



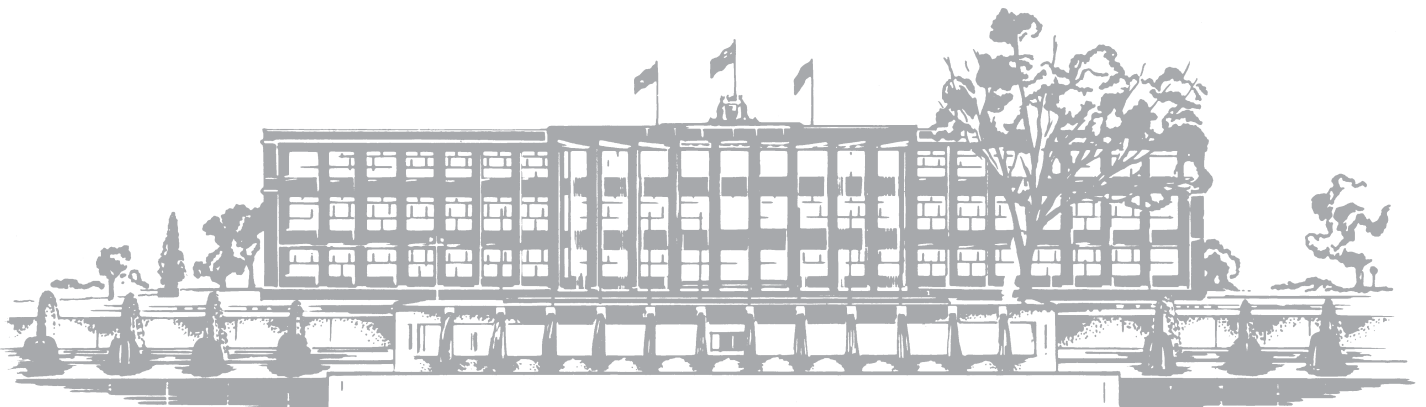
# 2007-08 BUDGET

## BUDGET STATEMENTS

**Budget Paper No.2**

**Volume 1**

**PRESENTED TO THE LEGISLATIVE ASSEMBLY  
ON 10 MAY 2007**



2007–08 Budget Statements

**(Budget Paper No. 2 Volume 1)**

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# BUDGET 2007-08

## BUDGET STATEMENTS

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# **CHAPTER 1**

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## **CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES**

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


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Vol	Division	Item	Details
<b>PART 1 - PARLIAMENT</b>			
V1	1		Parliament
			– Legislative Council
		1	– Net amount appropriated to deliver service .....
		119	– Capital Contribution .....
			– Salaries and Allowances Act 1975.....
			– Legislative Assembly
		2	– Net amount appropriated to deliver services.....
			– Salaries and Allowances Act 1975.....
			– Parliamentary Services
		3	– Net amount appropriated to deliver services.....
		120	– Capital Contribution .....
			Total .....
V1	2		Parliamentary Commissioner for Administrative Investigations
		4	– Net amount appropriated to deliver services .....
			– Parliamentary Commissioner Act 1971 .....
			Total .....
<b>TOTAL - PART 1.....</b>			
<b>PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT</b>			
V1	3		Premier and Cabinet
		5	– Net amount appropriated to deliver services .....
		121	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	4		Governor's Establishment
		6	– Net amount appropriated to deliver services .....
			– Governor's Establishment Act 1992 .....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	5		Office of the Public Sector Standards Commissioner
		7	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	6		Salaries and Allowances Tribunal
		8	– Net amount appropriated to deliver services .....
			Total .....
<b>TOTAL - PART 2.....</b>			



2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
2,658	3,062	3,067	3,446	3,492	3,568	3,659
-	-	-	1,000	-	-	-
6,491	7,199	7,614	7,824	8,041	8,268	8,504
3,331	3,610	3,756	4,324	4,393	4,501	4,612
11,498	11,843	12,223	12,578	12,944	13,321	13,709
10,730	11,051	11,154	11,438	11,656	11,974	12,296
-	3,040	3,040	500	500	500	-
34,708	39,805	40,854	41,110	41,026	42,132	42,780
2,446	2,489	2,536	2,933	2,917	2,962	2,922
397	389	407	407	413	413	425
2,843	2,878	2,943	3,340	3,330	3,375	3,347
<b>37,551</b>	<b>42,683</b>	<b>43,797</b>	<b>44,450</b>	<b>44,356</b>	<b>45,507</b>	<b>46,127</b>
94,329	108,947	116,223	114,958	114,807	121,507	112,141
500	2,855	2,200	655	-	-	-
646	553	803	560	567	584	584
95,475	112,355	119,226	116,173	115,374	122,091	112,725
1,126	1,136	1,158	1,178	1,194	1,210	1,233
1,237	1,240	1,412	1,523	1,568	1,612	1,654
226	192	334	351	361	371	381
2,589	2,568	2,904	3,052	3,123	3,193	3,268
3,500	3,786	3,842	3,988	4,036	4,107	4,222
34	-	-	-	-	-	-
288	297	335	335	345	345	355
3,822	4,083	4,177	4,323	4,381	4,452	4,577
480	325	325	488	499	527	541
480	325	325	488	499	527	541
<b>102,366</b>	<b>119,331</b>	<b>126,632</b>	<b>124,036</b>	<b>123,377</b>	<b>130,263</b>	<b>121,111</b>

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

Vol	Division	Item	Details
			<b>PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT</b>
VI	7		Treasury and Finance
		9	– Net amount appropriated to deliver services .....
		10	– Electricity Retail Corporation (Synergy).....
		11	– Forest Products Commission.....
		12	– Regional Power Corporation (Horizon Power) .....
		13	– Water Corporation of Western Australia.....
		14	– Western Australian Land Authority .....
		15	– Aerial Shark Surveillance Program .....
		16	– Armadale Redevelopment Authority .....
		17	– Broome Port Authority .....
		18	– Department for Child Protection .....
		19	– Department for Communities .....
		20	– Electricity Generation Corporation (Verve Energy) – Part Reimbursement of Land Sales .....
		21	– First Home Owners' Assistance.....
		22	– Goods and Services Tax (GST) Administration Costs .....
		23	– HIH Insurance – Assistance to Local Government .....
		24	– HIH Insurance Rescue Package.....
		25	– Office of Health Review .....
		26	– Pensioners Concessions – Emergency Services Levy .....
		27	– Pensioners Concessions – Local Government and Water Rates .....
		28	– Provision for Unfunded Liabilities in the Government Insurance Fund.....
		29	– Refund of Past Years Revenue Collections – Public Corporations .....
		30	– Refund of Past Years Revenue Collections – All Other .....
		31	– Rottneest Island Authority .....
		32	– State Property – Emergency Services Levy.....
		33	– Water Corporation of Western Australia – State Water Strategy Rebate Scheme.....
		34	– Water Corporation of Western Australia – Part Reimbursement of Land Sales.....
		35	– Western Australian Building Management Authority – Interest .....
		36	– Wine Equalisation Tax Rebate .....
		37	– All Other Grants, Subsidies and Transfer Payments .....
			<i>Comprising:</i>
			– Acts of Grace .....
			– ANZAC Day Trust.....
			– Consumer Utilities Program (WACOSS).....
			– Life Support Equipment Electricity Subsidy Scheme .....
			– Incidentals.....
			– Interest on Public Moneys held in Participating Trust Fund Accounts .....
			– On-Road Diesel Subsidies .....
			– Public Swimming Pools – Operating Costs Subsidy.....
			– Rebates to Community Banks.....
			– Stamp Duty Concessions on Farming Properties .....
			– Stamp Duty Rebate Scheme.....
			– Thermoregulatory Dysfunction Energy Subsidy Scheme .....
		122	– Capital Contribution.....
		123	– Albany Port Authority .....
		124	– Armadale Redevelopment Authority .....
		125	– Department for Child Protection .....
		126	– Department for Communities .....
		127	– Department of Health .....
		128	– Electricity Networks Corporation (Western Power (Networks)).....
		129	– Forest Products Commission.....

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
83,792	112,371	116,644	108,059	92,151	93,456	93,812
9,167	38,007	38,007	31,504	37,674	40,352	42,590
1,070	2,370	2,370	2,370	2,370	2,370	2,370
3,205	16,184	15,400	23,900	28,900	30,600	31,700
339,821	367,647	367,837	385,110	387,325	400,859	401,391
25,420	21,540	35,532	33,982	19,150	26,407	26,427
127	170	170	177	185	194	204
1,470	2,750	2,750	1,200	1,200	1,250	1,250
1,651	1,335	1,293	420	405	405	405
-	-	-	7,550	15,300	14,200	28,300
-	-	-	1,150	570	590	610
-	-	-	158	-	-	-
123,056	129,100	105,000	114,500	116,000	118,000	120,000
60,105	63,000	63,100	65,300	66,500	65,800	66,800
3,700	300	200	100	-	-	-
16	600	433	433	433	433	433
1,390	1,254	1,430	1,437	1,478	1,520	1,561
6,745	9,455	9,455	10,114	10,809	11,100	11,400
45,187	52,000	52,000	55,640	59,430	63,350	67,151
4,061	4,761	1,472	2,274	2,527	2,692	2,798
10,914	500	500	500	500	500	500
19,160	18,675	35,000	34,000	32,000	33,000	34,000
-	2,200	2,200	2,200	2,200	2,200	2,200
8,866	9,000	9,000	9,000	9,000	9,000	9,000
11,940	9,000	9,000	9,000	9,000	-	-
1,061	716	716	700	800	900	1,000
5,633	4,700	4,700	4,000	3,300	2,900	2,500
-	4,400	-	7,000	2,700	2,800	2,900
12,879	13,285	19,558	15,482	14,576	14,516	15,002
1	1	1	1	1	1	1
300	300	300	300	300	300	300
-	170	170	170	170	-	-
581	550	550	560	-	-	-
1	1	1	1	1	1	1
2,271	1,970	3,232	4,500	4,084	4,084	4,460
7,790	8,200	8,700	8,900	9,120	9,330	9,440
273	300	300	300	300	300	300
-	8	-	-	-	-	-
326	300	300	250	100	-	-
1,336	1,000	5,664	-	-	-	-
-	485	340	500	500	500	500
44,689	13,716	32,486	17,741	15,457	1,000	500
-	-	-	3,785	-	-	-
3,000	10,600	10,600	2,000	2,000	2,000	2,000
-	-	-	200	-	-	-
-	-	-	200	-	-	-
52,102	178,509	61,743	140,846	222,566	382,566	333,803
6,000	6,000	6,000	6,000	6,000	-	-
1,270	2,291	2,200	2,200	2,200	2,200	2,200

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

Vol	Division	Item	Details
			PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT (continued)
		130	– Fremantle Port Authority .....
		131	– Midland Redevelopment Authority .....
		132	– Regional Power Corporation (Horizon Power) .....
		133	– Rottnest Island Authority .....
		134	– Housing Authority.....
		135	– Western Australian Building Management Authority .....
		136	– Western Australian Coastal Shipping Commission.....
		137	– Western Australian Land Authority .....
		138	– Fiona Stanley Hospital Construction Account .....
		139	– Perry Lakes Trust Account.....
			– Salaries and Allowances Act 1975 .....
			– Electricity Corporation.....
			– Electricity Networks Corporation (Western Power (Networks)).....
			– Albany Port Authority.....
			– City of Subiaco.....
			– Housing Loan Guarantee Act – Losses on Indemnities.....
			– Search for HMAS Sydney (II).....
			– Gold Corporation Act 1987.....
			– Judges’ Salaries and Pensions Act 1950.....
			– Parliamentary Superannuation Act 1970.....
			– Salaries Provision – Special Division and Prescribed Office Holders.....
			– State Superannuation Act 2000 .....
			– Tobacco Control Act 1990 .....
			– Unclaimed Money Act 1990 .....
			– Unclaimed Money (Superannuation and RSA Providers) Act 2003 .....
			– Western Australian Treasury Corporation Act 1986 – Interest .....
			– Broome Port Authority.....
			– Water Corporation.....
			– Western Australian Meat Industry Authority .....
			– Loans (Co-operative Companies) Act 2004 .....
			– Western Australian Treasury Corporation Act 1986 - Capital Repayments .....
			Total .....
V1	8		Office of Native Title
		38	– Net amount appropriated to deliver services .....
			Total .....
V1	9		Office of the Auditor General
		39	– Net amount appropriated to deliver services .....
		140	– Capital Contribution.....
			– Financial Administration and Audit Act 1985.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	10		Economic Regulation Authority
		40	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....
V1	11		State Supply Commission
		41	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			Total .....

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
1,528	214	215	5,214	212	211	210
3,440	16,448	16,448	6,216	-	-	-
1,290	10,950	5,500	9,800	650	-	-
15,244	6,456	6,839	1,689	22	22	-
15,000	15,000	15,000	64,700	73,860	31,720	55,990
7,626	7,900	7,900	8,200	8,400	8,600	9,000
-	-	-	17,500	-	-	-
20,000	42,100	19,534	77,700	48,066	-	-
-	-	-	1,088,585	-	-	-
-	25,216	3,307	60,678	16,677	9,123	-
874	900	1,010	1,037	1,065	1,094	1,094
31,636	-	-	-	-	-	-
665	-	-	-	-	-	-
151	-	-	-	-	-	-
-	6,100	6,100	-	-	-	-
-	254	-	-	-	-	-
100	-	-	-	-	-	-
26	55	30	30	30	30	30
5,384	7,280	5,960	6,480	6,780	7,090	7,420
5,873	5,027	5,460	5,720	15,420	11,300	7,650
-	1,500	159	924	944	968	992
440,901	471,108	433,776	613,976	533,476	553,476	578,776
17,753	18,153	18,179	18,635	19,110	19,547	20,020
470	500	1,000	750	750	750	750
190	50	100	100	100	100	100
13,483	3,018	1,046	-	6,000	5,520	5,059
1,500	1,450	200	-	-	-	-
-	-	-	-	7,210	7,730	8,280
-	3,200	3,200	-	5,000	-	-
1,226	-	-	-	-	-	-
244,000	-	49,318	-	4,000	4,000	4,000
1,715,857	1,739,315	1,607,077	3,088,166	1,912,478	1,988,441	2,004,178
109	44,159	9,388	30,785	25,690	10,669	8,357
109	44,159	9,388	30,785	25,690	10,669	8,357
14,155	13,863	14,786	14,244	14,196	14,712	15,007
27	-	-	108	145	255	269
-	249	-	-	-	-	-
331	-	438	452	465	479	493
14,513	14,112	15,224	14,804	14,806	15,446	15,769
6,635	5,148	5,263	4,765	5,080	5,059	5,194
141	-	-	-	-	-	-
6,776	5,148	5,263	4,765	5,080	5,059	5,194
1,535	1,613	1,634	1,670	1,709	1,735	1,781
42	-	-	-	-	-	-
1,577	1,613	1,634	1,670	1,709	1,735	1,781

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


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Vol	Division	Item	Details
			<b>PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT (continued)</b>
V1	12		Industry and Resources
		42	– Net amount appropriated to deliver services .....
		43	– Administered Grants, Subsidies and Other Transfer Payments .....
		141	– Capital Contribution .....
		142	– Administered Capital Contribution .....
			– Petroleum (Submerged Lands) Act 1982 .....
			– Salaries and Allowances Act 1975 .....
			<b>Total .....</b>
			<b>TOTAL – PART 3 .....</b>
			<b>PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT; GREAT SOUTHERN</b>
V1	13		Agriculture and Food
		44	– Net amount appropriated to deliver services .....
		143	– Capital Contribution .....
			– Salaries and Allowances Act 1975 .....
			<b>Total .....</b>
V1	14		Agriculture Protection Board of Western Australia
		45	– Net amount appropriated to deliver services .....
			– Agriculture and Related Resources Protection Act 1976 .....
			<b>Total .....</b>
V1	15		Rural Business Development Corporation
		46	– Net amount appropriated to deliver services .....
			<b>Total .....</b>
V1	16		Mid West Development Commission
		47	– Net amount appropriated to deliver services .....
			– Capital Contribution .....
			<b>Total .....</b>
V1	17		Wheatbelt Development Commission
		48	– Net amount appropriated to deliver services .....
			<b>Total .....</b>
V1	18		Great Southern Development Commission
		49	– Net amount appropriated to deliver services .....
		144	– Capital Contribution .....
			<b>Total .....</b>
			<b>TOTAL – PART 4 .....</b>

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
127,767	168,571	138,379	168,013	144,444	135,253	135,507
41,677	49,120	46,735	54,929	34,752	22,087	22,843
6,770	5,584	1,945	15,313	1,200	205	210
2,100	-	2,080	2,700	1,400	-	-
18,497	21,498	12,094	12,645	8,876	4,932	3,792
557	560	634	653	673	693	716
197,368	246,333	201,867	254,253	191,345	163,170	163,068
<b>1,936,200</b>	<b>2,050,680</b>	<b>1,840,453</b>	<b>3,394,443</b>	<b>2,151,108</b>	<b>2,184,520</b>	<b>2,198,347</b>
145,083	149,161	149,317	174,638	127,059	117,199	119,415
3,531	5,200	4,050	560	4,980	21,939	64,540
155	159	263	268	273	278	286
148,769	154,520	153,630	175,466	132,312	139,416	184,241
1,094	765	765	309	310	311	312
726	991	991	1,021	1,052	1,052	1,052
1,820	1,756	1,756	1,330	1,362	1,363	1,364
1,782	1,687	4,262	2,940	194	196	200
1,782	1,687	4,262	2,940	194	196	200
6,110	3,501	3,522	3,452	2,949	1,473	1,512
-	229	229	-	-	-	-
6,110	3,730	3,751	3,452	2,949	1,473	1,512
1,419	1,417	1,461	1,582	1,522	1,557	1,596
1,419	1,417	1,461	1,582	1,522	1,557	1,596
2,631	3,021	944	1,574	1,500	1,558	1,598
1,685	23	223	2,679	29,599	2,440	86
4,316	3,044	1,167	4,253	31,099	3,998	1,684
<b>164,216</b>	<b>166,154</b>	<b>166,027</b>	<b>189,023</b>	<b>169,438</b>	<b>148,003</b>	<b>190,597</b>

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

Vol	Division	Item	Details
<b>PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH</b>			
V1	19		Local Government and Regional Development
		50	– Net amount appropriated to deliver services .....
		51	– Administered Grants, Subsidies and Other Transfer Payments .....
			– Capital Contribution .....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	20		Racing, Gaming and Liquor
		52	– Net amount appropriated to deliver services .....
		53	– Administered Grants, Subsidies and Other Transfer Payments .....
			– Liquor Licensing Act 1988 .....
			– Salaries and Allowances Act 1975 .....
			Total .....
V1	21		Goldfields-Esperance Development Commission
		54	– Net amount appropriated to deliver services .....
		145	– Capital Contribution .....
			Total .....
<b>TOTAL - PART 5.....</b>			
<b>PART 6 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION</b>			
V2	22		Western Australia Police
		55	– Net amount appropriated to deliver services .....
		146	– Capital Contribution .....
			– Salaries and Allowances Act 1975 .....
			Total .....
V2	23		Fire and Emergency Services Authority of Western Australia
		56	– Net amount appropriated to deliver services .....
		57	– Administered Grants, Subsidies and Other Transfer Payments .....
		147	– Capital Contribution .....
			Total .....
V2	24		Water and Rivers Commission
		58	– Net amount appropriated to deliver services .....
		59	– Administered Grants, Subsidies and Other Transfer Payments .....
		148	– Capital Contribution .....
			– Salaries and Allowances Act 1975 .....
			Total .....
V2	25		Sport and Recreation
		60	– Net amount appropriated to deliver services .....
		61	– Contribution to Community Sporting and Recreation Facilities Fund .....
		149	– Capital Contribution .....
			– Lotteries Commission Act 1990 .....
			– Salaries and Allowances Act 1975 .....
			Total .....



