Government, business and the community.
- Certified more than 21 regional skilled migration applications; supported more than 36 SIR visas, and attended to more than 112 enquiries.
- Completed the Peel Heritage Tourism Precinct Study in partnership with Curtin University of Technology.
- In partnership with key stakeholders, completed a feasibility study into the potential for an open range zoo at Boddington.
- Managed funding for the refurbishment of Pinjarra Court House.

- Managed funding to complete community infrastructure improvements in Hamel including the town hall, toilet facilities and children's playground.
- Continued coordinated strategy to promote Peel as a great place to visit, live and invest, through Peel Marketing Alliance, a partnership of all spheres of government and industry. Peel Marketing Alliance was a finalist in the 2005 Western Australian Tourism Awards.
- With partners, completed the Peel Community Broadband Aggregation project resulting in a 320 per cent increase in ADSL usage.
- Provided leadership and facilitated partnerships to support the implementation of the Peel Region Priorities 2005-06.
- With partners, continued to progress the development of suitably zoned Light Industrial Area (LIA) to meet immediate, medium and long-term demand in the Peel region (Nambelup LIA, Waroona LIA and Serpentine Jarrahdale LIA). Development of Stage One of Pinjarra LIA started in 2006.
- Completed planning for the Peel 2020 Sustainability Strategy - a partnership of leaders from industry, the Indigenous community, social, economic and environmental sectors and Local, State and Commonwealth Government coordinating long-term planning and an action plan.
- Continued to work with Local, State and Commonwealth Government partners on a collaborative approach to the completion of the New Perth-Bunbury Highway, with an emphasis on local content, employment and training in the construction phase.
- Provided the key leadership role in partnership with stakeholders to address skills shortages and employment opportunities for regional people. This resulted in the development and implementation of Regional Skills Action Plan, Integrated Region Workforce Strategy, Peel Showcase, Peel Skills Capability Register and other activities.
- Provided funding and other support for the development of the Peel and South West Fabricators' Cluster.
- Introduced the Peel Skills Capability Register to support and expand local content in major regional projects and attract new business to the region.
- Continued to manage the development of key infrastructure and other projects associated with the Peel Region Tourist Railway.
- Administered funding to deliver marketing initiatives that supported the Harvest Highway project.
- Commenced development of the 'Innovative Partnerships Project of the Wine Food and Tourism Regions of Western Australia' to promote tourism development and long-term economic growth within the nine wine and food regions of Western Australia.
- Continued to provide leadership in the development of regional heritage and tourism assets such as Jarrahdale Heritage Park, Fairbridge Village and the Forest Heritage Centre.
- Completed a comprehensive Indigenous Economic Development Strategy for Peel region.
- Continued to support the development of a Mandurah-Peel Business Incubator.
- Completed a feasibility study, which determined the business case for the development of the Peel Waterways Institute.
- Completed water-sensitive design policy and technical guidelines for Local Government, a component of the Water Quality Improvement Plan that will address nutrient reduction in the Peel-Harvey Estuary.
- Secured funding for a regional infrastructure study and progressed towards the final report in 2006.
- Participated in the review and restructure of key community arts organisations to support the development of a regional cultural development strategy.
- Assisted the Shire of Waroona to progress its town centre redevelopment, including underground power, with State Government funding of \$250,000.

Major Initiatives For 2006-07

- Continue to provide leadership role and work in partnership with appropriate agencies to complete the development of light Industrial land to meet the medium and long-term requirements of the Peel region.
- Provide leadership to support regional jobs and training, as well as contracts for regional businesses, in partnership with industry and infrastructure expansion proponents and others.
- Continue to work with partners to further strengthen and grow the region's small business sector and maximise opportunities for diversifying the region's economic base.
- Complete the business case for the development of the Peel Waterways Institute and support the development of a suitable governance model for management of Peel waterways and land.
- Support implementation of the Peel 2020 Sustainability Strategy.
- Continue implementing infrastructure priorities for the Peel Region Tourist Rail project, including Pinjarra Station.
- Implement the Peel Region Infrastructure Strategy.
- Lead the reestablishment of linkages between regional farmers and local consumers including cooperative processing efforts.
- Continue to work with local Indigenous communities on Natural Resource Management issues that will attract economic, social and cultural opportunities.
- Partner with the South West Development Commission and the Great Southern Development Commission to develop and implement the Southern Region Leadership Forum and skills workshops to local communities throughout the three regions.
- With partners, develop a Peel Region Affordable Housing Strategy.

Service 2: Advice and Information

Provide advice and information on regional development activities or matters

	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	772	132	125	128	
Less Income	-	-	-	-	
Net Cost of Service	772	132	125	128	
Adjustments ^(a)	-	-	-	-	
Appropriation for delivery of Service	772	132	125	128	

(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 unit of service hours	\$83.96	\$88	\$85	\$88	
Full Time Equivalent (FTEs)	2	2	2	2	

Major Achievements For 2005-06

- Worked with the Peel community, including the Indigenous community, to assist with the implementation of priority initiatives that improve employment opportunities, resulting in skills shortage initiatives and Indigenous employment opportunities, especially within the mining and resources sector.
- Continued to provide leadership in the region to increase export-readiness of Peel businesses and increase regional exports.
- In partnership with key stakeholders, provided a leadership role in the development of a strategy to improve participation of Indigenous people in government decision-making in Peel region and improve economic and community outcomes.
- Provided information and data to regional stakeholders to assist with regional planning.

Major Initiatives For 2006-07

- Continue to increase export-readiness of Peel businesses and increase regional exports.
- Strengthen relationships within Indigenous communities so that the participation of Indigenous people in government processes are improved to achieve greater economic and community outcomes.
- Support the establishment of the Peel Community Foundation.
- Provide quality information and data to regional stakeholders to assist with regional planning.

CAPITAL WORKS PROGRAM

Funding of \$181,000 has been allocated to support ongoing work associated with the Railway Heritage Centre.

The ongoing information and technology equipment replacement program will also continue in 2006-07 at a cost of \$40,000.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Railway Heritage Centre.....	2,413	2,173	470	181
COMPLETED WORKS				
Information and Technology Replacement 2005-06.....	40	40	40	-
Pinjarra to Boddington Railway Reconstruction.....	1,000	1,000	785	-
NEW WORKS				
Information and Technology Replacement 2006-07.....	40	-	-	40
	3,493	3,213	1,295	221

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	332	540	1,295	221	209	67	40
	332	540	1,295	221	209	67	40
LESS							
Drawdowns from the Holding Account	42	40	40	40	45	67	40
Funding Included in Service Appropriations ^(a)	-	-	-	181	164	-	-
Internal Funds and Balances	290	500	1,255	-	-	-	-
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)	1,115	714	714	643	650	660	680
Superannuation	122	77	77	71	72	79	79
Grants and subsidies ^(c)	1,317	750	750	500	500	500	-
Supplies and services	579	1,356	1,804	611	560	464	477
Accommodation	117	107	107	110	113	125	130
Capital user charge	18	30	30	20	30	2	2
Depreciation and amortisation	42	35	35	40	40	40	40
Other expenses	18	14	14	21	26	28	28
TOTAL COST OF SERVICES	3,328	3,083	3,531	2,016	1,991	1,898	1,436
Income							
User charges and fees	425	-	300	120	100	120	120
Grants and subsidies	500	566	566	500	500	500	-
Total Income	925	566	866	620	600	620	120
NET COST OF SERVICES	2,403	2,517	2,665	1,396	1,391	1,278	1,316
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,009	1,540	1,540	1,521	1,524	1,384	1,403
Liabilities assumed by the Treasurer	71	7	7	7	8	8	8
TOTAL INCOME FROM STATE GOVERNMENT	2,080	1,547	1,547	1,528	1,532	1,392	1,411
SURPLUS (DEFICIENCY) FOR THE PERIOD	(323)	(970)	(1,118)	132	141	114	95
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(323)	(970)	(1,118)	132	141	114	95

(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, 13 and 13 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	1,321	21	111	249	351	465	579
Restricted cash	-	5	-	-	-	-	-
Receivables	148	13	149	142	142	161	142
Amounts receivable for services.....	233	40	40	45	67	40	40
Prepayments.....	18	6	18	18	18	18	18
Total current assets	1,720	85	318	454	578	684	779
NON-CURRENT ASSETS							
Amounts receivable for services.....	-	146	146	153	131	131	131
Plant and equipment.....	77	87	79	81	85	120	120
Other.....	-	2	2	2	3	20	20
Total non-current assets	77	235	227	236	219	271	271
TOTAL ASSETS.....	1,797	320	545	690	797	955	1,050
CURRENT LIABILITIES							
Payables	42	18	25	25	23	23	23
Provision for employee entitlements	133	80	112	109	98	98	98
Accrued salaries	-	2	-	1	4	4	4
Other.....	108	9	9	9	9	9	9
Total current liabilities.....	283	109	146	144	134	134	134
NON-CURRENT LIABILITIES							
Provision for employee entitlements	46	33	49	64	80	80	80
Total non-current liabilities	46	33	49	64	80	80	80
TOTAL LIABILITIES.....	329	142	195	208	214	214	214
EQUITY							
Contributed equity	138	138	138	138	98	142	142
Accumulated surplus / (deficit)	1,330	40	212	344	485	599	694
Total equity.....	1,468	178	350	482	583	741	836
TOTAL LIABILITIES AND EQUITY	1,797	320	545	690	797	955	1,050