2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
52,116	40,911	28,161	43,370	37,912	38,498	16,734
250	1,316	1,316	2,114	250	250	250
124	94	94	-	-	-	-
181	183	196	202	208	214	220
52,671	42,504	29,767	45,686	38,370	38,962	17,204
2,865	2,774	4,582	3,442	3,512	3,569	3,527
87,540	94,490	98,022	65,542	66,002	67,080	70,483
1,892	3,700	3,700	3,900	4,500	5,000	5,000
147	150	160	165	170	175	180
92,444	101,114	106,464	73,049	74,184	75,824	79,190
1,561	1,467	1,489	1,631	1,530	1,549	1,589
12	-	-	9	-	-	-
1,573	1,467	1,489	1,640	1,530	1,549	1,589
<b>146,688</b>	<b>145,085</b>	<b>137,720</b>	<b>120,375</b>	<b>114,084</b>	<b>116,335</b>	<b>97,983</b>
651,830	696,583	722,494	777,821	837,542	850,146	872,245
44,268	49,262	38,415	85,300	21,524	21,666	34,508
2,470	2,598	2,906	2,837	2,857	2,933	3,021
698,568	748,443	763,815	865,958	861,923	874,745	909,774
41,262	31,335	51,409	30,632	30,252	29,192	30,671
1	1	1	1	1	1	1
6,446	250	250	1,210	10	-	-
47,709	31,586	51,660	31,843	30,263	29,193	30,672
51,791	69,765	64,085	60,387	61,655	57,837	63,498
2,798	2,681	2,681	2,570	1,860	1,410	880
3,110	6,953	6,203	4,286	3,556	874	6,000
186	192	192	198	203	209	209
57,885	79,591	73,161	67,441	67,274	60,330	70,587
16,387	60,991	26,582	33,440	22,589	22,389	22,808
8,750	14,000	6,800	16,200	9,151	9,151	9,151
5,533	6,140	6,140	100	47	669	-
10,206	10,252	10,561	11,112	11,424	11,742	12,070
183	188	188	194	208	224	249
41,059	91,571	50,271	61,046	43,419	44,175	44,278

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

Vol	Division	Item	Details
			<b>PART 6 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION (continued)</b>
V2	26		Western Australian Sports Centre Trust
		62	- Net amount appropriated to deliver services .....
		150	- Capital Contribution.....
			<b>Total.....</b>
			<b>TOTAL - PART 6.....</b>
			<b>PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS</b>
V2	27		Attorney General
		63	- Net amount appropriated to deliver services .....
		151	- Capital Contribution.....
			- Salaries and Allowances Act 1975 .....
			- District Court of Western Australia Act 1969 .....
			- Judges' Salaries and Pensions Act 1950 .....
			- Children's Court of Western Australia Act 1988.....
			- State Administrative Tribunal Act 2004.....
			- Criminal Injuries Compensation Act 1985.....
			- Solicitor General Act 1969.....
			- Suitor's Fund Act 1964.....
			<b>Total.....</b>
V2	28		Commissioner for Equal Opportunity
		64	- Net amount appropriated to deliver services .....
		152	- Capital Contribution.....
			- Salaries and Allowances Act 1975 .....
			<b>Total.....</b>
V2	29		Corruption and Crime Commission
		65	- Net amount appropriated to deliver services .....
			- Capital Contribution.....
			- Corruption and Crime Commission Act 2003.....
			<b>Total.....</b>
V2	30		Parliamentary Inspector of the Corruption and Crime Commission
		66	- Net amount appropriated to deliver services .....
			- Capital Contribution.....
			- Salaries and Allowances Act 1975 .....
			<b>Total.....</b>
V2	31		Law Reform Commission of Western Australia
		67	- Net amount appropriated to deliver services .....
		153	- Capital Contribution.....
			<b>Total.....</b>
V2	32		Office of the Director of Public Prosecutions
		68	- Net amount appropriated to deliver services .....
		154	- Capital Contribution.....
			- Salaries and Allowances Act 1975 .....
			<b>Total.....</b>

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
6,048	6,571	7,139	8,681	7,845	7,003	8,076
900	-	-	85	100	100	260
6,948	6,571	7,139	8,766	7,945	7,103	8,336
<b>852,169</b>	<b>957,762</b>	<b>946,046</b>	<b>1,035,054</b>	<b>1,010,824</b>	<b>1,015,546</b>	<b>1,063,647</b>
137,313	166,493	173,255	185,211	214,120	208,793	218,011
26,101	15,488	8,437	24,485	53,461	41,122	6,300
17,391	19,497	20,058	21,005	21,585	22,212	22,871
7,629	8,529	8,580	8,882	9,136	9,409	9,692
7,270	7,181	7,232	7,490	7,704	7,934	8,173
306	303	305	316	325	336	346
2,721	2,384	2,384	2,905	2,993	3,082	3,175
19,796	19,419	19,419	19,487	19,487	19,487	19,487
267	320	320	329	338	348	358
9	30	30	30	30	30	30
218,803	239,644	240,020	270,140	329,179	312,753	288,443
2,549	2,614	2,630	2,762	2,846	2,899	2,976
61	23	23	71	56	39	2
178	184	194	199	205	211	217
2,788	2,821	2,847	3,032	3,107	3,149	3,195
24,109	25,005	25,327	26,556	26,896	27,003	28,627
-	-	-	-	1,000	1,248	2,985
130	153	153	155	156	157	162
24,239	25,158	25,480	26,711	28,052	28,408	31,774
366	404	391	414	425	431	439
10	-	-	-	-	-	-
106	109	123	127	131	134	138
482	513	514	541	556	565	577
805	875	879	901	918	933	957
-	-	-	6	-	-	-
805	875	879	907	918	933	957
16,746	20,752	21,399	22,882	23,163	23,635	24,080
427	3,605	3,200	658	-	-	-
1,479	1,700	1,879	2,003	2,063	2,129	2,262
18,652	26,057	26,478	25,543	25,226	25,764	26,342

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

Vol	Division	Item	Details
			<b>PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS (continued)</b>
V2	33		Office of the Information Commissioner
		69	- Net amount appropriated to deliver services .....
		155	- Capital Contribution.....
			- Freedom of Information Act 1992.....
			Total.....
V2	34		Health
		70	- Net amount appropriated to deliver services .....
		71	- Contribution to Hospital Fund.....
		156	- Capital Contribution.....
			- Lotteries Commission Act 1990.....
			- Salaries and Allowances Act 1975 .....
			Total.....
V2	35		Western Australian Electoral Commission
		72	- Net amount appropriated to deliver services .....
		157	- Capital Contribution.....
			- Electoral Act 1907.....
			- Industrial Relations Act 1979.....
			Total.....
<b>TOTAL - PART 7.....</b>			
<b>PART 8 - MINISTER FOR EMPLOYMENT PROTECTION; HOUSING AND WORKS; INDIGENOUS AFFAIRS; HERITAGE; LAND INFORMATION</b>			
V2	36		Consumer and Employment Protection
		73	- Net amount appropriated to deliver services .....
			- Administered Grants, Subsidies and Other Transfer Payments .....
		158	- Capital Contribution.....
			- Salaries and Allowances Act 1975 .....
			Total.....
V2	37		Registrar, Western Australian Industrial Relations Commission .....
		74	- Net amount appropriated to deliver services .....
			- Salaries and Allowances Act 1975 .....
			Total.....
V2	38		Housing and Works
		75	- Net amount appropriated to deliver services .....
		159	- Capital Contribution.....
		76	- Housing Authority - Emergency Services Levy .....
		77	- Housing Authority - General Housing Funding .....
		78	- Housing Authority - Indigenous Housing .....
		79	- Housing Authority - Subsidies for Housing .....
			Total.....
V2	39		Indigenous Affairs
		80	- Net amount appropriated to deliver services .....
		160	- Capital Contribution .....
			- Salaries and Allowances Act 1975 .....
			Total.....

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
948	1,067	1,083	980	996	1,014	1,044
-	-	-	2	5	5	-
155	160	164	169	174	179	183
1,103	1,227	1,247	1,151	1,175	1,198	1,227
543,576	633,124	472,897	680,366	726,682	787,278	829,149
2,312,461	2,472,302	2,671,693	2,661,970	2,818,513	2,949,154	3,135,974
48,723	94,368	77,165	168,698	85,315	26,014	13,327
81,833	82,013	84,477	88,900	91,381	93,933	96,558
649	491	503	531	560	591	591
2,987,242	3,282,298	3,306,735	3,600,465	3,722,451	3,856,970	4,075,599
2,635	7,596	5,284	6,119	21,349	5,388	5,218
-	173	23	150	136	172	-
360	743	903	1,163	277	3,085	294
56	56	56	56	56	56	56
3,051	8,568	6,266	7,488	21,818	8,701	5,568
<b>3,257,165</b>	<b>3,587,161</b>	<b>3,610,466</b>	<b>3,935,978</b>	<b>4,132,482</b>	<b>4,238,441</b>	<b>4,433,682</b>
64,467	61,664	65,601	66,316	67,235	71,170	72,425
-	-	30,000	-	-	-	-
3,150	2,950	2,950	4,753	2,770	1,420	-
142	125	263	273	283	293	302
67,759	64,739	98,814	71,342	70,288	72,883	72,727
8,407	8,206	8,307	8,822	9,003	9,347	9,569
2,176	2,547	2,567	2,258	2,258	2,258	2,258
10,583	10,753	10,874	11,080	11,261	11,605	11,827
20,053	18,594	20,434	19,489	15,705	27,609	19,644
4,176	30,450	21,000	95,524	180,000	37,000	-
2,100	2,100	2,100	2,100	2,100	2,100	2,100
5,000	2,130	2,130	42,834	64,638	62,143	61,148
18,483	24,000	24,000	32,570	32,903	32,999	26,359
3,480	3,480	3,480	3,480	3,480	3,480	3,480
53,292	80,754	73,144	195,997	298,826	165,331	112,731
22,154	25,550	26,020	21,971	21,214	21,191	21,454
260	-	-	12	-	170	-
160	160	164	164	164	169	174
22,574	25,710	26,184	22,147	21,378	21,530	21,628

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

Vol	Division	Item	Details
			<b>PART 8 - MINISTER FOR EMPLOYMENT PROTECTION; HOUSING AND WORKS; INDIGENOUS AFFAIRS; HERITAGE; LAND INFORMATION (continued)</b>
V2	40		Heritage Council of Western Australia
		81	– Net amount appropriated to deliver services .....
			Total .....
V2	41		National Trust of Australia (WA)
		82	– Net amount appropriated to deliver services .....
		161	– Capital Contribution.....
			Total .....
V2	42		Western Australian Land Information Authority
		83	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			– Transfer of Land Act 1893 .....
			– Salaries and Allowances Act 1975 .....
			Total .....
<b>TOTAL - PART 8.....</b>			
<b>PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE</b>			
V2	43		Planning and Infrastructure
		84	– Net amount appropriated to deliver services .....
		85	– Western Australian Coastal Shipping Commission.....
		162	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			– Perry Lakes Redevelopment Act 2005 .....
			Total .....
V2	44		Commissioner of Main Roads
		86	– Net amount appropriated to deliver services .....
		163	– Capital Contribution.....
			– Road Traffic Act 1974.....
			– Road Traffic Act 1974.....
			Total .....
V2	45		Public Transport Authority of Western Australia
		87	– Net amount appropriated to deliver services .....
		164	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V2	46		Western Australian Planning Commission .....
		88	– Net amount appropriated to deliver services .....
		165	– Capital Contribution.....
			– Metropolitan Region Improvement Tax Act 1959 .....
			Total .....
<b>TOTAL - PART 9.....</b>			

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
5,279	4,767	6,872	4,936	4,967	5,045	5,148
5,279	4,767	6,872	4,936	4,967	5,045	5,148
1,747	2,304	2,341	2,326	1,750	1,762	1,798
521	618	618	531	435	-	-
2,268	2,922	2,959	2,857	2,185	1,762	1,798
26,441	27,093	27,058	21,808	24,910	25,139	22,759
133	-	-	-	-	136	-
110	-	-	-	-	-	-
359	358	384	391	403	414	414
27,043	27,451	27,442	22,199	25,313	25,689	23,173
<b>188,798</b>	<b>217,096</b>	<b>246,289</b>	<b>330,558</b>	<b>434,218</b>	<b>303,845</b>	<b>249,032</b>
148,884	155,797	169,202	169,239	155,392	166,487	161,159
4,201	4,190	4,190	400	437	329	329
9,842	16,367	8,178	42,727	11,557	17,332	15,341
307	218	387	399	411	423	436
1,700	-	-	-	-	-	-
164,934	176,572	181,957	212,765	167,797	184,571	177,265
170,464	124,128	116,176	166,433	158,525	168,812	186,913
124,413	196,824	217,529	322,878	198,018	114,664	66,689
258,916	301,096	308,040	321,176	401,961	420,150	435,276
81,373	52,679	66,160	83,284	22,775	27,098	34,739
635,166	674,727	707,905	893,771	781,279	730,724	723,617
494,485	544,711	524,170	572,840	597,700	618,532	647,741
424,947	1,347,273	1,316,946	74,647	49,768	49,497	50,364
287	-	360	369	379	390	402
919,719	1,891,984	1,841,476	647,856	647,847	668,419	698,507
3,444	3,102	3,102	3,362	3,363	3,097	3,262
7,600	2,900	2,900	5,400	5,400	5,400	5,400
53,403	58,000	71,000	78,100	85,900	94,500	104,000
64,447	64,002	77,002	86,862	94,663	102,997	112,662
<b>1,784,266</b>	<b>2,807,285</b>	<b>2,808,340</b>	<b>1,841,254</b>	<b>1,691,586</b>	<b>1,686,711</b>	<b>1,712,051</b>

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

Vol	Division	Item	Details
<b>PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION</b>			
V3	47		Disability Services Commission
		89	– Net amount appropriated to deliver services .....
		166	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	48		Western Australian Tourism Commission
		90	– Net amount appropriated to deliver services .....
		167	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	49		Culture and the Arts
		91	– Net amount appropriated to deliver services .....
		92	– Art Gallery of Western Australia .....
		93	– Library Board of Western Australia .....
		94	– Perth Theatre Trust.....
		95	– Western Australian Museum.....
		168	– Capital Contribution.....
		169	– Art Gallery of Western Australia .....
		170	– Library Board of Western Australia .....
		171	– Perth Theatre Trust.....
		172	– Western Australian Museum.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975 .....
			<b>Total .....</b>
<b>TOTAL - PART 10.....</b>			
<b>PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST</b>			
V3	50		Education and Training
		96	– Net amount appropriated to deliver services .....
		173	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	51		Country High School Hostels Authority
		97	– Net amount appropriated to deliver services .....
		174	– Capital Contribution.....
			Total .....
V3	52		Curriculum Council
		98	– Net amount appropriated to deliver services .....
		175	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	53		Education Services
		99	– Net amount appropriated to deliver services .....
		100	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Salaries and Allowances Act 1975 .....
			Total .....