(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)	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
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriations	1,970	1,505	1,505	1,469	1,479	1,344	1,363
Holding account drawdowns	42	40	40	40	45	67	40
Net cash provided by State government	2,012	1,545	1,545	1,509	1,524	1,411	1,403
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,032)	(748)	(748)	(631)	(583)	(603)	(620)
Superannuation	(122)	(69)	(69)	(63)	(64)	(64)	(64)
Grants and subsidies	(1,317)	(750)	(750)	(500)	(500)	(500)	-
Supplies and services	(692)	(1,858)	(1,858)	(612)	(662)	(509)	(525)
Accommodation	(117)	(107)	(107)	(110)	(113)	(125)	(130)
Capital user charge.....	(18)	(30)	(30)	(20)	(30)	(2)	(2)
Goods and Services Tax	(136)	(161)	(161)	(74)	(76)	(66)	(66)
Other.....	(14)	(14)	(14)	(21)	(26)	(28)	(28)
Receipts							
User charges and fees.....	356	-	300	120	100	120	120
Grants and subsidies	500	566	566	500	500	500	-
Goods and Services Tax	136	156	156	80	77	66	66
Net cash from operating activities	(2,456)	(3,015)	(2,715)	(1,331)	(1,377)	(1,211)	(1,249)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(77)	(40)	(40)	(40)	(45)	(67)	(40)
Net cash from investing activities	(77)	(40)	(40)	(40)	(45)	(67)	(40)
CASH FLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(521)	(1,510)	(1,210)	138	102	133	114
Cash assets at the beginning of the reporting period	1,842	1,536	1,321	111	249	351	465
Cash assets at the end of the reporting period.....	1,321	26	111	249	351	465	579

(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
Fairbridge Music Program	163	-	-	-	-	-	-
Shire of Waroona -							
Town Centre Revitalisation	200	250	250	-	-	-	-
Pinjarra Court House	200	-	-	-	-	-	-
Hamel Enhancement Scheme	100	-	-	-	-	-	-
South West Region Tourism Strategy	50	-	-	-	-	-	-
Regional Development Scheme.....	449	500	500	500	500	500	-
Peel Community Development Group	10	-	-	-	-	-	-
Jarrahdale Heritage Park	28	-	-	-	-	-	-
Shire of Boddington - Zoo Feasibility	22	-	-	-	-	-	-
City of Mandurah - Foreshore Focus 2020	17	-	-	-	-	-	-
Preston Beach Community Facilities	11	-	-	-	-	-	-
Pinjarra Race Track - Upgrade	15	-	-	-	-	-	-
Minor Grants	52	-	-	-	-	-	-
TOTAL.....	1,317	750	750	500	500	500	-

SOUTH WEST DEVELOPMENT COMMISSION

PART 18 - MINISTER FOR SMALL BUSINESS; PEEL AND THE SOUTH WEST; MINISTER ASSISTING THE MINISTER FOR EDUCATION AND TRAINING

DIVISION 70

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 122 Net amount appropriated to deliver services.....	7,166	4,226	4,226	6,177	4,813	4,038	4,106
Total appropriations provided to deliver services.....	7,166	4,226	4,226	6,177	4,813	4,038	4,106
CAPITAL							
Item 183 Capital Contribution	818	791	850	876	905	936	967
GRAND TOTAL	7,984	5,017	5,076	7,053	5,718	4,974	5,073

MISSION

To develop the region's economy and enhance those qualities, which make the South West the best place in which to live, work and invest.

SIGNIFICANT ISSUES AND TRENDS

- The South West continues to be one of Western Australia's growth regions, with Bunbury as a vibrant regional capital.
- The region's gross regional product in 2004-05 was estimated at \$6.8 billion, having increased at an average of 7.9 per cent per annum over the last five years.
- The population of the South West continues to grow as people seek new lifestyles and pursue opportunities within the region. Growth continues to exceed medium range forecasts placing pressure on existing infrastructure.
- The skills shortage within the region will drive increased collaboration between training providers, industry, the South West Development Commission and the Department of Education and Training.
- There is an emerging trend of creative and knowledge-based industries in the region providing greater diversity of jobs.
- There will be continued pressure for industrial land both for light and general industry purposes at strategic locations within the region.
- The price of residential land will create a greater need for affordable housing strategies.
- An ageing demographic particularly in smaller towns will increase demand for aged care services.

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 I:</i>							
Regional Development	5,571	7,164	7,645	9,004			
Total Cost of Services	5,571	7,164	7,645	9,004	5,712	4,919	4,196
<i>Less Income</i>	<i>1,547</i>	<i>1,053</i>	<i>907</i>	<i>792</i>	<i>782</i>	<i>775</i>	<i>115</i>
Net Cost of Services	4,024	6,111	6,738	8,212	4,930	4,144	4,081
Adjustments ^(a)	3,142	(1,885)	(2,512)	(2,035)	(117)	(106)	25
Appropriation provided to deliver Services.	7,166	4,226	4,226	6,177	4,813	4,038	4,106
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	818	791	850	876	905	936	967
TOTAL CONSOLIDATED FUND APPROPRIATIONS.....	7,984	5,017	5,076	7,053	5,718	4,974	5,073

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

(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, Chairman and the Treasurer.

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

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

Government Goal	Desired Outcome	Service
To ensure that regional Western Australia is strong and vibrant.	An environment which is conducive to the balanced economic development of the South West Region.	1. Regional Development

Outcomes and Key Effectiveness Indicators ^(a)

	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 which is conducive to the balanced economic development of the South West Region.					
Customer satisfaction survey	71%	75%	75%	76%	

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

Service 1: Regional Development

To provide a regional development service which contributes to sustainable development within the South West through the provision of information, advice and support together with marketing and promotion of the region.

	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	5,571	7,164	7,645	9,004	2006-07 contains additional grant funding
Less Income	1,547	1,053	907	792	
Net Cost of Service	4,024	6,111	6,738	8,212	
Adjustments ^(a)	3,142	(1,885)	(2,512)	(2,035)	
Appropriation for delivery of Service	7,166	4,226	4,226	6,177	

(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 service ^(a)	148	142	168	154	
Full Time Equivalents (FTEs)	22	22	23	24	

(a) Average cost per hour of service is calculated excluding grants and capital works.

Major Achievements For 2005-06**Investing in People**

- Commenced pilot program for the introduction of community learning centres in the region.
- Conducted the Southern Region Leadership Forum and skills workshops. Introduced an awards program, established a skills consortium and initiated a State leadership framework for community leadership support and development.
- Developed the South West Community Foundation Model and established an interim advisory board.
- Conducted an agency-shire forum at Busselton to review growth and service requirements for the Shire of Busselton.
- Facilitated completion of the regional electronic library.
- Administered the 2005-06 Regional Development Scheme and the 2006 South West Events Program.
- Commenced the South West Futures Program, including preparation for a national conference in the region early in 2007.
- Contributed financially to the heating of the Collie swimming pool.
- Contributed financially to build a community library in Binningup.
- Contributed financially to improve facilities at South Bunbury Primary School.
- Facilitated public consultation and planning for the development of Lake Kepwari at Collie, including final risk analysis and design documentation for the future of the lake.

Investing in Infrastructure and Place

- Undertook briefings with consortium proponents to maximise local content from construction of the Peel Deviation.
- Facilitated further development of the South West Waste Management Group.
- Commenced the development of a South West Water Plan.
- Facilitated the aggregation of broadband demand leading to increased rollout in 34 towns within the region.
- Commenced planning for Stage Four of the Preston Enterprise Park.
- Established a steering committee, developed a framework and sourced \$400,000 for the Leschenault Inlet siltation project.
- Assisted urban renewal programs for Walpole, Yarloop, Pemberton, Brunswick Junction and Bunbury.
- Assisted the redevelopment of major components of Bunbury's Back Beach.
- Assisted in the development of a management plan for the Big Swamp in Bunbury.
- Provided funding and technical support to the study 'expansion of rail export container services from the South West of Western Australia to Fremantle Inner Harbour'.
- Provided funding and technical support to the study 'evaluation of transport, handling and storage of fuel, crude oil and lubricants in the southern half of Western Australia'.
- Completed preliminary planning and negotiations for the proposed Yarloop Community Centre.
- Provided funding for the development of a townscape strategy for Margaret River to capture the unique distinctiveness of Margaret River as a tourism icon.
- Constructed the Tuart Walk between Usher and Dalyellup.