2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
243,266	270,843	273,438	293,492	315,767	337,540	360,209
4,179	811	811	7,441	30	463	965
206	206	241	248	255	263	271
247,651	271,860	274,490	301,181	316,052	338,266	361,445
51,424	49,746	52,184	51,207	44,891	47,213	47,314
590	2,073	2,073	1,222	787	272	-
287	247	341	351	362	373	387
52,301	52,066	54,598	52,780	46,040	47,858	47,701
56,306	58,436	61,144	53,536	76,512	77,620	78,748
3,505	3,626	3,626	3,569	-	-	-
13,101	13,520	13,520	12,115	-	-	-
1,198	1,958	1,958	2,308	-	-	-
6,056	6,645	6,645	6,317	-	-	-
969	7,382	8,182	54,626	7,585	1,930	1,930
421	295	295	1,053	-	-	-
4,032	4,515	4,515	21,357	-	-	-
1,751	85	85	1,059	-	-	-
219	70	70	981	-	-	-
10,229	10,252	10,561	11,112	11,424	11,742	12,070
603	568	635	654	674	694	715
98,390	107,352	111,236	168,687	96,195	91,986	93,463
<b>398,342</b>	<b>431,278</b>	<b>440,324</b>	<b>522,648</b>	<b>458,287</b>	<b>478,110</b>	<b>502,609</b>
2,392,816	2,509,229	2,548,328	2,766,492	2,821,768	2,873,139	2,915,572
163,238	245,210	237,210	226,963	145,479	113,577	99,432
573	561	1,309	823	848	873	899
2,556,627	2,755,000	2,786,847	2,994,278	2,968,095	2,987,589	3,015,903
3,840	4,820	4,771	5,328	5,695	5,080	5,186
2,029	6,695	6,570	3,070	1,932	3,054	910
5,869	11,515	11,341	8,398	7,627	8,134	6,096
15,197	19,484	19,711	23,955	20,300	17,129	17,847
79	1,634	1,634	229	725	68	-
144	202	202	214	225	239	239
15,420	21,320	21,547	24,398	21,250	17,436	18,086
11,014	16,014	16,091	18,425	18,425	18,718	19,010
215,595	233,729	234,929	257,721	281,075	307,021	334,356
168	174	187	193	199	211	211
226,777	249,917	251,207	276,339	299,699	325,950	353,577

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

Vol	Division	Item	Details
			<b>PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST (continued)</b>
V3	54		South West Development Commission
		101	– Net amount appropriated to deliver services .....
		176	– Capital Contribution.....
			<b>Total.....</b>
			<b>TOTAL - PART 11.....</b>
			<b>PART 12 - MINISTER FOR ENERGY; RESOURCES; INDUSTRY AND ENTERPRISE</b>
V3	55		Office of Energy
		102	– Net amount appropriated to deliver services .....
			– Administered Grants, Subsidies and Other Transfer Payments.....
			– Salaries and Allowances Act 1975 .....
			<b>Total.....</b>
			<b>TOTAL - PART 12.....</b>
			<b>PART 13 - MINISTER FOR REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE</b>
V3	56		Fisheries
		103	– Net amount appropriated to deliver services .....
		177	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			<b>Total.....</b>
V3	57		Kimberley Development Commission
		104	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			<b>Total.....</b>
V3	58		Pilbara Development Commission
		105	– Net amount appropriated to deliver services .....
			– Capital Contribution.....
			<b>Total.....</b>
V3	59		Gascoyne Development Commission
		106	– Net amount appropriated to deliver services .....
			<b>Total.....</b>
			<b>TOTAL - PART 13.....</b>
			<b>PART 14 – MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS; MINISTER ASSISTING THE MINISTER FOR FEDERAL-STATE RELATIONS</b>
V3	60		Corrective Services
		107	– Net amount appropriated to deliver services .....
		178	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			<b>Total.....</b>

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
4,226	6,177	8,709	8,943	4,074	4,143	4,281
850	876	876	905	936	967	936
5,076	7,053	9,585	9,848	5,010	5,110	5,217
<b>2,809,769</b>	<b>3,044,805</b>	<b>3,080,527</b>	<b>3,313,261</b>	<b>3,301,681</b>	<b>3,344,219</b>	<b>3,398,879</b>
23,454	17,530	18,375	19,096	21,775	22,583	21,161
5,446	-	-	-	-	-	-
219	226	226	233	240	247	254
29,119	17,756	18,601	19,329	22,015	22,830	21,415
<b>29,119</b>	<b>17,756</b>	<b>18,601</b>	<b>19,329</b>	<b>22,015</b>	<b>22,830</b>	<b>21,415</b>
21,650	22,005	25,626	28,568	23,341	23,706	23,370
262	1,829	1,829	8,481	-	-	-
169	165	184	190	195	201	201
22,081	23,999	27,639	37,239	23,536	23,907	23,571
2,231	1,475	1,492	1,626	1,552	1,566	1,604
87	-	-	-	-	-	-
2,318	1,475	1,492	1,626	1,552	1,566	1,604
7,274	2,259	2,259	2,180	1,590	1,604	1,645
-	85	85	-	-	5	30
7,274	2,344	2,344	2,180	1,590	1,609	1,675
2,252	1,405	1,425	1,619	1,488	1,503	1,530
2,252	1,405	1,425	1,619	1,488	1,503	1,530
<b>33,925</b>	<b>29,223</b>	<b>32,900</b>	<b>42,664</b>	<b>28,166</b>	<b>28,585</b>	<b>28,380</b>
391,220	385,016	399,177	417,170	430,311	440,087	448,890
14,532	51,016	18,007	54,642	31,408	48,600	33,250
628	647	704	723	743	763	788
406,380	436,679	417,888	472,535	462,462	489,450	482,928

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

Vol	Division	Item	Details
			PART 14 – MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS MINISTER ASSISTING THE MINISTER FOR FEDERAL-STATE RELATIONS (continued)
V3	61		Office of the Inspector of Custodial Services
		108	– Net amount appropriated to deliver services .....
		179	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	62		Small Business Development Corporation
		109	– Net amount appropriated to deliver services .....
		180	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
			<b>TOTAL - PART 14.....</b>
V3			<b>PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL</b>
	63		Environment and Conservation
		110	– Net amount appropriated to deliver services .....
		181	– Capital Contribution.....
		111	– Services Provided to Environmental Protection Authority.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	64		Botanic Gardens and Parks Authority
		112	– Net amount appropriated to deliver services .....
		182	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	65		Swan River Trust
		113	– Net amount appropriated to deliver services .....
		183	– Capital Contribution.....
			Total .....
V3	66		Zoological Parks Authority
		114	– Net amount appropriated to deliver services .....
		184	– Capital Contribution.....
			– Salaries and Allowances Act 1975 .....
			Total .....
V3	67		Peel Development Commission
		115	– Net amount appropriated to deliver services .....
			Total .....
			<b>TOTAL – PART 15.....</b>

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
1,925	1,720	1,820	1,989	1,870	1,899	1,948
-	-	-	79	20	22	61
176	181	191	197	202	208	214
2,101	1,901	2,011	2,265	2,092	2,129	2,223
8,007	9,875	9,795	10,683	10,442	9,269	9,498
184	134	134	313	134	137	316
155	-	164	169	174	179	184
8,346	10,009	10,093	11,165	10,750	9,585	9,998
<b>416,827</b>	<b>448,589</b>	<b>429,992</b>	<b>485,965</b>	<b>475,304</b>	<b>501,164</b>	<b>495,149</b>
148,128	167,366	166,280	182,922	176,597	176,298	178,525
11,341	11,960	16,540	20,212	15,267	550	789
8,588	13,010	13,010	13,166	13,320	13,500	13,500
349	406	457	466	480	495	509
168,406	192,742	196,287	216,766	205,664	190,843	193,323
10,908	11,463	11,441	12,286	12,417	12,726	12,800
593	500	500	1,985	2,850	1,985	2,932
149	-	154	158	163	168	173
11,650	11,963	12,095	14,429	15,430	14,879	15,905
8,742	9,747	10,814	11,953	7,305	7,254	7,432
8	1,008	8	119	-	-	-
8,750	10,755	10,822	12,072	7,305	7,254	7,432
7,945	8,323	8,492	8,566	8,760	9,155	9,351
17,602	730	530	2,796	735	735	735
152	154	161	165	170	175	180
25,699	9,207	9,183	11,527	9,665	10,065	10,266
1,510	1,501	2,252	2,817	2,119	1,426	1,463
1,510	1,501	2,252	2,817	2,119	1,426	1,463
<b>216,015</b>	<b>226,168</b>	<b>230,639</b>	<b>257,611</b>	<b>240,183</b>	<b>224,467</b>	<b>228,389</b>

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

Vol	Division	Item	Details
<b>PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING</b>			
V3	68		Child Protection
		116	- Net amount appropriated to deliver services .....
		117	- Contribution to the Western Australian Family Foundation Trust Account .....
		185	- Capital Contribution.....
			- Salaries and Allowances Act 1975 .....
			Total .....
V3	69		Communities
		118	- Net amount appropriated to deliver services .....
			Total .....
<b>TOTAL - PART 16.....</b>			
<b>GRAND TOTAL .....</b>			
Total Appropriation Bill No.1 – Recurrent Services .....			
Total Appropriation Bill No.2 – Capital Purposes .....			
Authorised by Other Statutes			
- Recurrent Services .....			
- Capital Purposes.....			
- Financing.....			
Total Authorised by Other Statutes .....			
<b>GRAND TOTAL .....</b>			

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual.

2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
185,233	212,929	215,689	241,268	249,786	258,320	265,725
560	560	560	560	560	560	560
7,072	8,759	4,428	23,276	1,777	-	1,560
242	240	285	285	285	285	294
193,107	222,488	220,962	265,389	252,408	259,165	268,139
30,693	30,003	29,850	30,065	29,267	29,673	30,029
30,693	30,003	29,850	30,065	29,267	29,673	30,029
<b>223,800</b>	<b>252,491</b>	<b>250,812</b>	<b>295,454</b>	<b>281,675</b>	<b>288,838</b>	<b>298,168</b>
<b>12,597,216</b>	<b>14,543,547</b>	<b>14,409,565</b>	<b>15,952,103</b>	<b>14,678,784</b>	<b>14,757,384</b>	<b>15,085,566</b>
10,096,139	10,916,943	11,000,477	11,791,774	12,079,220	12,414,136	12,824,482
1,126,814	2,472,736	2,215,992	2,799,110	1,256,757	952,674	813,830
1,035,407	1,098,171	1,076,572	1,277,935	1,310,032	1,353,956	1,403,456
81,373	52,679	66,160	83,284	22,775	27,098	34,739
257,483	3,018	50,364	-	10,000	9,520	9,059
1,372,563	1,153,712	1,193,096	1,361,219	1,342,807	1,390,574	1,447,254
<b>12,597,216</b>	<b>14,543,547</b>	<b>14,409,565</b>	<b>15,952,103</b>	<b>14,678,784</b>	<b>14,757,384</b>	<b>15,085,566</b>

## **CHAPTER 2**

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### **NET APPROPRIATION DETERMINATIONS**



**NET APPROPRIATION DETERMINATIONS**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>PART 1 - PARLIAMENT</b>							
LEGISLATIVE COUNCIL							
GST Input Credits.....	57	61	61	61	61	61	61
LEGISLATIVE ASSEMBLY							
GST Input Credits.....	114	115	115	115	115	115	115
Sale of Publications and Other Revenue.....	1	10	-	-	-	-	-
PARLIAMENTARY SERVICES							
GST Input Credits.....	533	475	475	475	475	475	475
Other Receipts .....	4	3	3	3	-	-	-
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS							
GST Input Credits.....	108	56	56	56	56	56	56
Ombudsman Services for Commonwealth Territories.....	18	5	18	18	18	18	18
User Charges and Fees .....	385	138	500	500	500	500	500
<b>PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT</b>							
PREMIER AND CABINET							
State Law Publisher.....	2,959	2,767	2,635	2,635	2,894	3,033	3,180
Other Revenue .....	3,665	1,859	2,612	2,590	1,854	1,507	1,387
GST Input Credits.....	7,404	14,723	5,528	5,448	5,339	5,016	4,750
GST Receipts on Sales .....	469	605	543	460	472	457	457
GOVERNOR'S ESTABLISHMENT							
Ballroom Hire.....	33	30	30	30	30	30	30
GST Input Credits.....	88	63	63	63	63	63	63
OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER							
GST Input Credits.....	154	117	158	158	158	158	158
Other Revenue .....	194	275	450	470	490	518	543
SALARIES AND ALLOWANCES TRIBUNAL							
GST Input Credits.....	26	10	22	21	22	24	22
Other Revenue .....	45	3	3	3	3	3	3
<b>PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT</b>							
TREASURY AND FINANCE							
GST Input Credits.....	6,178	4,923	5,928	3,700	2,060	2,060	2,060
GST Receipts on Sales .....	891	485	580	482	490	490	490
Land Tax Liability Enquiry Fee.....	3,391	2,640	3,100	2,750	3,000	3,000	3,000
State Fleet Revenues.....	625	900	640	700	900	900	900
Revenues from the Executive Vehicle Scheme.....	58	56	70	70	80	80	80
Procurement Services .....	4,958	3,334	3,480	3,200	3,300	3,500	3,600

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated Actual	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>TREASURY AND FINANCE (continued)</b>							
Corporate Services to Office of Energy and Economic Regulation Authority.....	428	380	300	300	300	300	300
Shared Services Rendered .....	119	18,705	2,250	18,590	45,563	47,018	54,209
Other Receipts .....	1,129	50	170	80	90	90	90
<b>OFFICE OF NATIVE TITLE</b>							
Executive Vehicle Scheme .....	-	5	7	7	7	7	5
GST Input Credits.....	-	4,720	4,720	2,181	1,885	750	750
<b>OFFICE OF THE AUDITOR GENERAL</b>							
GST Input Credits.....	521	110	110	110	110	110	110
GST Receipts on Sales .....	3	302	302	302	302	302	302
Other Revenue .....	18	20	20	20	20	20	20
<b>ECONOMIC REGULATION AUTHORITY</b>							
Recoups from Industry .....	1,758	1,584	1,584	1,394	1,784	1,796	1,856
Goods and Services Tax .....	591	253	253	253	253	253	253
Revenue from the Government Vehicle Scheme.....	12	13	24	25	26	26	27
Other Revenue .....	69	96	85	84	83	83	96
<b>STATE SUPPLY COMMISSION</b>							
Common User Arrangements	291	-	-	-	-	-	-
GST Input Credits.....	130	212	64	64	64	64	64
GST Receipts on Sales .....	110	-	-	-	-	-	-
<b>INDUSTRY AND RESOURCES</b>							
Proceeds from Petroleum Permits and Licences .....	5,809	5,832	5,832	7,000	7,000	7,000	7,000
Proceeds from Prospecting, Exploration and Other Mining Licences.....	6,140	5,695	5,695	5,407	5,741	5,885	6,032
Proceeds from Departmental Fees and Charges .....	778	1,245	1,245	1,245	1,242	1,244	1,246
Proceeds from the Provision of Chemical, Mineralogical, Metallurgical and Related Scientific Investigative and Advisory Services.....	6,405	6,864	6,864	7,768	8,059	8,260	8,656
Interest.....	122	124	-	-	-	-	-
Goods and Services Tax .....	6,002	10,317	10,317	10,317	10,323	10,323	10,323
<b>PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT; GREAT SOUTHERN</b>							
<b>AGRICULTURE AND FOOD</b>							
Sale of Goods and Services .....	12,499	8,727	9,262	10,243	10,409	10,398	10,405
Service Contracted By:							
Agricultural Produce Commission .....	2,788	1,680	2,873	1,928	2,500	2,600	2,700
Rural Business Development Corporation ....	16,925	5,482	9,193	8,631	8,869	7,239	7,139
Grants and Contributions from Commonwealth .....	74,001	64,663	83,133	69,738	10,396	10,275	10,275
Grants and Contributions from Non-Government Sources.....	41,632	46,072	53,602	58,765	29,587	27,104	27,104
GST Input Tax Credits .....	16,242	11,073	11,073	11,073	11,073	11,073	11,073
Miscellaneous Revenues.....	15,067	7,120	1,743	1,743	1,743	1,743	1,743

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH</b>							
<b>LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT</b>							
Executive Vehicle Scheme and Other							
Miscellaneous Revenue.....	148	8	8	8	8	8	8
GST Input Credits.....	2,156	2,700	2,700	2,700	2,700	2,700	2,700
Indian Ocean Territories Program .....	89	143	143	143	143	143	143
Westlink Satellite Communication Service -							
User Charges and Fees.....	192	245	180	181	181	181	181
Funds Provided by the Commonwealth							
Government.....	1,548	601	777	601	601	601	601
<b>RACING, GAMING AND LIQUOR</b>							
Provision of Services to the Racing and							
Gaming Industries .....	2,656	3,183	3,183	3,285	3,399	3,509	3,509
Provision of Services to the Commonwealth in							
Respect of Indian Ocean Territories.....	64	71	71	81	81	81	81
Liquor Fees Revenue .....	1,722	1,680	1,680	1,730	1,780	1,830	1,830
Other Revenue .....	17	7	7	7	7	7	7
GST Input Credits.....	374	155	155	155	155	155	155
GST Receipts on Sales .....	8	25	25	25	25	25	25
<b>PART 6 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION</b>							
<b>WESTERN AUSTRALIA POLICE</b>							
Licences.....	4,251	5,665	5,665	5,466	5,603	5,880	6,056
Departmental .....	19,875	13,216	14,895	14,810	14,721	14,920	15,078
Commonwealth-National Campaign Against							
Drug Abuse .....	246	146	146	146	146	146	146
Commonwealth-Police Recruit Training							
Program.....	576	490	490	490	490	490	490
Commonwealth-Standing Action Committee							
for Protection Against Violence Training							
Exercises .....	953	-	-	-	-	-	-
Other.....	139	8	1,415	1,275	1,550	633	633
GST Input Credits.....	18,418	9,523	18,523	18,523	18,523	18,523	18,523
GST Receipts on Sales .....	1,291	1,388	1,388	1,388	1,388	1,388	1,388
<b>SPORT AND RECREATION</b>							
GST Input Credits.....	4,785	2,923	2,987	1,906	1,619	1,619	1,619
GST Receipts on Sales .....	399	448	384	458	455	455	455
Other.....	949	70	70	75	75	75	75
Proceeds from the Provision of Sport							
Development Services to							
Industry Bodies .....	586	444	362	402	272	272	272