Investing in Knowledge, Enterprise and Innovation

- Supported the establishment of the Peel and South West Fabricators' Group to assist participation of local business in major projects.
- Undertook preliminary market research on user interest for a South West industrial research facility and provided funding for the preparation of a business case for the proposal.
- Developed a business case, formed partnerships, provided funding and secured sponsors to establish a five year dolphin research program in Bunbury.
- Undertook a review of the Scott River Plain Management Plan.
- Developed a Kemerton Industrial Park website as part of the Park's marketing strategy.
- Initiated and provided funding for a themed wine tourism trail in partnership with Australia's South West and other stakeholders.
- Delivered the new export development program in partnership with Austrade.
- Assisted 135 migrant applications to fill skill requirements within the region.
- Established a coordinating committee for the South West Focus conference to be held in November 2006.
- Facilitated opportunities for South West Indigenous art at overseas and local exhibitions, including Manila, USA (Atlanta Décor Expo), the Philippines and Europe.
- Provided funding for a consultant to promote the region's capacity to host conventions.

Major Initiatives For 2006-07

Investing in People

- Implement the South West Community Foundation Model.
- Administer the 2006-07 Regional Development Scheme and the 2007 South West Events Program.
- Deliver the South West Futures Conference in February 2007 and establish a South West Futures Council.
- Provide \$250,000 for further redevelopment of the Collie swimming pool.
- Open Lake Kepwari at Collie for public recreational activity.
- In partnership with the Office for Children and Youth, establish a youth coordinator in the region.
- Assess pilot program for online community learning centres based at telecentres and learning centres within the region.
- Continue planning for a regional housing strategy with the Department of Housing and Works.
- Initiate a review of the region's capacity to provide aged care units.

Investing in Infrastructure and Place

- Assist in the development of the South West Water Plan.
- Support the City of Bunbury to achieve the directions established through the City Vision process, including active promotion of Bunbury as an area for growth and development.
- Progress planning for an industrial estate at Collie.
- Undertake structure planning for the Commission's Picton land holdings in partnership with LandCorp.
- Support a review of fish stocks and recreational fishing within the Leschenault Estuary.
- Progress townscape development in Yarloop.
- Support the City of Bunbury in completing the final stage of the Bunbury Back Beach Coastal Enhancement project.
- Assist implementation of the Big Swamp management plan.
- Commence redevelopment of the Yarloop Community Centre.
- Install interpretive material and facilities for the Tuart Walk linking Usher with Dalyellup.
- Commence engineering design for the Preston sewerage extension.
- Continue to support Local Governments in developing their light industrial land.

Investing in Knowledge, Enterprise and Innovation

- Assist with the implementation of the dolphin research program at the Dolphin Discovery Centre in Bunbury.
- Continue to assist the diversification of horticulture through the New Futures program with a particular focus on green tea and seed potatoes.
- Implement the wine tourism trail with Australia's South West.
- Continue to deliver the new export development program in partnership with Austrade.
- Continue the role of regional certifying body for the attraction of suitably qualified skilled migrants to the South West.
- Finalise a business and industry relocation strategy for the South West, targeting metropolitan-based businesses and industries, and commence implementation.

- Convene the 2006 South West Focus conference.
- Implement Stage Four of the South West Indigenous Arts Strategy.
- Assist in construction of a Working Life tourism information hub.

CAPITAL WORKS PROGRAM

There are two major capital works projects for 2006-07 with expenditure of:

- \$2.0 million in 2006-07 for continued work on the Bunbury Back Beach Coastal Enhancement Project which is due to be completed by 2007-08; and
- \$1.9 million for the provision of sewerage infrastructure to service the Glen Iris and Picton East catchments which will enable further land and industry development in this area.

The Commission will also continue its asset replacement program in 2006-07.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-06 \$'000	Estimated Expenditure 2005-06 \$'000	Estimated Expenditure 2006-07 \$'000
WORKS IN PROGRESS				
Other Works				
Bunbury Back Beach Coastal Enhancement	7,933	5,333	1,100	2,000
Picton Industrial Park Sewerage	2,000	100	100	1,900
COMPLETED WORKS				
Asset Replacement				
2005-06 Program	50	50	50	-
Other Works				
Capping of Koombana Bay Groyne	30	30	30	-
Pioneer Park Cemetery Memorial	100	100	100	-
Restoration of Collie River and Boardwalk	215	215	202	-
Turkey Point Infrastructure.....	70	70	70	-
Western Five Lake Project.....	500	500	500	-
NEW WORKS				
Asset Replacement				
2006-07 Program	50	-	-	50
	10,948	6,398	2,152	3,950