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SPORT AND RECREATION (continued)</b>							
Proceeds from the Provision of Sport Participation Services to the Commonwealth.....	814	806	956	806	806	806	806
Revenue Received for Provision of Accommodation and Recreation Programs ...	1,888	1,930	1,923	2,207	2,177	2,207	2,245
<b>PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS</b>							
<b>ATTORNEY GENERAL</b>							
Proceeds from Supreme Court Fees.....	5,763	5,958	6,123	6,416	6,610	6,774	6,943
Proceeds from District Court Fees.....	2,787	2,637	2,645	2,800	2,913	3,016	3,121
Proceeds from Magistrates' Court Fees.....	7,189	7,244	7,246	7,737	8,120	8,482	8,858
Proceeds from Fines Enforcement Registry Fees .....	14,450	14,200	15,371	16,415	17,228	17,995	18,798
Proceeds from Family Court Fees .....	1,875	1,768	1,888	1,888	2,142	2,183	2,336
Proceeds from State Administrative Tribunal Fees .....	332	269	318	474	482	488	496
Proceeds from Other Boards and Tribunals Fees .....	199	238	15	16	17	17	18
Proceeds from Sheriff's Office Fees .....	170	204	150	157	162	166	170
Proceeds from Public Trustee Estate Fees .....	7,838	7,961	7,961	8,200	8,446	8,699	8,960
Proceeds from Public Trustee Common Fund Management Fees .....	903	1,738	1,738	1,738	1,738	1,738	1,738
Proceeds from Registry of Births, Deaths and Marriages Fees .....	5,873	5,684	6,274	6,380	6,436	6,440	6,443
Proceeds from State Solicitor's Fees.....	2,882	3,150	3,000	3,050	3,150	3,150	3,150
Proceeds from Sale of Industry Goods .....	1,271	-	-	-	-	-	-
Proceeds from Prison Canteen Sales.....	2,626	-	-	-	-	-	-
Proceeds from Recoup of Prisoner Telephone Calls .....	868	-	-	-	-	-	-
Proceeds from Recoup of Residential Tenancy Payments.....	1,366	1,236	1,236	1,273	1,311	1,350	1,391
Proceeds from Recoup of Workers Compensation Payments .....	1,884	150	141	150	150	150	150
Proceeds from Recoup of Criminal Injury Awards.....	1,387	1,193	1,193	1,217	1,241	1,266	1,291
Proceeds from Recoup of Legal Costs.....	1,240	700	1,100	700	700	700	700
Proceeds from Recoup of Salary Costs.....	1,982	806	1,130	861	861	861	861
Proceeds from Recoup of Other Costs.....	1,697	261	229	290	290	290	290
Family Court Grant Received from the Commonwealth .....	12,308	12,669	12,544	12,760	12,974	13,194	13,419
Indian Ocean Territories Grant Received from the Commonwealth .....	140	192	242	249	257	264	272
Schools Assistance Grant Received from the Commonwealth .....	57	-	-	-	-	-	-
Other Grants Received.....	275	-	78	65	67	69	71
GST Receipts on Sales .....	1,221	1,300	1,300	1,300	1,300	1,300	1,300
GST Receipts from Australian Taxation Office .....	21,362	21,000	21,000	21,000	21,000	21,000	21,000
Proceeds from Other Departmental Revenue .....	203	21	162	162	162	162	162
<b>COMMISSIONER FOR EQUAL OPPORTUNITY</b>							
Proceeds from the Provision of Community Education Services.....	239	150	150	162	162	160	160
Proceeds from the Provision of Services to the Indian Ocean Territories .....	-	35	35	35	35	35	35
Other Grants Received.....	-	-	164	248	257	270	-

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COMMISSIONER FOR EQUAL OPPORTUNITY (continued)</b>							
GST Input Credits.....	87	62	62	61	61	61	61
GST Receipts on Sale.....	24	10	10	17	17	17	17
Other Receipts.....	4	-	-	-	-	-	-
<b>CORRUPTION AND CRIME COMMISSION</b>							
Goods and Services Tax.....	768	325	325	305	305	305	305
User Charges and Fees.....	-	20	20	20	20	20	20
Other Receipts.....	81	-	-	-	-	-	-
<b>OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS</b>							
Employee Contributions to the Executive Vehicle Scheme.....							
	17	28	28	28	28	28	28
GST Receipts on Sales.....	5	2	5	5	5	5	5
GST Input Credits.....	541	590	587	601	590	590	590
Miscellaneous Legal Revenue.....	84	186	186	191	197	197	197
Contribution from the Confiscation Account...	1,529	1,461	1,461	1,498	1,535	1,535	1,535
<b>OFFICE OF THE INFORMATION COMMISSIONER</b>							
GST Input Credits.....	26	12	12	12	12	12	12
Revenues from the Executive Vehicle Scheme.....							
	2	3	2	2	2	2	2
Other Revenue.....	-	1	2	2	2	2	2
<b>HEALTH</b>							
Proceeds from Services Provided by Health Statistics Branch.....							
	4	-	1	1	5	-	-
Proceeds from Services Provided by Environmental Health Services.....							
	1,244	1,021	1,051	1,039	1,115	1,139	1,221
Proceeds from Services Provided by Community Support Services.....							
	2,827	1,514	3,058	3,134	3,213	3,293	3,375
Proceeds from Services Provided by Health Promotion Services.....							
	570	722	-	-	-	-	-
Proceeds from Services Provided by Miscellaneous Services.....							
	2,513	2,327	2,480	2,436	2,664	2,974	2,805
Proceeds for Services Provided by the Drug and Alcohol Office (DAO).....							
	41	120	150	100	100	100	100
GST Input Credits.....	55,315	58,406	57,686	60,518	63,350	66,182	69,014
GST Receipts on Sales.....	1,969	2,491	1,995	2,154	2,314	2,473	2,632
Australian Immunisation Agreement.....	11,481	11,790	13,745	12,243	12,380	13,740	13,740
Building Solid Families.....	803	803	803	803	803	-	-
Civilian Disaster Medical Assistance Program.....							
	6	-	4	-	-	-	-
Clinical Preceptor Program.....	86	59	59	59	-	-	-
Council of Australian Governments (COAG) Commonwealth Funded Initiatives and Programs Relating to Western Australian Drug Abuse Strategy Office.....							
	4,254	4,735	6,037	5,993	5,900	-	-
DAO - Ministerial Council on Drug Strategy.....							
	126	-	-	-	-	-	-
DAO - Tough on Drugs Program.....	312	-	1,271	888	-	-	-
HealthConnect.....	500	-	-	-	-	-	-
Home and Community Care.....	80,794	87,791	87,673	95,230	103,439	112,356	122,041
Home and Community Care - Veterans Home Care.....							
	1,277	1,309	1,305	1,342	1,376	1,411	1,446
Kutjunka Nursing Funding.....	-	-	206	-	-	-	-
Mental Health - National Benchmarking Program.....							
	420	-	-	-	-	-	-
Mental Health - Quality Through Outcome.....	760	-	650	-	-	-	-

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>HEALTH (continued)</b>							
Other Commonwealth Programs .....	-	-	500	500	500	500	500
Post Graduate Medical Council .....	41	-	-	-	-	-	-
Public Health - Breast Cancer Counselling .....	122	116	116	-	-	-	-
Public Health - COAG Needle and Syringe Program .....	1,003	1,029	1,029	1,068	-	-	-
Public Health - Foodborne Disease Sentinel Site (OZFood Net) .....	187	-	130	130	33	-	-
Public Health - Hepatitis C - Education and Prevention .....	253	260	260	266	-	-	-
Public Health - Human Quarantine Program ...	18	19	19	20	21	22	23
Public Health - Data Linkage .....	100	-	123	123	-	-	-
Public Health - Geriatric Evaluation and Management Rehabilitation Program .....	174	-	75	-	-	-	-
Public Health - Identifying Indigenous Hospital Patients .....	-	-	32	-	-	-	-
Public Health - Outpatient Care Services .....	175	-	-	-	-	-	-
Public Health - National Indigenous Immunisation .....	454	448	460	474	488	503	518
Public Health - Pandemic Influenza Program .....	-	-	200	-	-	-	-
Public Health - Pneumococcal Disease Program .....	-	15	-	-	-	-	-
Public Health - Trachoma Surveillance Program .....	-	-	100	-	-	-	-
Public Health - Vaccine Preventative Disease .....	61	-	75	136	-	-	-
Public Health Outcome Funding Agreement .....	6,957	7,053	7,153	7,439	7,538	7,656	7,851
Strengthening Cancer Care - Rural Programs .....	580	-	257	56	-	-	-
Western Australia Indigenous Family Healing Program .....	68	150	136	68	-	-	-
<b>WESTERN AUSTRALIAN ELECTORAL COMMISSION</b>							
Extraneous Election Recoups .....	138	20	20	20	20	20	20
Sale of Rolls and Maps .....	20	20	20	20	20	20	20
Local Government Ordinary Recoups .....	917	1,000	-	2,500	-	2,500	-
Sundries .....	251	3	3	3	3	3	3
GST Input Credits .....	-	80	170	80	80	80	90
<b>PART 8 - MINISTER FOR EMPLOYMENT PROTECTION; HOUSING AND WORKS; INDIGENOUS AFFAIRS; HERITAGE; LAND INFORMATION</b>							
<b>CONSUMER AND EMPLOYMENT PROTECTION</b>							
Bill of Sale .....	22	39	20	25	30	30	35
Business Name Searches .....	672	395	657	700	720	725	735
Corporate Fees .....	100	109	108	115	120	125	130
Licenses and Other Regulatory Fees .....	10,310	13,224	14,703	15,307	20,265	18,531	18,095
Register of Encumbered Vehicles (REVS) .....	1,163	1,054	1,113	1,200	1,250	1,275	1,300
Trade Measurement .....	320	394	284	350	380	400	420
Federal Investigation and Advisory Service ...	299	265	-	-	-	-	-
Proceeds from Services Provided to the Commonwealth in Respect of Indian Ocean Territories .....	361	112	334	350	380	385	390

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CONSUMER AND EMPLOYMENT PROTECTION (continued)</b>							
Recoups from the Rental Accommodation Fund .....	2,286	1,765	-	1,949	1,285	2,100	2,200
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board.....	6,670	6,352	6,942	7,200	7,480	7,780	8,090
GST Input Tax Credits .....	1,837	1,476	1,476	1,486	1,496	1,496	1,496
GST Receipts on Sales .....	498	207	207	212	217	217	217
Business Names Certificates.....	36	43	54	60	65	60	65
Departmental - Miscellaneous .....	1,438	665	1,989	2,204	1,691	1,646	1,686
<b>REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION</b>							
Fee for Service Australian Industrial Registry .....	277	-	150	-	-	-	-
GST Input Credits.....	290	311	311	311	311	311	311
GST Receipts on Sales .....	33	3	3	3	3	3	3
Service Charges, Transcript and Award Sales and Other Revenue.....	100	130	80	80	80	80	80
<b>HOUSING AND WORKS</b>							
Provision of Contract Services .....	553,153	723,751	725,695	807,832	871,131	937,730	957,229
Fremantle Prison.....	2,859	3,243	3,455	3,586	3,799	3,996	4,164
Executive Vehicle Scheme .....	26	27	27	28	29	30	31
Goods and Services Tax .....	59,849	70,000	70,000	78,000	84,000	91,000	93,000
<b>INDIGENOUS AFFAIRS</b>							
User Charges and Fees .....	-	-	-	152	454	454	454
Grants and Subsidies .....	112	55	200	-	-	-	-
GST Input Credits.....	844	835	1,054	840	845	850	850
Other Receipts .....	841	300	470	350	360	400	400
<b>NATIONAL TRUST OF AUSTRALIA (WA)</b>							
User Charges and Fees .....	465	376	376	433	476	490	510
Grants and Subsidies .....	458	328	328	370	350	360	375
Interest Received .....	116	90	110	80	80	80	83
Goods and Services Tax .....	242	260	260	260	260	260	270
Other Receipts .....	883	340	340	330	409	419	436
<b>PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE</b>							
<b>PLANNING AND INFRASTRUCTURE</b>							
Services Provided to Western Australia							
Planning Commission .....	8,342	11,972	14,359	17,948	18,804	19,674	20,688
Indian Ocean Territories.....	130	161	161	81	81	81	81
Boat Registration Fees.....	7,144	7,011	7,011	7,787	8,242	8,724	9,235
Jetty Licences .....	357	441	441	450	476	504	534
Marine Examinations.....	121	173	173	141	150	158	168
Motor Vehicles .....	11,591	12,107	12,278	18,729	20,409	21,628	23,075
Motor Drivers .....	6,911	8,651	8,651	14,407	15,818	16,983	18,303
Proof of Age Card .....	194	195	195	250	311	329	347
Plate Fees.....	9,950	10,591	12,510	9,226	9,986	10,753	11,555
Recoups for Services Provided.....	8,398	8,707	8,707	8,795	8,882	8,971	9,061
Temporary Permits .....	431	457	457	353	379	403	427
Other Revenue .....	613	547	587	616	649	685	723
Proceeds from Rental Properties.....	1,633	1,826	1,826	1,867	1,867	1,867	1,867

**NET APPROPRIATION DETERMINATIONS (continued)**

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<b>PLANNING AND INFRASTRUCTURE (continued)</b>							
Pastoral Leases .....	1,552	1,464	1,464	1,464	1,464	1,464	1,464
GST Input Credits.....	4,179	2,317	2,317	2,317	2,317	2,317	2,317
GST Receipts on Sales .....	8,829	10,982	10,982	10,982	10,982	10,982	10,982
<b>PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION</b>							
<b>CULTURE AND THE ARTS</b>							
Rental Income from the King Street Arts Centre.....							
	54	50	50	50	50	50	50
GST Input Credits.....	5,982	5,988	5,988	5,988	5,988	5,988	5,988
GST Receipts on Sales .....	1,605	1,424	1,424	1,424	1,424	1,424	1,424
<b>PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST</b>							
<b>EDUCATION AND TRAINING</b>							
Departmental:							
Fees - Agricultural Colleges.....	3,348	3,053	3,070	3,147	3,226	3,307	3,390
Fees - Senior Colleges.....	2,658	2,802	2,802	3,037	3,113	3,191	3,271
Fees - Swimming Classes.....	513	501	521	521	521	521	521
Fees - Other.....	6,314	2,891	6,707	6,830	6,963	7,118	7,118
Farm School Revenue .....	711	880	800	800	800	800	800
Physical Education Camp Schools Revenue ..	1,682	1,691	1,700	1,742	1,786	1,831	1,877
Proceeds from Commercial Activities of Institutions .....	15,524	16,140	16,140	16,542	16,954	16,954	16,954
Recoveries and Refunds - Teachers Salaries and Other .....	11,587	5,002	10,650	10,650	10,650	10,650	10,650
Refunds - Workers Compensation .....	6,706	3,945	5,000	5,000	5,000	5,000	5,000
Revenue - Other .....	9,854	8,091	8,502	7,397	5,987	5,969	5,968
Revenue - Other Capital.....	4,980	3,000	3,000	-	-	-	-
Commonwealth Programs:							
Aboriginal Program.....	34,616	15,037	22,125	22,209	22,668	23,235	23,746
Indian Ocean Territories .....	8,577	8,335	8,723	9,038	9,366	9,705	10,054
Schools Assistance.....	199,907	214,121	210,693	220,837	231,634	242,044	254,991
Schools Capital Program.....	29,761	28,676	29,076	34,704	32,774	33,490	33,490
Special Projects.....	37,134	25,602	32,092	14,765	4,788	4,848	4,626
Vocational Education and Training.....	94,191	99,117	97,287	100,368	104,044	106,238	108,363
Vocational Education and Training - Capital Program.....	15,665	17,795	16,295	13,350	18,975	15,925	14,480
Vocational Education and Training - Other ..	3,518	3,429	3,656	3,653	3,660	3,667	3,670
GST Input Credits .....	71,319	69,350	69,629	70,354	71,057	71,768	72,486
GST Receipts on Sales.....	6,393	5,483	8,424	8,509	8,594	8,680	8,767
<b>EDUCATION SERVICES</b>							
Registration Fees .....	107	456	456	455	459	460	460
Commonwealth Specific Purpose Program - Aboriginal Education and Training Council.....							
	384	325	325	325	327	325	325
Miscellaneous Revenue .....	125	290	290	290	280	290	290
GST Input Credits.....	20,371	23,376	23,376	25,480	27,040	28,372	30,659
GST Receipts.....	11	24	24	24	20	20	20



**NET APPROPRIATION DETERMINATIONS (continued)**

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<b>PART 12 - MINISTER FOR ENERGY; RESOURCES; INDUSTRY AND ENTERPRISE</b>							
OFFICE OF ENERGY							
Australian Greenhouse Building Rating Scheme.....	8	8	9	8	8	8	8
Contribution to Government Vehicle Scheme.....	20	20	15	17	17	17	17
Energy in Western Australia Conference.....	34	35	30	-	-	-	-
First Rate Software Assessor Registration.....	28	46	-	-	-	-	-
GST Input Credits.....	20	619	619	388	356	358	358
Recoup of Program Costs .....	588	500	500	500	500	500	500
Sales of Information Products and Services ....	3	5	-	-	-	-	-
Other Revenue.....	10	-	60	100	125	165	125
Grants from Commonwealth (Renewable Remote Power Generation Program and Photovoltaic Rebate Program) .....	10,940	5,000	5,000	5,000	5,000	5,000	5,000
<b>PART 13 - MINISTER FOR REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE</b>							
FISHERIES							
GST Input Credits.....	1,938	2,000	2,000	2,000	2,000	2,000	2,000
GST Receipts on Sales .....	569	328	328	328	328	328	328
<b>PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS; MINISTER ASSISTING THE MINISTER FOR FEDERAL- STATE RELATIONS</b>							
CORRECTIVE SERVICES							
Proceeds from Sale of Industry Goods .....	883	2,444	2,444	2,521	2,596	2,673	2,752
Proceeds from Prison Canteen Sales.....	1,584	4,663	4,663	5,465	5,752	6,095	6,095
Proceeds from Recoup of Prisoner Telephone Calls .....	557	1,151	1,151	1,200	1,272	1,358	1,358
Proceeds from Recoup of Workers Compensation Payment.....	1,010	2,353	2,353	1,722	1,794	1,867	1,867
Proceeds from Recoup of Salary Costs.....	71	834	834	256	263	272	272
Proceeds from Recoup of Other Costs.....	676	474	474	1,199	1,238	1,282	1,282
Schools Assistance Grant Received from the Commonwealth.....	115	156	156	156	156	156	156
GST Receipts and Input Credits .....	4,862	-	-	-	-	-	-
Other Grants Received.....	129	115	115	115	115	115	115
Proceeds from Other Departmental Revenue...	-	25	25	25	25	25	25
OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES							
Goods and Services Tax .....	95	42	42	42	42	42	42
Other Receipts .....	13	2	2	2	2	2	2

**NET APPROPRIATION DETERMINATIONS (continued)**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated Actual	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL</b>							
<b>ENVIRONMENT AND CONSERVATION</b>							
Receipts from Sale of Goods and Services .....	22,943	13,250	13,250	13,307	13,357	13,173	13,586
Regulatory Fees .....	14,282	9,466	9,466	13,080	14,754	15,237	15,237
Grants and Subsidies .....	11,940	8,760	10,760	10,500	10,500	10,500	10,500
Interest Received .....	2,064	1,707	1,707	1,702	1,698	1,708	1,708
GST Input Credits.....	5,874	5,200	5,200	5,200	5,200	5,200	5,200
GST Receipts on Sales .....	3,843	3,000	3,000	3,000	3,000	3,000	3,000
Proceeds from the Disposal of Equipment and Non-Real Property .....	635	-	-	-	-	-	-
Proceeds from the Disposal of Real Property ..	1,035	721	721	654	644	878	878
Other Receipts .....	17,002	20,416	26,937	31,881	33,867	35,641	35,350
<b>PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING</b>							
<b>COMMUNITIES</b>							
Aboriginal Child Care Training .....	-	55	-	-	-	-	-
Children's Services .....	355	435	359	359	359	359	359
Departmental Services .....	452	203	362	226	198	226	198
GST Input Credits.....	8	10	10	10	10	10	10
GST Receipts on Sales .....	1,317	1,325	1,325	1,325	1,325	1,325	1,325
National Youth Week .....	25	22	23	23	23	23	23
Other Revenue - Multicultural Interests.....	152	11	13	13	13	13	13
<b>CHILD PROTECTION</b>							
Christmas/Cocos Island .....	223	310	392	408	424	441	460
Departmental Services .....	3,645	3,993	1,668	2,175	1,084	1,092	1,091
GST Input Credits.....	215	19	19	19	19	19	19
GST Receipts on Sales .....	10,813	9,562	11,730	12,382	12,891	13,364	13,806
Supported Accommodation Assistance Program.....	17,416	17,330	18,168	18,211	18,657	19,049	19,049
Unattached Refugee Children.....	4	7	2	2	2	2	2
<b>GRAND TOTAL</b>	<b>2,035,395</b>	<b>2,144,884</b>	<b>2,208,731</b>	<b>2,337,708</b>	<b>2,379,606</b>	<b>2,482,795</b>	<b>2,548,494</b>

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## **CHAPTER 3**

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

**Part 1 – Part 5**

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# Part 1 Parliament

## SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
44	Legislative Council			
	– Delivery of Services .....	10,261	10,681	<b>11,270</b>
	– Capital Contribution .....	-	-	<b>1,000</b>
	Total .....	10,261	10,681	<b>12,270</b>
52	Legislative Assembly			
	– Delivery of Services .....	15,453	15,979	<b>16,902</b>
	Total .....	15,453	15,979	<b>16,902</b>
57	Parliamentary Services			
	– Delivery of Services .....	11,051	11,154	<b>11,438</b>
	– Capital Contribution .....	3,040	3,040	<b>500</b>
	Total .....	14,091	14,194	<b>11,938</b>
66	Parliamentary Commissioner for Administrative Investigations			
	– Delivery of Services .....	2,878	2,943	<b>3,340</b>
	Total .....	2,878	2,943	<b>3,340</b>
	<b>GRAND TOTAL</b>			
	– Delivery of Services .....	39,643	40,757	<b>42,950</b>
	– Capital Contribution .....	3,040	3,040	<b>1,500</b>
	Total .....	42,683	43,797	<b>44,450</b>

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# PARLIAMENT

## PART 1 - PARLIAMENT

### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF OUTPUTS</b>							
<b>Legislative Council</b>							
<b>Item 1 Net amount appropriated to deliver services .....</b>	2,658	3,062	3,067	<b>3,446</b>	3,492	3,568	3,659
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(a)</sup> .....</b>	6,491	7,199	7,614	<b>7,824</b>	8,041	8,268	8,504
Total appropriations provided to deliver services .....	9,149	10,261	10,681	<b>11,270</b>	11,533	11,836	12,163
<b>Legislative Assembly</b>							
<b>Item 2 Net amount appropriated to deliver services .....</b>	3,331	3,610	3,756	<b>4,324</b>	4,393	4,501	4,612
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(a)</sup> .....</b>	11,498	11,843	12,223	<b>12,578</b>	12,944	13,321	13,709
Total appropriations provided to deliver services .....	14,829	15,453	15,979	<b>16,902</b>	17,337	17,822	18,321
<b>Parliamentary Services</b>							
<b>Item 3 Net amount appropriated to deliver services .....</b>	10,730	11,051	11,154	<b>11,438</b>	11,656	11,974	12,296
Total appropriations provided to deliver services .....	10,730	11,051	11,154	<b>11,438</b>	11,656	11,974	12,296
Total Delivery of Services .....	34,708	36,765	37,814	<b>39,610</b>	40,526	41,632	42,780
<b>CAPITAL</b>							
<b>Legislative Council</b>							
<b>Item 119 Capital Contribution .....</b>	-	-	-	<b>1,000</b>	-	-	-
<b>Parliamentary Services Department</b>							
<b>Item 120 Capital Contribution .....</b>	-	3,040	3,040	<b>500</b>	500	500	-
Total Capital Contribution	-	3,040	3,040	<b>1,500</b>	500	500	-
<b>GRAND TOTAL .....</b>	34,708	39,805	40,854	<b>41,110</b>	41,026	42,132	42,780



## LEGISLATIVE COUNCIL

### PART 1 - PARLIAMENT

#### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 1 Net amount appropriated to deliver services .....</b>	2,658	3,062	3,067	<b>3,446</b>	3,492	3,568	3,659
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(a)</sup> .....</b>	6,491	7,199	7,614	<b>7,824</b>	8,041	8,268	8,504
Total appropriations provided to deliver services .....	9,149	10,261	10,681	<b>11,270</b>	11,533	11,836	12,163
<b>CAPITAL</b>							
<b>Item 119 Capital Contribution .....</b>	-	-	-	<b>1,000</b>	-	-	-
<b>GRAND TOTAL .....</b>	9,149	10,261	10,681	<b>12,270</b>	11,533	11,836	12,163

- (a) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to the remuneration of Clerks of the Parliament was received after the finalisation of the department's financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in the department's estimates following the release of the 2007-08 Budget.

#### MISSION

*To pursue excellence in supporting the Legislative Council.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Department is the first Western Australian Parliamentary department to establish Key Performance Indicators. These were first reported in the Department's Annual Report for the year ended 2005-06.
- Celebration of the 175th Anniversary of the first sitting of the Legislative Council in February 1832.
- Developing options in conjunction with the Department of Housing and Works for Legislative Council committee accommodation.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support the Chamber Operations of the Legislative Council .....	514	843	671	702			
<i>Service 2:</i>							
Support the Committees of the Legislative Council .....	1,272	1,554	1,575	1,983			
Other Services <sup>(a)</sup> .....	6,105	6,193	6,396	6,385			
<b>Total Cost of Services</b> .....	7,891	8,590	8,642	9,070	9,181	9,257	9,440
<i>Less Income</i> .....	-	-	-	-	-	-	-
<b>Net Cost of Services</b> .....	7,891	8,590	8,642	9,070	9,181	9,257	9,440
Adjustments <sup>(b)</sup> .....	(5,233)	(5,528)	(5,575)	(5,624)	(5,689)	(5,689)	(5,781)
<b>Appropriation provided to deliver Services.</b>	2,658	3,062	3,067	3,446	3,492	3,568	3,659
<i>Salaries and Allowances Act 1975</i> <sup>(c)</sup> .....	6,491	7,199	7,614	7,824	8,041	8,268	8,504
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> .....	-	-	-	1,000	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	9,149	10,261	10,681	12,270	11,533	11,836	12,163

- (a) Provides details of the administration costs of the offices of the President, Chairman of Committees and Clerk, and costs allocated by the Parliamentary Services Department.
- (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) Provides details of salaries and allowances not applicable to operational service delivery.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION**

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

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

Goal	Desired Outcome	Services
Developing and maintaining a skilled, diverse and ethical parliamentary workforce serving the Legislative Council with consideration of the public interest.	The Legislative Council Members' requirements are met.	1. Support the Chamber Operations of the Legislative Council 2. Support the Committees of the Legislative Council

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The Legislative Council Members' requirements are met.</b>					
Average Member rating for procedural advice - House .....	91%	85%	85%	85%	
Average Member rating for procedural advice - Committees .....	89%	85%	85%	85%	
Average Member rating for administrative support.....	88%	85%	85%	85%	
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by the House .....	84%	100%	100%	100%	

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

**Service 1: Support the Chamber Operations of the Legislative Council <sup>(a)</sup>**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	514	843	671	702	
Less Income.....	-	-	-	-	
Net Cost of Service .....	514	843	671	702	
<b>Appropriation for delivery of Service.....</b>	<b>514</b>	<b>843</b>	<b>671</b>	<b>702</b>	

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

**Key Efficiency Indicators <sup>(a)</sup>**

	2005-06 Actual	2006-07 Budget <sup>(b)</sup>	2006-07 Estimated <sup>(b)</sup>	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per Legislative Council Member per sitting.....	244	380	318	333	
<b>Full Time Equivalent (FTEs)</b>	<b>12</b>	<b>9</b>	<b>12</b>	<b>12</b>	

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

(b) In 2006-07 there were 59 sitting days. For comparative purposes, costs have been calculated on an estimate of 62 sitting days per annum based on the actual for 2005-06. It is acknowledged that the House establishes the sitting patterns and the Legislative Council incurs a fixed cost irrespective of the number of sitting days.

**Major Achievements For 2006-07**

- Publication of the Department's Procurement Policy and Procurement Guidelines in October 2006.
- Completion of Legislative Council Chamber air-conditioning project as part of the Parliament's capital works program.
- Implemented several recommendations from the review of the committee system and its operations (the Cash Report).
- Intranet broadcasting of chamber proceedings throughout the Parliament with the addition of electronic captions to indicate the matter being debated.
- Launch of the pilot 'Table Training' project aimed to train Parliamentary staff on Table duties in order to better service the needs of Members.
- Reviewed and planned the staged implementation of across Parliament filing conventions. Preparation for the installation of an Electronic Document/Records Management System (EDRMS), including completion of a proposed AAA thesaurus.
- Fostered links with the Office of the Auditor General, the State Ombudsman and other Parliamentary Officers to enhance understanding of parliamentary processes.
- Hosted, in conjunction with the Legislative Assembly, the 37th Presiding Officers and Clerks Conference in July 2006 and the 8th Professional Development Seminar of the Australian and New Zealand Association of Clerks-at-the-Table (ANZACATT) in January 2007.
- The Legislative Council, through the office of the President, hosted 23 distinguished visitors and official delegations.

**Major Initiatives For 2007-08**

- The introduction of an awareness program to promote to the public of Western Australia the roles and functions of the Legislative Council and its committees.
- Continuing the implementation of the recommendations of the Cash Report in consultation with the Chairman of Committees.
- Planning for the refurbishment of the Legislative Council chamber and galleries to accommodate the increased membership at the forthcoming general election.
- Pursuing the implementation of across Parliament filing conventions, and installation of an EDRMS.
- Development of internet broadcasting of Chamber proceedings in accordance with the resolution of the Legislative Council.
- Hosting the 17th Commonwealth Parliamentary Association regional seminar in October 2007.

**Service 2: Support the Committees of the Legislative Council <sup>(a)</sup>**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,272	1,554	1,575	1,983	Expected requirement for increased committee activities in 2007-08.
Less Income .....	-	-	-	-	
Net Cost of Service .....	1,272	1,554	1,575	1,983	
<b>Appropriation for delivery of Service.....</b>	<b>1,272</b>	<b>1,554</b>	<b>1,575</b>	<b>1,983</b>	

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

**Key Efficiency Indicators** <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of providing procedural and administrative support to each Committee ....	141	194	197	248	Increased funding provided for leasing costs of the Committee Office. Expected increase in committee activities in 2007-08.
<b>Full Time Equivalents (FTEs)</b>	17	17	17	17	

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

**Major Achievements For 2006-07**

- Select Committees appointed by the House were supported including:
  - a Select Committee on Public Obstetric Services was established in May 2006 with continuing inquiries;
  - a Select Committee on the Adequacy of Foster Care Assessment Procedures by the Department for Community Development was appointed in September 2005 and reported in August 2006;
  - a Select Committee on the Department of Education and Training was appointed in November 2006 and reported in December 2006; and
  - a Select Committee of Privilege on a Matter Arising in the Estimates and Financial Operations Committee was appointed in March 2007 and is to report in May 2007.
- Fostered links with the Office of the Auditor General, the State Ombudsman and other Parliamentary Officers to enhance understanding of the parliamentary Committee processes.

**Major Initiatives For 2007-08**

- Development of an outreach program to educate Government agency officers on the requirements and proceedings at committee hearings.
- Publication of a formal Committee Members' guide on general practice and procedure.
- Develop options in conjunction with the Departments of Housing and Works and Treasury and Finance to complete the upgrade and refurbishment of the Legislative Council Committee Office accommodation.