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	4,378	2,650	2,152	3,950	650	50	50
Working capital requirement							
Loan and Other Repayments	818	791	850	876	905	936	967
	5,196	3,441	3,002	4,826	1,555	986	1,017
LESS							
Drawdowns from the Holding Account	30	30	30	30	30	30	30
Funding Included in Service Appropriations ^(a)	2,878	500	500	2,000	600	-	-
Internal Funds and Balances	1,470	2,120	1,622	1,920	20	20	20
Capital Contribution	818	791	850	876	905	936	967

(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)	1,451	1,466	1,466	1,510	1,556	1,588	1,702
Superannuation	184	194	230	230	233	235	225
Cost of goods sold.....	176	-	-	-	-	-	-
Grants and subsidies ^(c)	1,773	2,310	3,282	3,042	1,553	710	100
Supplies and services	829	1,679	1,271	3,007	1,275	1,341	1,157
Accommodation.....	297	372	367	352	352	357	399
Finance costs	581	778	535	357	298	265	212
Depreciation and amortisation.....	103	100	100	145	207	207	228
State taxes	1	-	-	-	-	-	-
Loss on disposal of non-current assets	69	-	129	113	-	-	-
Doubtful debts.....	3	-	-	-	-	-	-
Other expenses	104	265	265	248	238	216	173
TOTAL COST OF SERVICES	5,571	7,164	7,645	9,004	5,712	4,919	4,196
Income							
User charges and fees.....	682	-	-	-	-	-	-
Gain on disposal of non-current assets	-	246	-	-	-	-	-
Grants and subsidies	745	750	850	750	750	750	100
Interest revenue.....	6	-	-	-	-	-	-
Rent	47	40	40	25	15	15	5
Other revenue.....	67	17	17	17	17	10	10
Total Income	1,547	1,053	907	792	782	775	115
NET COST OF SERVICES	4,024	6,111	6,738	8,212	4,930	4,144	4,081
INCOME FROM STATE GOVERNMENT							
Service appropriations	7,166	4,226	4,226	6,177	4,813	4,038	4,106
Resources received free of charge	1	-	-	-	-	-	-
Liabilities assumed by the Treasurer	53	-	55	55	55	60	65
TOTAL INCOME FROM STATE GOVERNMENT	7,220	4,226	4,281	6,232	4,868	4,098	4,171
SURPLUS (DEFICIENCY) FOR THE PERIOD	3,196	(1,885)	(2,457)	(1,980)	(62)	(46)	90
Extraordinary items.....	172	-	-	-	-	-	-
CHANGE IN SURPLUS (DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	3,368	(1,885)	(2,457)	(1,980)	(62)	(46)	90

(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, 23 and 24 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	1,288	320	713	417	392	341	244
Restricted cash	2,754	433	1,555	449	445	445	445
Receivables	12	102	13	17	21	21	21
Inventories	356	531	356	-	-	-	-
Amounts receivable for services	30	30	30	30	30	30	30
Prepayments	10	10	10	10	10	10	10
Total current assets	4,450	1,426	2,677	923	898	847	750
NON-CURRENT ASSETS							
Amounts receivable for services	314	397	397	512	689	866	1,064
Land and buildings	4,884	3,787	4,239	3,636	3,605	3,574	3,543
Plant and equipment	145	226	158	218	257	187	116
Electricity generation and transmission	1,335	-	1,304	1,238	1,172	1,106	1,040
Inventories	1,257	1,257	1,257	1,257	1,257	1,257	1,257
Other	80	1,357	74	64	54	44	34
Total non-current assets	8,015	7,024	7,429	6,925	7,034	7,034	7,054
TOTAL ASSETS	12,465	8,450	10,106	7,848	7,932	7,881	7,804
CURRENT LIABILITIES							
Superannuation	1	2	2	2	2	2	2
Payables	24	155	83	83	113	113	113
Provision for employee entitlements	341	220	342	342	342	342	342
Borrowings	846	872	873	876	908	940	941
Interest payable	138	127	113	82	65	60	47
Accrued salaries	18	-	18	18	21	21	21
Other	1,619	5,248	1,620	1,343	1,443	1,443	1,289
Total current liabilities	2,987	6,624	3,051	2,746	2,894	2,921	2,755
NON-CURRENT LIABILITIES							
Provision for employee entitlements	116	199	128	128	128	128	128
Borrowings	6,781	5,991	5,904	5,025	4,088	3,120	2,152
Other	-	6	3	3	3	3	3
Total non-current liabilities	6,897	6,196	6,035	5,156	4,219	3,251	2,283
TOTAL LIABILITIES	9,884	12,820	9,086	7,902	7,113	6,172	5,038
EQUITY							
Contributed equity	3,757	4,985	4,653	5,559	6,494	7,430	8,397
Accumulated surplus/(deficit)	(4,445)	(11,407)	(6,902)	(8,882)	(8,944)	(8,990)	(8,900)
Reserves	3,269	2,052	3,269	3,269	3,269	3,269	3,269
Total equity	2,581	(4,370)	1,020	(54)	819	1,709	2,766
TOTAL LIABILITIES AND EQUITY	12,465	8,450	10,106	7,848	7,932	7,881	7,804