**CAPITAL WORKS PROGRAM**

The Legislative Council capital works program for 2007-08 is \$1.0 million which will be utilised for the Committee Office accommodation project.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>NEW WORKS</b>				
Buildings, Refurbishments, Upgrades Committee Office Accommodation.....	1,000	-	-	1,000
	1,000	-	-	1,000

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	-	-	-	1,000	-	-	-
	-	-	-	1,000	-	-	-
<b>Capital Contribution .....</b>	-	-	-	1,000	-	-	-

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	6,062	8,784	6,770	7,002	7,305	7,885	8,197
Superannuation .....	920	1,172	971	1,013	1,043	1,063	1,084
Supplies and services .....	7,150	5,603	8,247	8,191	8,186	7,889	7,975
Accommodation .....	217	200	230	650	650	650	650
Depreciation and amortisation .....	3	15	3	3	3	3	3
Other expenses .....	30	15	35	35	35	35	35
<b>TOTAL COST OF SERVICES .....</b>	<b>14,382</b>	<b>15,789</b>	<b>16,256</b>	<b>16,894</b>	<b>17,222</b>	<b>17,525</b>	<b>17,944</b>
<b>NET COST OF SERVICES .....</b>	<b>14,382</b>	<b>15,789</b>	<b>16,256</b>	<b>16,894</b>	<b>17,222</b>	<b>17,525</b>	<b>17,944</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations .....	9,149	10,261	10,681	11,270	11,533	11,836	12,163
Resources received free of charge .....	4,708	4,788	5,069	5,073	5,159	5,159	5,251
Liabilities assumed by the Treasurer .....	509	740	530	530	530	530	530
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	<b>14,366</b>	<b>15,789</b>	<b>16,280</b>	<b>16,873</b>	<b>17,222</b>	<b>17,525</b>	<b>17,944</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b>	<b>(16)</b>	<b>-</b>	<b>24</b>	<b>(21)</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 29, 29 and 29 respectively.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	54	99	49	29	29	29	29
Restricted cash .....	-	10	5	10	10	10	10
Receivables .....	10	9	10	10	10	10	10
Prepayments .....	46	3	46	46	46	46	46
<b>Total current assets .....</b>	<b>110</b>	<b>121</b>	<b>110</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	145	160	148	151	154	157	160
Plant and equipment .....	-	87	-	-	-	-	-
Restricted cash .....	7	-	7	7	7	7	7
Other .....	152	38	149	1,146	1,143	1,140	1,137
<b>Total non-current assets .....</b>	<b>304</b>	<b>285</b>	<b>304</b>	<b>1,304</b>	<b>1,304</b>	<b>1,304</b>	<b>1,304</b>
<b>TOTAL ASSETS .....</b>	<b>414</b>	<b>406</b>	<b>414</b>	<b>1,399</b>	<b>1,399</b>	<b>1,399</b>	<b>1,399</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	75	56	75	75	75	75	75
Provision for employee entitlements .....	299	414	299	299	299	299	299
Accrued salaries .....	29	-	5	11	11	11	11
<b>Total current liabilities .....</b>	<b>403</b>	<b>470</b>	<b>379</b>	<b>385</b>	<b>385</b>	<b>385</b>	<b>385</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	143	62	143	143	143	143	143
<b>Total non-current liabilities .....</b>	<b>143</b>	<b>62</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>143</b>	<b>143</b>
<b>TOTAL LIABILITIES .....</b>	<b>546</b>	<b>532</b>	<b>522</b>	<b>528</b>	<b>528</b>	<b>528</b>	<b>528</b>
<b>EQUITY</b>							
Contributed equity .....	-	-	-	1,000	1,000	1,000	1,000
Accumulated surplus/(deficit) .....	(152)	(146)	(128)	(149)	(149)	(149)	(149)
Reserves .....	20	20	20	20	20	20	20
<b>Total equity .....</b>	<b>(132)</b>	<b>(126)</b>	<b>(108)</b>	<b>871</b>	<b>871</b>	<b>871</b>	<b>871</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>414</b>	<b>406</b>	<b>414</b>	<b>1,399</b>	<b>1,399</b>	<b>1,399</b>	<b>1,399</b>

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	9,134	10,246	10,678	11,267	11,530	11,833	12,160
Capital contribution .....	-	-	-	1,000	-	-	-
<b>Net cash provided by State government .....</b>	<b>9,134</b>	<b>10,246</b>	<b>10,678</b>	<b>12,267</b>	<b>11,530</b>	<b>11,833</b>	<b>12,160</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(6,049)	(8,790)	(6,756)	(6,961)	(7,270)	(7,850)	(8,162)
Superannuation .....	(411)	(433)	(445)	(485)	(513)	(533)	(554)
Supplies and services .....	(2,496)	(808)	(3,247)	(3,186)	(3,097)	(2,800)	(2,794)
Accommodation.....	(195)	(200)	(200)	(620)	(620)	(620)	(620)
Goods and services tax .....	(58)	(61)	(61)	(61)	(61)	(61)	(61)
Other.....	(30)	(15)	(30)	(30)	(30)	(30)	(30)
<b>Receipts</b>							
Goods and services tax .....	57	61	61	61	61	61	61
<b>Net cash from operating activities .....</b>	<b>(9,182)</b>	<b>(10,246)</b>	<b>(10,678)</b>	<b>(11,282)</b>	<b>(11,530)</b>	<b>(11,833)</b>	<b>(12,160)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	-	-	-	(1,000)	-	-	-
<b>Net cash from investing activities.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(48)</b>	<b>-</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	109	109	61	61	46	46	46
<b>Cash assets at the end of the reporting period.....</b>	<b>61</b>	<b>109</b>	<b>61</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST Input Credits.....	57	61	61	61
<b>TOTAL .....</b>	<b>57</b>	<b>61</b>	<b>61</b>	<b>61</b>

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



# LEGISLATIVE ASSEMBLY

## PART 1 - PARLIAMENT

### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 2 Net amount appropriated to deliver services .....</b>	3,331	3,610	3,756	<b>4,324</b>	4,393	4,501	4,612
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(a)</sup> .....</b>	11,498	11,843	12,223	<b>12,578</b>	12,944	13,321	13,709
Total appropriations provided to deliver services .....	14,829	15,453	15,979	<b>16,902</b>	17,337	17,822	18,321
<b>GRAND TOTAL .....</b>	<b>14,829</b>	<b>15,453</b>	<b>15,979</b>	<b>16,902</b>	<b>17,337</b>	<b>17,822</b>	<b>18,321</b>

- (a) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to the remuneration of Clerks of the Parliament was received after the finalisation of the department's financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in the department's estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- There is a significant increase in the number of suggested inquiries for Parliamentary Committees resulting in increased competition for existing committee resources and available members' time.
- There is a need to increase the level of understanding of the operation of the law of parliamentary privilege amongst public and government bodies and in the legal fraternity.
- Accommodation for members including meeting and reception facilities need to be further resolved.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<b>Service 1:</b>							
Administrative and Procedural Support to the Legislative Assembly, its Members and Committees .....	12,569	12,714	13,101	13,645			
<b>Total Cost of Services .....</b>	<b>12,569</b>	<b>12,714</b>	<b>13,101</b>	<b>13,645</b>	<b>13,862</b>	<b>13,994</b>	<b>14,225</b>
<i>Less Income.....</i>	<i>1</i>	<i>10</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Net Cost of Services .....</b>	<b>12,568</b>	<b>12,704</b>	<b>13,101</b>	<b>13,645</b>	<b>13,862</b>	<b>13,994</b>	<b>14,225</b>
Adjustments <sup>(a)</sup> .....	(9,237)	(9,094)	(9,345)	(9,321)	(9,469)	(9,493)	(9,613)
<b>Appropriation provided to deliver Services <sup>(a)</sup> .....</b>	<b>3,331</b>	<b>3,610</b>	<b>3,756</b>	<b>4,324</b>	<b>4,393</b>	<b>4,501</b>	<b>4,612</b>
<i>Salaries and Allowances Act 1975 <sup>(b)</sup> .....</i>	<i>11,498</i>	<i>11,843</i>	<i>12,223</i>	<i>12,578</i>	<i>12,944</i>	<i>13,321</i>	<i>13,709</i>
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....</b>	<b>14,829</b>	<b>15,453</b>	<b>15,979</b>	<b>16,902</b>	<b>17,337</b>	<b>17,822</b>	<b>18,321</b>

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	12,569	12,714	13,101	13,645	
<i>Less Income.....</i>	<i>1</i>	<i>10</i>	<i>-</i>	<i>-</i>	
Net Cost of Service.....	12,568	12,704	13,101	13,645	
Adjustments <sup>(a)</sup> .....	(9,237)	(9,094)	(9,345)	(9,321)	
<b>Appropriation for delivery of Service.....</b>	<b>3,331</b>	<b>3,610</b>	<b>3,756</b>	<b>4,324</b>	

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

**Major Achievements For 2006-07**

- Completion of the refurbishment and air-conditioning of the Legislative Assembly Chamber and galleries (in part) to accommodate the increased membership at the forthcoming general election.
- Completion of the Parliamentary education section's outreach and other educational programs.
- Provided increased support for procedural operations of the House, key international relationships and a centre for development of parliamentary services across Australia.

**Major Initiatives For 2007-08**

- Increase procedural development for Chamber operations.
- Increase training and development of staff to service the House and its committees.
- Provide input into the development of an Australia-wide conference of Parliamentarians.
- Provide further education on the role of the Legislative Assembly and Parliament.
- Refine plans for regional sittings of the Legislative Assembly and the induction of new members after the next general election.

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	9,964	13,234	10,581	11,183	11,567	12,089	12,508
Superannuation .....	1,559	1,620	1,609	1,613	1,613	1,613	1,616
Supplies and services .....	12,152	9,688	12,737	12,770	12,969	12,956	13,153
Accommodation .....	338	-	340	600	600	600	600
Depreciation and amortisation .....	32	-	32	32	32	32	32
Other expenses .....	22	15	25	25	25	25	25
<b>TOTAL COST OF SERVICES</b> .....	<b>24,067</b>	<b>24,557</b>	<b>25,324</b>	<b>26,223</b>	<b>26,806</b>	<b>27,315</b>	<b>27,934</b>
<b>Income</b>							
Other revenue .....	1	10	-	-	-	-	-
<b>Total Income</b> .....	<b>1</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET COST OF SERVICES</b> .....	<b>24,066</b>	<b>24,547</b>	<b>25,324</b>	<b>26,223</b>	<b>26,806</b>	<b>27,315</b>	<b>27,934</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations .....	14,829	15,453	15,979	16,902	17,337	17,822	18,321
Resources received free of charge .....	7,893	7,988	8,498	8,505	8,649	8,649	8,803
Liabilities assumed by the Treasurer .....	798	1,110	800	800	800	800	800
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>23,520</b>	<b>24,551</b>	<b>25,277</b>	<b>26,207</b>	<b>26,786</b>	<b>27,271</b>	<b>27,924</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(546)</b>	<b>4</b>	<b>(47)</b>	<b>(16)</b>	<b>(20)</b>	<b>(44)</b>	<b>(10)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 29, 33 and 33 respectively.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	291	754	287	259	221	187	187
Restricted cash .....	-	8	4	8	12	12	12
Receivables .....	49	29	49	49	49	49	49
Inventories.....	-	10	10	30	50	70	70
Prepayments.....	5	4	9	17	25	33	33
<b>Total current assets .....</b>	<b>345</b>	<b>805</b>	<b>359</b>	<b>363</b>	<b>357</b>	<b>351</b>	<b>351</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	220	220	252	284	316	348	380
Plant and equipment.....	129	99	97	65	33	1	-
Restricted cash .....	6	-	6	6	6	6	6
Other.....	145	145	145	145	145	145	114
<b>Total non-current assets .....</b>	<b>500</b>	<b>464</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>TOTAL ASSETS.....</b>	<b>845</b>	<b>1,269</b>	<b>859</b>	<b>863</b>	<b>857</b>	<b>851</b>	<b>851</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	151	102	236	251	265	303	313
Provision for employee entitlements .....	376	335	372	373	369	369	369
Accrued salaries .....	31	8	11	15	19	19	19
<b>Total current liabilities.....</b>	<b>558</b>	<b>445</b>	<b>619</b>	<b>639</b>	<b>653</b>	<b>691</b>	<b>701</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	155	149	155	155	155	155	155
<b>Total non-current liabilities .....</b>	<b>155</b>	<b>149</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
<b>TOTAL LIABILITIES.....</b>	<b>713</b>	<b>594</b>	<b>774</b>	<b>794</b>	<b>808</b>	<b>846</b>	<b>856</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	91	634	44	28	8	(36)	(46)
Reserves .....	41	41	41	41	41	41	41
<b>Total equity.....</b>	<b>132</b>	<b>675</b>	<b>85</b>	<b>69</b>	<b>49</b>	<b>5</b>	<b>(5)</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>845</b>	<b>1,269</b>	<b>859</b>	<b>863</b>	<b>857</b>	<b>851</b>	<b>851</b>

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	14,829	15,453	15,947	16,870	17,305	17,790	18,289
<b>Net cash provided by State government .....</b>	<b>14,829</b>	<b>15,453</b>	<b>15,947</b>	<b>16,870</b>	<b>17,305</b>	<b>17,790</b>	<b>18,289</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(9,893)	(13,234)	(10,603)	(11,183)	(11,567)	(12,089)	(12,508)
Superannuation .....	(760)	(510)	(811)	(813)	(813)	(813)	(816)
Supplies and services .....	(4,212)	(1,704)	(4,173)	(4,278)	(4,339)	(4,302)	(4,345)
Accommodation .....	(338)	-	(340)	(600)	(600)	(600)	(600)
Goods and services tax .....	(122)	(115)	(115)	(115)	(115)	(115)	(115)
Other.....	(22)	(15)	(20)	(20)	(20)	(20)	(20)
<b>Receipts</b>							
Goods and services tax .....	114	115	115	115	115	115	115
Other receipts .....	1	10	-	-	-	-	-
<b>Net cash from operating activities.....</b>	<b>(15,232)</b>	<b>(15,453)</b>	<b>(15,947)</b>	<b>(16,894)</b>	<b>(17,339)</b>	<b>(17,824)</b>	<b>(18,289)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(62)	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(62)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(465)</b>	<b>-</b>	<b>-</b>	<b>(24)</b>	<b>(34)</b>	<b>(34)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	762	762	297	297	273	239	205
<b>Cash assets at the end of the reporting period.....</b>	<b>297</b>	<b>762</b>	<b>297</b>	<b>273</b>	<b>239</b>	<b>205</b>	<b>205</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST Input Credits.....	114	115	115	115
Sale of Publications and Other Revenue .....	1	10	-	-
<b>TOTAL .....</b>	<b>115</b>	<b>125</b>	<b>115</b>	<b>115</b>

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

## PARLIAMENTARY SERVICES

### PART 1 - PARLIAMENT

#### DIVISION 1

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 3 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	10,730	11,051	11,154	<b>11,438</b>	11,656	11,974	12,296
Total appropriations provided to deliver services .....	10,730	11,051	11,154	<b>11,438</b>	11,656	11,974	12,296
<b>CAPITAL</b>							
<b>Item 120 Capital Contribution</b> .....	-	3,040	3,040	<b>500</b>	500	500	-
<b>GRAND TOTAL</b> .....	10,730	14,091	14,194	<b>11,938</b>	12,156	12,474	12,296

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- Increasing preservation and maintenance requirements for Parliament House and grounds.
- Additional demands for information systems and communication infrastructure.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Provision of Infrastructure and Facilities .....	3,627	3,741	3,776	3,872			
<i>Service 2:</i>							
Provision of Information and Services .....	6,660	7,452	7,428	7,583			
<b>Total Cost of Services <sup>(a)</sup> .....</b>	<b>10,287</b>	<b>11,193</b>	<b>11,204</b>	<b>11,455</b>	<b>11,710</b>	<b>12,028</b>	<b>12,311</b>
<i>Less Income</i> .....	5	35	5	5	-	-	-
<b>Net Cost of Services <sup>(a)</sup> .....</b>	<b>10,282</b>	<b>11,158</b>	<b>11,199</b>	<b>11,450</b>	<b>11,710</b>	<b>12,028</b>	<b>12,311</b>
Adjustments <sup>(b)</sup> .....	448	(107)	(45)	(12)	(54)	(54)	(15)
<b>Appropriation provided to deliver Services <sup>(a)</sup> .....</b>	<b>10,730</b>	<b>11,051</b>	<b>11,154</b>	<b>11,438</b>	<b>11,656</b>	<b>11,974</b>	<b>12,296</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup> .....</b>	<b>-</b>	<b>3,040</b>	<b>3,040</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</b>
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS .....</b>	<b>10,730</b>	<b>14,091</b>	<b>14,194</b>	<b>11,938</b>	<b>12,156</b>	<b>12,474</b>	<b>12,296</b>

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION**

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

The Department provides apolitical ancillary services to Members of Parliament, Chamber Departments, Parliamentary staff and other users through two specific service roles that are undertaken to meet the Department's single desired outcome. In doing so, the Department supports a broad, high level goal that reflects its service provision role. The following table illustrates the relationship between that desired outcome and the goal.

Goal	Desired Outcome	Services
Developing and maintaining a skilled, diverse and ethical Department serving the Parliament with consideration of the public interest.	Infrastructure, facilities, information and services that meet the needs of stakeholders.	1. Provision of Infrastructure and Facilities. 2. Provision of Information and Services.

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target <sup>(b)</sup>	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Infrastructure, facilities, information and services that meet the needs of stakeholders.</b>					
Average Member rating of infrastructure and facilities.....	n/a	n/a	n/a	90%	
Availability of infrastructure and facilities.....	n/a	n/a	n/a	95%	
Average Member rating of information and services.....	n/a	n/a	n/a	90%	
Availability of information and services.....	n/a	n/a	n/a	95%	
Average Presiding Officer and staff rating for infrastructure, facilities, information and services.....	n/a	n/a	n/a	95%	

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

(b) New indicators for 2007-08. No comparative data available. Estimates based on an internal survey conducted in 2006.

**Service 1: Provision of Infrastructure and Facilities**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	3,627	3,741	3,776	3,872	
Less Income.....	-	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	3,627	3,741	3,776	3,872	
Adjustments <sup>(b)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>3,627</b>	<b>3,741</b>	<b>3,776</b>	<b>3,872</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target <sup>(a)</sup>	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per Member of Parliament and Chamber Departments' employee for providing Infrastructure and Facilities.....	n/a	n/a	n/a	\$25,000	
Percentage of variable costs expended to maintain Parliament House building and grounds <sup>(b)</sup> .....	n/a	n/a	n/a	20%	
<b>Full Time Equivalents (FTEs)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>20</b>	

(a) New indicators for 2007-08. No comparative data available.

(b) Variable costs represent the Department's total recurrent funds less staffing costs, statutory charges and contractual obligations.



**Major Achievements For 2006-07**

- Continued improvement of Parliament House infrastructure facilities for members, staff and visitors.
- Completed Legislative Assembly Chamber air-conditioning and seating replacement projects.
- Completed broadcasting system upgrade project.
- Continued to maintain a high level of satisfaction by key stakeholders.

**Major Initiatives For 2007-08**

- Continue to undertake projects to decrease the maintenance backlog.
- Provide assistance to the Legislative Council with its Committee Office accommodation project.
- Continuing upgrades of Parliament House infrastructure and facilities.

**Service 2: Provision of Information and Services**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	6,660	7,452	7,428	7,583	
Less Income.....	5	35	5	5	
Net Cost of Service <sup>(a)</sup> .....	6,655	7,417	7,423	7,578	
Adjustments <sup>(b)</sup> .....	448	(107)	(45)	(12)	
<b>Appropriation for delivery of Service <sup>(a)</sup>.....</b>	<b>7,103</b>	<b>7,310</b>	<b>7,378</b>	<b>7,566</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target <sup>(a)</sup>	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per Member of Parliament and Chamber Departments' employee for providing information and services .....	n/a	n/a	n/a	\$49,000	
Average cost of services per sitting day .....	n/a	n/a	n/a	\$49,000	
<b>Full Time Equivalents (FTEs)</b>	n/a	n/a	n/a	81	

- (a) New indicators for 2007-08. No comparative data available.

**Major Achievements For 2006-07**

- Hardware and software systems upgraded to improve communication and information resources available to members.
- Continued to maintain a high level of satisfaction by key stakeholders.

**Major Initiatives For 2007-08**

- Ongoing improvement of services provided to members, chamber departments, staff and visitors.
- Further develop a skilled and diversified workforce that supports innovation and continuous improvement.

**CAPITAL WORKS PROGRAM**

The Department's capital works program for 2007-08 is \$1.1 million which will be utilised for the replacement of all lifts electronics and motors and the continuation of capital upgrades, maintenance and replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Buildings, Refurbishments, Upgrades -				
Building Maintenance Backlog .....	987	860	-	127
Capital Upgrades and Maintenance .....	2,000	500	500	500
Furniture and Equipment -				
Furniture Replacement Program .....	284	234	54	50
Information and Communication Systems -				
Asset Replacement - IT and Equipment .....	541	463	72	78
<b>COMPLETED WORKS</b>				
Buildings, Refurbishments, Upgrades -				
Chambers' Air-conditioning Stage 1 .....	1,140	1,140	200	-
Chambers' Air-conditioning Stage 2 .....	1,420	1,420	1,420	-
Legislative Assembly Seating .....	940	940	940	-
Information and Communication Systems -				
Information Management Plan - Implementation .....	941	941	73	-
Parliament House Security				
Parliament House Security Upgrade .....	1,286	1,286	85	-
<b>NEW WORKS</b>				
Buildings, Refurbishments, Upgrades -				
Replacement of all Lifts Electronics and Motors .....	390	-	-	390
	<b>9,929</b>	<b>7,784</b>	<b>3,344</b>	<b>1,145</b>

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	1,980	3,067	3,344	1,145	500	500	-
	1,980	3,067	3,344	1,145	500	500	-
<b>LESS</b>							
Drawdowns from the Holding Account .....	580	150	150	540	-	-	-
Internal Funds and Balances .....	517	(123)	-	-	-	-	-
Other .....	883	-	154	105	-	-	-
<b>Capital Contribution .....</b>	-	3,040	3,040	500	500	500	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	5,826	5,323	6,359	6,553	6,744	6,961	7,217
Superannuation .....	533	510	625	629	630	630	630
Supplies and services .....	2,313	2,478	2,420	2,406	2,431	2,568	2,595
Accommodation .....	985	1,560	1,108	1,147	1,160	1,099	1,074
Capital user charge <sup>(b)</sup> .....	2,319	2,307	2,307	-	-	-	-
Depreciation and amortisation .....	593	675	650	675	700	725	750
Other expenses .....	37	647	42	45	45	45	45
<b>TOTAL COST OF SERVICES</b> .....	<b>12,606</b>	<b>13,500</b>	<b>13,511</b>	<b>11,455</b>	<b>11,710</b>	<b>12,028</b>	<b>12,311</b>
<b>Income</b>							
Gain on disposal of non-current assets .....	1	-	-	-	-	-	-
Proceeds from disposal of non-current assets ..	-	30	-	-	-	-	-
Other revenue .....	4	5	5	5	-	-	-
<b>Total Income</b> .....	<b>5</b>	<b>35</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>12,601</b>	<b>13,465</b>	<b>13,506</b>	<b>11,450</b>	<b>11,710</b>	<b>12,028</b>	<b>12,311</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	13,032	13,358	13,461	11,438	11,656	11,974	12,296
Liabilities assumed by the Treasurer .....	14	50	15	15	15	15	15
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>13,046</b>	<b>13,408</b>	<b>13,476</b>	<b>11,453</b>	<b>11,671</b>	<b>11,989</b>	<b>12,311</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>445</b>	<b>(57)</b>	<b>(30)</b>	<b>3</b>	<b>(39)</b>	<b>(39)</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 100, 101 and 101 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	846	648	693	591	591	552	552
Restricted cash .....	-	56	28	28	28	28	28
Receivables .....	53	210	61	61	61	61	61
Amounts receivable for services.....	150	150	540	-	-	-	-
Prepayments .....	40	167	60	50	38	38	38
<b>Total current assets .....</b>	<b>1,089</b>	<b>1,231</b>	<b>1,382</b>	<b>730</b>	<b>718</b>	<b>679</b>	<b>679</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	694	1,219	804	1,479	2,179	2,904	3,654
Land and buildings.....	28,107	27,984	27,854	28,061	27,449	26,837	26,225
Plant and equipment.....	2,034	3,086	4,981	5,244	5,656	6,043	5,905
Intangibles .....	26	-	26	26	26	26	26
Restricted cash .....	19	-	19	19	19	19	19
Other.....	685	771	685	685	685	685	685
<b>Total non-current assets.....</b>	<b>31,565</b>	<b>33,060</b>	<b>34,369</b>	<b>35,514</b>	<b>36,014</b>	<b>36,514</b>	<b>36,514</b>
<b>TOTAL ASSETS.....</b>	<b>32,654</b>	<b>34,291</b>	<b>35,751</b>	<b>36,244</b>	<b>36,732</b>	<b>37,193</b>	<b>37,193</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	271	559	371	357	381	381	381
Provision for employee entitlements .....	868	886	868	868	868	868	868
Accrued salaries .....	108	28	95	99	102	102	102
<b>Total current liabilities.....</b>	<b>1,247</b>	<b>1,473</b>	<b>1,334</b>	<b>1,324</b>	<b>1,351</b>	<b>1,351</b>	<b>1,351</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	390	315	390	390	390	390	390
<b>Total non-current liabilities .....</b>	<b>390</b>	<b>315</b>	<b>390</b>	<b>390</b>	<b>390</b>	<b>390</b>	<b>390</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,637</b>	<b>1,788</b>	<b>1,724</b>	<b>1,714</b>	<b>1,741</b>	<b>1,741</b>	<b>1,741</b>
<b>EQUITY</b>							
Contributed equity .....	6,007	10,067	9,047	9,547	10,047	10,547	10,547
Accumulated surplus/(deficit) .....	4,857	4,202	4,827	4,830	4,791	4,752	4,752
Reserves .....	20,153	18,234	20,153	20,153	20,153	20,153	20,153
<b>Total equity.....</b>	<b>31,017</b>	<b>32,503</b>	<b>34,027</b>	<b>34,530</b>	<b>34,991</b>	<b>35,452</b>	<b>35,452</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>32,654</b>	<b>34,291</b>	<b>35,751</b>	<b>36,244</b>	<b>36,732</b>	<b>37,193</b>	<b>37,193</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	12,402	12,683	12,811	10,763	10,956	11,249	11,546
Capital contribution .....	-	3,040	3,040	500	500	500	-
Holding account drawdowns .....	580	150	150	540	-	-	-
<b>Net cash provided by State government .....</b>	<b>12,982</b>	<b>15,873</b>	<b>16,001</b>	<b>11,803</b>	<b>11,456</b>	<b>11,749</b>	<b>11,546</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(5,658)	(5,309)	(6,369)	(6,549)	(6,741)	(6,961)	(7,217)
Superannuation .....	(514)	(410)	(613)	(614)	(615)	(615)	(615)
Supplies and services .....	(2,255)	(1,988)	(2,390)	(2,390)	(2,390)	(2,502)	(2,504)
Accommodation.....	(974)	(2,152)	(1,076)	(1,180)	(1,180)	(1,180)	(1,180)
Capital user charge <sup>(a)</sup> .....	(2,319)	(2,307)	(2,307)	-	-	-	-
Goods and services tax .....	(520)	(475)	(475)	(475)	(475)	(475)	(475)
Other.....	(36)	(503)	(30)	(30)	(30)	(30)	(30)
<b>Receipts</b>							
Goods and services tax .....	533	475	475	475	475	475	475
Other receipts .....	4	3	3	3	-	-	-
<b>Net cash from operating activities.....</b>	<b>(11,739)</b>	<b>(12,666)</b>	<b>(12,782)</b>	<b>(10,760)</b>	<b>(10,956)</b>	<b>(11,288)</b>	<b>(11,546)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(1,980)	(3,067)	(3,344)	(1,145)	(500)	(500)	-
Proceeds from sale of non-current assets .....	1	12	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(1,979)</b>	<b>(3,055)</b>	<b>(3,344)</b>	<b>(1,145)</b>	<b>(500)</b>	<b>(500)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(736)</b>	<b>152</b>	<b>(125)</b>	<b>(102)</b>	<b>-</b>	<b>(39)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	1,601	552	865	740	638	638	599
<b>Cash assets at the end of the reporting period.....</b>	<b>865</b>	<b>704</b>	<b>740</b>	<b>638</b>	<b>638</b>	<b>599</b>	<b>599</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

## RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	12,606	13,500	13,511	11,455	11,710	12,028	12,311
Less Capital User Charge.....	2,319	2,307	2,307	-	-	-	-
Adjusted Total Cost of Services .....	10,287	11,193	11,204	11,455	11,710	12,028	12,311
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	13,032	13,358	13,461	11,438	11,656	11,974	12,296
Less Capital User Charge.....	2,302	2,307	2,307	-	-	-	-
Adjusted net amount appropriated to deliver services .....	10,730	11,051	11,154	11,438	11,656	11,974	12,296

## NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST input credits .....	533	475	475	475
Other Receipts.....	4	3	3	3
TOTAL .....	537	478	478	478

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

## PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

### PART 1 - PARLIAMENT

#### DIVISION 2

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 4 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	2,446	2,489	2,536	<b>2,933</b>	2,917	2,962	2,922
<b>Amount Authorised by Other Statutes - Parliamentary Commissioner Act 1971 <sup>(b)</sup> .....</b>	397	389	407	<b>407</b>	413	413	425
Total appropriations provided to deliver services .....	2,843	2,878	2,943	<b>3,340</b>	3,330	3,375	3,347
<b>GRAND TOTAL .....</b>	<b>2,843</b>	<b>2,878</b>	<b>2,943</b>	<b>3,340</b>	<b>3,330</b>	<b>3,375</b>	<b>3,347</b>

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- It is expected that the Office will receive around 1,500 allegations relating to public sector organisations, and over 4,000 telephone enquiries from members of the public.
- Recent years have seen a marked increase in the complexity of the matters under investigation by the Office. This is expected to continue in 2007-08.
- The Office will continue to take a proactive role in addressing systemic problems and promoting good administrative practices, consistent with a strong focus on integrity, transparency and accountability across the public sector.
- There is a continuing need to improve the access of Indigenous people and young people to the Ombudsman.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Investigation of Complaints About Administrative Actions of Public Sector Organisations .....	3,266	3,121	3,551	3,847			
<i>Service 2:</i>							
Inspection of Eligible Authorities to Ensure Compliance with Statutory Provisions When They Intercept Telecommunications .....	40	52	54	54			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	3,306	3,173	3,605	3,901	3,891	3,936	3,908
<i>Less Income</i> .....	389	143	518	518	518	518	518
<b>Net Cost of Services</b> <sup>(a)</sup> .....	2,917	3,030	3,087	3,383	3,373	3,418	3,390
Adjustments <sup>(b)</sup> .....	(74)	(152)	(144)	(43)	(43)	(43)	(43)
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	2,843	2,878	2,943	3,340	3,330	3,375	3,347
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	2,843	2,878	2,943	3,340	3,330	3,375	3,347

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION****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
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.	1. Investigation of Complaints About Administrative Actions of Public Sector Organisations
	Confidence that telecommunication interceptions are conducted in accordance with statutory provisions.	2. Inspection of Eligible Authorities to Ensure Compliance with Statutory Provisions When They Intercept Telecommunications



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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.</b>					
Of allegations where the Office made recommendations, percentage of recommendations accepted by agencies .....	88%	95%	90%	95%	
Number of improvements to practices and procedures of agencies as a result of the Office's action .....	57	30	80	80	
<b>Outcome: Confidence that telecommunication interceptions are conducted in accordance with statutory provisions.</b>					
The proportion of inspections completed where no serious breaches of the legislation were found .....	92%	100%	90%	100%	

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	3,266	3,121	3,551	3,847	Increased revenue for the Energy Ombudsman services arising from an increase in complaints.
Less Income .....	389	143	518	518	
Net Cost of Service <sup>(a)</sup> .....	2,877	2,978	3,033	3,329	
Adjustments <sup>(b)</sup> .....	(74)	(152)	(144)	(43)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,803</b>	<b>2,826</b>	<b>2,889</b>	<b>3,286</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Percentage of allegations finalised within three months.....	63%	70%	67%	70%	Increasing complexity of complaints has required additional resources per complaint.
Percentage of allegations finalised within 12 months.....	90%	95%	88%	95%	
Percentage of allegations on hand less than three months old.....	34%	30%	40%	40%	
Percentage of allegations on hand less than 12 months old.....	77%	85%	74%	85%	
Average cost per allegation finalised .....	\$1,582	\$1,694	\$2,010	\$2,219	
<b>Full Time Equivalents (FTEs)</b>	28	30	29	31	

**Major Achievements For 2006-07**

- Completed major investigations into the provision of residential care for children and young people by the Department for Community Development and complaints handling by the Department of Education and Training.
- Developed new resources to strengthen integrity and improve administrative practice in the public sector.
- Improved the accessibility of services to the community through a new website and Indigenous cultural awareness training for all staff.
- Continued to improve the investigation of complaints through enhanced case management and staff training and development.
- Introduced measures to ensure that challenging complainants receive fair and reasonable treatment, without placing staff safety at risk.
- Partnered with the Commonwealth and New South Wales Ombudsmen in an AusAID project to strengthen the capacity of Ombudsmen in Indonesia.

**Major Initiatives For 2007-08**

- Implement relevant recommendations of the review of the Department for Community Development which will see the Office take on new responsibilities in terms of the review of notifiable deaths of children.
- Identify ways of further improving the accessibility of Ombudsman services to Indigenous people and young people.
- Introduce a new case management system and other measures to continue to improve operational effectiveness in relation to the investigation of complaints.
- Participate in a national Ombudsmen's trial of strategies for managing challenging complainants and develop tools and guidelines for public sector agencies.
- Undertake further initiatives to improve the handling of complaints from Indigenous and non-Indigenous prisoners.
- Partner with the Commonwealth and New South Wales Ombudsmen in the second year of an AusAID project to strengthen the capacity of Ombudsmen in Indonesia.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	40	52	54	54	
Less Income.....	-	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	40	52	54	54	
Adjustments <sup>(b)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>40</b>	<b>52</b>	<b>54</b>	<b>54</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per inspection.....	\$3,333	\$5,200	\$3,375	\$3,375	
<b>Full Time Equivalents (FTEs)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	

### Major Achievements For 2006-07

- Successful continuation of inspection program and reporting to Ministers.

### Major Initiatives For 2007-08

- Maintain the inspection program.
- Continue liaison with inspectors in other jurisdictions to support best practice.