(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	7,053	4,113	4,113	6,032	4,606	3,831	3,878
Capital contribution	818	791	850	876	905	936	967
Holding account drawdowns	30	30	30	30	30	30	30
Net cash provided by State government	7,901	4,934	4,993	6,938	5,541	4,797	4,875
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,374)	(1,465)	(1,465)	(1,509)	(1,555)	(1,587)	(1,690)
Superannuation	(130)	(174)	(174)	(174)	(177)	(177)	(160)
Grants and subsidies	(5,385)	(2,310)	(3,282)	(3,042)	(1,553)	(710)	(100)
Supplies and services	(820)	(1,639)	(1,227)	(3,046)	(1,281)	(1,343)	(1,234)
Accommodation.....	(283)	(387)	(362)	(347)	(347)	(352)	(399)
Finance costs.....	(621)	(798)	(560)	(388)	(315)	(270)	(225)
State taxes	(1)	-	-	-	-	-	-
Goods and services tax	(652)	(120)	(120)	(424)	(221)	(230)	(170)
Other.....	(136)	(207)	(207)	(203)	(172)	(203)	(262)
Receipts							
User charges and fees.....	682	500	500	500	-	-	-
Grants and subsidies	763	750	850	750	750	750	100
Interest received.....	6	-	-	-	-	-	-
Rent receipts.....	53	40	40	25	15	15	5
Goods and services tax	688	120	120	424	221	230	170
Other receipts	106	20	20	20	20	15	10
Net cash from operating activities.....	(7,104)	(5,670)	(5,867)	(7,414)	(4,615)	(3,862)	(3,955)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(187)	(50)	(50)	(50)	(50)	(50)	(50)
Proceeds from sale of non-current assets	597	-	-	-	-	-	-
Net cash from investing activities.....	410	(50)	(50)	(50)	(50)	(50)	(50)
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(818)	(791)	(850)	(876)	(905)	(936)	(967)
Net cash from financing activities	(818)	(791)	(850)	(876)	(905)	(936)	(967)
NET INCREASE/(DECREASE) IN CASH HELD	389	(1,577)	(1,774)	(1,402)	(29)	(51)	(97)
Cash assets at the beginning of the reporting period	3,653	2,330	4,042	2,268	866	837	786
Cash assets at the end of the reporting period.....	4,042	753	2,268	866	837	786	689

(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
Bunbury Back Beach Coastal Enhancement ^(a)	-	1,100	1,100	2,000	600	-	-
Regional Development Scheme.....	400	500	500	500	500	500	-
South West Initiatives.....	400	-	-	-	-	-	-
Western Five Lake Development	-	500	500	-	-	-	-
JLV Relocation	-	-	500	-	-	-	-
Capital Grants - Bunbury Region	-	-	200	-	-	-	-
Capital Grants - Collie Region	13	-	202	-	-	-	-
Other Payments.....	960	210	280	210	210	210	100
Information Technology in the South West	-	-	-	82	243	-	-
Collie Swimming Pool.....	-	-	-	250	-	-	-
TOTAL.....	1,773	2,310	3,282	3,042	1,553	710	100

(a) Expenditure on this project was treated differently in the Commission's 2004-05 Annual Report.

AGENCY INDEX

	Vol	Page		Vol	Page
Agriculture and Food.....	1	259	Midland Redevelopment Authority	2	727
Agriculture Protection Board of Western Australia.....	1	295	Mid West Development Commission	1	313
Albany Port Authority	2	729	National Trust of Australia (WA).....	2	631
Armadale Redevelopment Authority.....	2	725	Office of Energy	3	903
Attorney General	2	451	Office of Native Title	1	211
Botanic Gardens and Parks Authority	2	834	Office of Shared Services	1	139
Broome Port Authority	2	730	Office of the Auditor General.....	1	219
Bunbury Port Authority	2	731	Office of the Director of Public Prosecutions	2	511
Bunbury Water Board	1	418	Office of the Information Commissioner.....	2	522
Busselton Water Board.....	1	419	Office of the Inspector of Custodial Services.....	3	1049
Commissioner for Equal Opportunity	2	476	Office of the Public Sector Standards Commissioner	1	157
Community Development	3	1143	Parliament.....	1	45
Conservation and Land Management.....	2	813	Parliamentary Commissioner for Administrative Investigations	1	65
Consumer and Employment Protection.....	3	931	Parliamentary Inspector of the Corruption and Crime Commission.....	2	498
Corrective Services.....	3	1033	Peel Development Commission.....	3	1181
Corruption and Crime Commission.....	2	487	Perth Market Authority	1	304
Country High School Hostels Authority	1	363	Pilbara Development Commission	3	1102
Country Housing Authority	2	622	Planning and Infrastructure.....	2	655
Culture and the Arts	2	788	Police Service	3	989
Curriculum Council.....	1	371	Port Hedland Port Authority.....	2	738
Dampier Port Authority	2	732	Premier and Cabinet	1	77
Disability Services Commission.....	3	1123	Public Transport Authority	2	708
East Perth Redevelopment Authority	2	726	Racing and Wagering Western Australia.....	2	897
Eastern Goldfields Transport Board.....	2	741	Racing, Gaming and Liquor	2	886
Economic Regulation Authority.....	1	232	Registrar, Western Australian Industrial Relations Commission	3	954
Education and Training	1	341	Rottneest Island Authority.....	2	787
Education Services	1	384	Rural Business Development Corporation ...	1	305
Environment.....	2	845	Salaries and Allowances Tribunal	1	168
Esperance Port Authority	2	733	Small Business Development Corporation ...	3	1173
Fire and Emergency Services Authority of Western Australia	3	1019	South West Development Commission	3	1193
Fisheries	3	1076	Sport and Recreation	1	420
Forest Products Commission.....	1	312	State Housing Commission	2	616
Fremantle Port Authority.....	2	734	State Supply Commission.....	1	244
Gascoyne Development Commission.....	3	1113	Subiaco Redevelopment Authority.....	2	728
Geraldton Port Authority.....	2	737	Swan River Trust.....	2	863
Gold Corporation.....	1	254	Synergy.....	3	925
Goldfields-Esperance Development Commission	3	964	Treasury and Finance.....	1	179
Government Employees' Housing Authority .	2	621	Verve Energy.....	3	926
Governor's Establishment.....	1	149	Water and Rivers Commission	1	399
Great Southern Development Commission ...	3	975	Water Corporation	1	416
Health	2	530	Western Australian Electoral Commission....	2	593
Heritage Council of Western Australia	2	623	Western Australian Greyhound Racing Authority	2	898
Horizon Power.....	3	923	Western Australian Land Authority.....	2	739
Housing and Works	2	603	Western Australian Meat Industry Authority..	1	303
Independent Market Operator.....	3	921	Western Australian Planning Commission ...	2	742
Indigenous Affairs.....	2	759	Western Australian Sports Centre Trust	1	439
Industry and Resources	1	109	Western Australian Tourism Commission.....	2	771
Insurance Commission of Western Australia..	1	255	Western Australian Treasury Corporation....	1	243
Kimberley Development Commission	3	1092	Western Power Corporation	3	922
Land Information.....	2	640	Western Power Networks	3	927
Law Reform Commission of Western Australia.....	2	504	Wheatbelt Development Commission	1	329
Local Government and Regional Development.....	3	1059	Zoological Parks Authority	2	875
Lotteries Commission.....	1	256			
Main Roads	2	684			
Metropolitan Cemeteries Board	3	1075			

AGENCY INDEX - *continued*

AGENCIES WITH ADMINISTERED APPROPRIATIONS

	Vol	Page
Agriculture and Food	1	259
Education Services	1	384
Fire and Emergency Services Authority of Western Australia	3	1019
Housing and Works	2	603
Industry and Resources	1	109
Local Government and Regional Development	3	1059
Office of Energy	3	903
Planning and Infrastructure	2	655
Premier and Cabinet	1	77
Racing, Gaming and Liquor	2	886
Treasury and Finance	1	179
Water and Rivers Commission	1	399