**CAPITAL WORKS PROGRAM**

The Office's capital works program of \$106,000 in 2007-08 will provide for the rolling replacement of existing assets.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Complaints Management System				
Upgrade of Complaint Management System Software and Data Storage .....	260	260	260	-
Computer Hardware and Software				
2005-06 Program .....	72	72	24	-
2006-07 Program .....	107	107	107	-
Furniture and Equipment				
2005-06 Program .....	15	15	14	-
Office Establishment				
Fit-out of Office for Co-location with Information Commissioner .....	108	108	108	-
<b>NEW WORKS</b>				
Computer Hardware and Software				
2007-08 Program .....	34	-	-	34
Furniture and Equipment				
2007-08 Program .....	72	-	-	72
	668	562	513	106

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	49	107	513	106	143	127	104
	49	107	513	106	143	127	104
<b>LESS</b>							
Drawdowns from the Holding Account .....	72	107	107	106	143	127	104
Internal Funds and Balances .....	(146)	-	146	-	-	-	-
Other .....	123	-	260	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	2,280	2,330	2,740	2,809	2,860	2,961	3,035
Superannuation .....	203	183	204	210	216	223	223
Supplies and services .....	372	221	236	321	344	316	300
Accommodation .....	255	250	250	290	304	304	304
Capital user charge <sup>(b)</sup> .....	44	45	45	-	-	-	-
Depreciation and amortisation .....	171	151	151	246	142	107	21
Other expenses .....	25	38	24	25	25	25	25
<b>TOTAL COST OF SERVICES</b> .....	<b>3,350</b>	<b>3,218</b>	<b>3,650</b>	<b>3,901</b>	<b>3,891</b>	<b>3,936</b>	<b>3,908</b>
<b>Income</b>							
Grants and subsidies .....	18	5	18	18	18	18	18
Other revenue .....	371	138	500	500	500	500	500
<b>Total Income</b> .....	<b>389</b>	<b>143</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>2,961</b>	<b>3,075</b>	<b>3,132</b>	<b>3,383</b>	<b>3,373</b>	<b>3,418</b>	<b>3,390</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	2,888	2,923	2,988	3,340	3,330	3,375	3,347
Resources received free of charge .....	85	100	85	26	26	26	26
Liabilities assumed by the Treasurer .....	17	-	17	17	17	17	17
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,990</b>	<b>3,023</b>	<b>3,090</b>	<b>3,383</b>	<b>3,373</b>	<b>3,418</b>	<b>3,390</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>29</b>	<b>(52)</b>	<b>(42)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>29</b>	<b>(52)</b>	<b>(42)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 29, 30 and 32 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	1,036	4	622	671	660	815	815
Restricted cash .....	8	-	17	27	37	47	57
Receivables .....	-	26	-	-	-	-	-
Amounts receivable for services.....	107	106	106	143	127	104	-
Prepayments.....	26	57	26	26	26	26	26
<b>Total current assets .....</b>	<b>1,177</b>	<b>193</b>	<b>771</b>	<b>867</b>	<b>850</b>	<b>992</b>	<b>898</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	479	695	659	897	1,050	1,191	1,350
Plant and equipment.....	372	223	370	296	418	393	490
Intangibles.....	-	88	260	173	86	-	-
Restricted cash .....	-	11	-	-	-	-	-
Other.....	-	36	69	55	41	27	13
<b>Total non-current assets.....</b>	<b>851</b>	<b>1,053</b>	<b>1,358</b>	<b>1,421</b>	<b>1,595</b>	<b>1,611</b>	<b>1,853</b>
<b>TOTAL ASSETS.....</b>	<b>2,028</b>	<b>1,246</b>	<b>2,129</b>	<b>2,288</b>	<b>2,445</b>	<b>2,603</b>	<b>2,751</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	95	29	93	91	95	95	95
Provision for employee entitlements .....	534	432	600	669	736	806	806
Accrued salaries .....	9	7	7	17	27	37	47
Other.....	2	42	10	17	18	18	18
<b>Total current liabilities.....</b>	<b>640</b>	<b>510</b>	<b>710</b>	<b>794</b>	<b>876</b>	<b>956</b>	<b>966</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	182	284	255	330	405	483	621
Other.....	1	-	1	1	1	1	1
<b>Total non-current liabilities .....</b>	<b>183</b>	<b>284</b>	<b>256</b>	<b>331</b>	<b>406</b>	<b>484</b>	<b>622</b>
<b>TOTAL LIABILITIES.....</b>	<b>823</b>	<b>794</b>	<b>966</b>	<b>1,125</b>	<b>1,282</b>	<b>1,440</b>	<b>1,588</b>
<b>EQUITY</b>							
Contributed equity .....	732	732	732	732	732	732	732
Accumulated surplus/(deficit) .....	468	(285)	426	426	426	426	426
Reserves .....	5	5	5	5	5	5	5
<b>Total equity.....</b>	<b>1,205</b>	<b>452</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>	<b>1,163</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>2,028</b>	<b>1,246</b>	<b>2,129</b>	<b>2,288</b>	<b>2,445</b>	<b>2,603</b>	<b>2,751</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,623	2,637	2,702	2,959	3,050	3,130	3,188
Holding account drawdowns .....	72	107	107	106	143	127	104
<b>Net cash provided by State government .....</b>	<b>2,695</b>	<b>2,744</b>	<b>2,809</b>	<b>3,065</b>	<b>3,193</b>	<b>3,257</b>	<b>3,292</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(2,063)	(2,179)	(2,610)	(2,665)	(2,724)	(2,730)	(2,894)
Superannuation .....	(181)	(183)	(188)	(193)	(199)	(206)	(206)
Supplies and services .....	(240)	(101)	(112)	(255)	(327)	(228)	(277)
Accommodation .....	(234)	(250)	(250)	(290)	(304)	(304)	(304)
Capital user charge <sup>(a)</sup> .....	(44)	(45)	(45)	-	-	-	-
Goods and services tax .....	(73)	(56)	(56)	(56)	(56)	(56)	(56)
Other .....	(16)	(25)	(14)	(15)	(15)	(15)	(15)
<b>Receipts</b>							
Grants and subsidies .....	18	5	18	18	18	18	18
Goods and services tax .....	108	56	56	56	56	56	56
Other receipts .....	385	138	500	500	500	500	500
<b>Net cash from operating activities .....</b>	<b>(2,340)</b>	<b>(2,640)</b>	<b>(2,701)</b>	<b>(2,900)</b>	<b>(3,051)</b>	<b>(2,965)</b>	<b>(3,178)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(34)	(107)	(513)	(106)	(143)	(127)	(104)
<b>Net cash from investing activities .....</b>	<b>(34)</b>	<b>(107)</b>	<b>(513)</b>	<b>(106)</b>	<b>(143)</b>	<b>(127)</b>	<b>(104)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>321</b>	<b>(3)</b>	<b>(405)</b>	<b>59</b>	<b>(1)</b>	<b>165</b>	<b>10</b>
Cash assets at the beginning of the reporting period .....	723	18	1,044	639	698	697	862
<b>Cash assets at the end of the reporting period .....</b>	<b>1,044</b>	<b>15</b>	<b>639</b>	<b>698</b>	<b>697</b>	<b>862</b>	<b>872</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	3,350	3,218	3,650	3,901	3,891	3,936	3,908
<i>Less Capital User Charge.....</i>	44	45	45	-	-	-	-
Adjusted Total Cost of Services .....	3,306	3,173	3,605	3,901	3,891	3,936	3,908
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	2,888	2,923	2,988	3,340	3,330	3,375	3,347
<i>Less Capital User Charge.....</i>	45	45	45	-	-	-	-
Adjusted net amount appropriated to deliver services.....	2,843	2,878	2,943	3,340	3,330	3,375	3,347

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST Input Credits.....	108	56	56	56
Ombudsman Services for Commonwealth Territories.....	18	5	18	18
User Charges and Fees.....	385	138	500	500
<b>TOTAL .....</b>	<b>511</b>	<b>199</b>	<b>574</b>	<b>574</b>

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



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## Part 2

### Premier; Minister for Federal-State Relations; Trade; Innovation; Science; Public Sector Management

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
79	Premier and Cabinet			
	– Delivery of Services .....	109,500	117,026	<b>115,518</b>
	– Capital Contribution .....	2,855	2,200	<b>655</b>
	Total .....	112,355	119,226	<b>116,173</b>
107	Governor's Establishment			
	– Delivery of Services .....	2,568	2,904	<b>3,052</b>
	Total .....	2,568	2,904	<b>3,052</b>
115	Office of the Public Sector Standards Commissioner			
	– Delivery of Services .....	4,083	4,177	<b>4,323</b>
	Total .....	4,083	4,177	<b>4,323</b>
127	Salaries and Allowances Tribunal			
	– Delivery of Services .....	325	325	<b>488</b>
	Total .....	325	325	<b>488</b>
	<b>GRAND TOTAL .....</b>			
	– Delivery of Services .....	116,476	124,432	<b>123,381</b>
	– Capital Contribution .....	2,855	2,200	<b>655</b>
	Total .....	119,331	126,632	<b>124,036</b>

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## PREMIER AND CABINET

### PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT

#### DIVISION 3

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 5 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	94,329	108,947	116,223	<b>114,958</b>	114,807	121,507	112,141
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975<sup>(b)</sup></b> .....	646	553	803	<b>560</b>	567	584	584
Total appropriations provided to deliver services .....	94,975	109,500	117,026	<b>115,518</b>	115,374	122,091	112,725
<b>CAPITAL</b>							
<b>Item 121 Capital Contribution</b> .....	500	2,855	2,200	<b>655</b>	-	-	-
<b>GRAND TOTAL</b> .....	95,475	112,355	119,226	<b>116,173</b>	115,374	122,091	112,725

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- The importance of effective counter-terrorism, emergency management and human influenza pandemic planning and preparedness continues to be reinforced by events in Australia and overseas. The Department coordinates the provision of advice to the Premier on these issues.
- The nature of Australia's federation and the relationship between the Commonwealth and the States increasingly provides an important context to many aspects of State Government activity, particularly given the High Court's 2006 Work Choices decision. The Department plays a key role in providing advice and support to the Premier on strategic intergovernmental issues.
- Workforce management issues (especially workforce planning, attraction and retention and professional development) remain a key issue for Government in 2007-08 as some of the sector's most experienced people retire and the labour market tightens.

- Employment flexibility is emerging as a major retention issue for both older and younger generations of public sector workers.
- Work practices and lifestyles that are increasingly mobile will provide opportunities to change the way Government delivers services and interacts with citizens and business. The Department is identifying initiatives that will enable citizens and business to communicate and undertake transactions with government electronically, with mobile devices and associated technologies increasingly playing a part.
- The Bilateral Agreement on Indigenous Affairs between the Commonwealth of Australia and the State of Western Australia 2006-2010 has significant policy, service delivery and budgetary implications following the abolition of the Aboriginal and Torres Strait Islander Commission and the Commonwealth decision to cease funding the Community Development Employment Program in the metropolitan area and most larger regional towns. The Special Adviser on Indigenous Affairs is identifying whole-of-government strategies to address these matters.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Anzac Day Small Grants scheme .....	500	-	-	-
Policy Management - Building WA Campaign .....	31	173	33	-
Policy Management - Council for the Australian Federation .....	168	174	180	186
State Administration - Ministerial Air Charter.....	1,923	2,078	2,240	2,408

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support for the Premier as Head of Government.....	10,704	11,375	11,994	11,813			
<i>Service 2:</i>							
Management of Matters of State .....	70,536	70,846	78,744	75,227			
<i>Service 3:</i>							
Management of Policy .....	7,079	8,745	8,772	9,978			
<i>Service 4:</i>							
Support for the Premier as Minister for Public Sector Management .....	7,407	10,985	9,724	13,133			
<i>Service 5:</i>							
Parliamentary, Statutory and Legislative Publishing Service .....	2,422	3,216	2,539	2,653			
<i>Service 6:</i>							
Management of the Constitutional Centre Programs .....	1,313	1,347	1,297	1,377			
<i>Service 7:</i>							
Support for the Implementation of the State's Road Safety Initiatives .....	19,828	26,950	29,463	26,155			
<i>Service 8:</i>							
e-Government Policy and Coordination .....	3,741	4,799	4,208	4,318			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	123,030	138,263	146,741	144,654	145,383	152,194	136,063
<i>Less Income</i> .....	20,969	26,810	21,605	29,410	28,780	28,449	28,537
<b>Net Cost of Services</b> <sup>(a)</sup> .....	102,061	111,453	125,136	115,244	116,603	123,745	107,526
Adjustments <sup>(b)</sup> .....	(7,086)	(1,953)	(8,110)	274	(1,229)	(1,654)	5,199
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	94,975	109,500	117,026	115,518	115,374	122,091	112,725
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	500	2,855	2,200	655	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	95,475	112,355	119,226	116,173	115,374	122,091	112,725

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Responsible Minister	Service
Premier; Minister for Federal-State Relations; Trade; Innovation; Science; Public Sector Management.	1. Support for the Premier as Head of Government 2. Management of Matters of State 3. Management of Policy 4. Support for the Premier as Minister for Public Sector Management 5. Parliamentary, Statutory and Legislative Publishing Service 8. e-Government Policy and Coordination
Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth.	6. Management of the Constitutional Centre Programs
Minister for Police and Emergency Services; Community Safety; Water Resources; Sport and Recreation.	7. Support for the Implementation of the State's Road Safety Initiatives

## OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

### Relationship to Government Goals

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

Government Goals	Desired Outcomes	Services
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	The Premier's requirements and those of Cabinet are met.	1. Support for the Premier as Head of Government 2. Management of Matters of State 3. Management of Policy
	The Premier's obligations as Minister for Public Sector Management are met.	4. Support for the Premier as Minister for Public Sector Management
	A secure, confidential and time critical printing and publishing service for Parliament and Government.	5. Parliamentary, Statutory and Legislative Publishing Service
	Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian Federal system of government.	6. Management of the Constitutional Centre Programs
	The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.	8. e-Government Policy and Coordination
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.	7. Support for the Implementation of the State's Road Safety Initiatives

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The Premier's requirements and those of Cabinet are met.</b>					
The extent to which the needs of the Premier and Cabinet are met by services provided by the Department of the Premier and Cabinet. ....	3.2	3.2	3.2	3.2	See note (b)
<b>Outcome: The Premier's obligations as Minister for Public Sector Management are met.</b>					
Proportion of leadership development participants who indicated that they would be able to apply their learning in their workplace for the benefit of their agency, or within the public sector generally. ....	n/a	n/a	75%	80%	See note (c)
Proportion of clients who indicate that the provision of employment and organisational management services were appropriate, timely and met their requirements. ....	n/a	n/a	65%	75%	See note (c)
Proportion of workforce development participants who indicated that they would be able to apply their learning in their workplace for the benefit of their agency, or within the public sector generally. ....	n/a	n/a	75%	80%	See note (c)
<b>Outcome: A secure, confidential and time critical printing and publishing service for Parliament and Government.</b>					
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by each house of Parliament. ....	100%	100%	100%	100%	
Proportion of documents produced and released in accordance with security and confidentiality requirements. ....	100%	100%	100%	100%	
<b>Outcome: Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian Federal system of government.</b>					
Percentage growth in Constitutional Centre customer numbers compared with previous year. ....	3%	7%	3%	0%	See note (d)
Percentage increase in use of electronic information provided on the Constitutional Centre web page. ....	196%	17%	41%	0%	See note (e)
Level of regional demand/support for travelling or outreach programs. ....	356%	25%	-28%	0%	See note (f)
<b>Outcome: Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.</b>					
Deaths from road crashes per 100,000 estimated residential population. ....	8.1	8.1	10.7	8.5	
Police reported hospital admissions due to road crashes per 100,000 population. ....	149	140	142	142	
Hospital admissions due to road crashes per 100,000 population. ....	149	180	146	146	See note (g)



	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.</b>					
Proportion of Departments that adopt and implement policies, standards and guidelines developed by the Office of e-Government .....	91%	43%	78%	75%	See note (h)
Strategic Management Council e-Government Sub-Committee's satisfaction with quality of advice and support provided .....	3.4	3.4	3.4	3.4	See note (b)
Premier's Office satisfaction with advice and support provided .....	3.0	4.0	3.0	3.0	See note (b)

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations'.
- (c) New key effectiveness indicators have been developed for this service in 2006-07 following the internal review and restructure of the Public Sector Management Division, and are reported for the first time. This service received significant new funding in 2006-07 for Leadership Development and Public Sector Improvement and accordingly, the new indicators focus on these areas. No comparative data is available to enable reporting against these indicators for 2005-06 actual and 2006-07 budget.
- (d) The number of visitors to the Constitutional Centre in 2007-08 is projected to be the same as 2006-07.
- (e) The projected number of visits to the website from which information may be downloaded was higher in 2006-07 than previously forecast, but is not projected to increase beyond the current level in 2007-08.
- (f) The number of visitors to outreach programs undertaken in the regions grew exponentially in 2005-06, however due to difficulties in recruiting skilled presenters in some regional areas, the growth projected for 2006-07 will not be realised. It is projected that the attendance for 2007-08 will be similar to that achieved in 2006-07.
- (g) The Department of Health supply data for this indicator. 2006-07 Estimated and 2007-08 Target data is estimated on past results. The significant reduction in hospitalisations for 2006-07 estimated compared with the 2006-07 budget is the result of improvements in the coding system used to record hospital admissions. It has not been possible to recast past period data.
- (h) This indicator refers to the 23 departments of government. In 2006-07, 18 departments advised of adoption/implementation of more than 50 per cent of the three policies and guidelines released. It is estimated that three policies and guidelines will be released during 2007-08, and that 18 of the 24 departments of Government will adopt/implement more than 50 per cent of those released.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	10,704	11,375	11,994	11,813	
Less Income.....	311	21	37	19	
Net Cost of Service <sup>(a)</sup> .....	10,393	11,354	11,957	11,794	
Adjustments <sup>(b)</sup> .....	399	170	(109)	(320)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>10,792</b>	<b>11,524</b>	<b>11,848</b>	<b>11,474</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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** <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost of services provided to support the Premier .....	\$3,115,290	\$3,610,110	\$3,973,989	\$3,736,947	See note (b)
Average cost of representing Western Australia's interests overseas (per region).....	\$1,525,495	\$1,539,675	\$1,559,789	\$1,559,933	
Average cost of media and communication services provided to each Minister (including the Premier) .....	\$172,758	\$185,028	\$208,788	\$226,438	
End-of-contract payments excluded .....	\$76,281	-	-	-	See note (d)
<b>Full Time Equivalents (FTEs)</b>	72	66	71	70	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) The movement in the average cost of services provided to support the Premier between 2006-07 and 2007-08 is the outcome of higher air charter expenses in 2006-07 associated with finalisation of the previous contract, commencement of new air charter arrangements, and some overlap during implementation of the new arrangements to maintain continuity of service.
- (c) The movement in cost between 2006-07 and 2007-08 is the outcome of the reduction, from 17 to 15, in the number of ministerial offices receiving services.
- (d) Ministerial officer contracts include an entitlement to an end of contract payment when the contract ceases. This takes place when the political office holder ceases to hold office, or on the day fixed for the return of the writ for the general election for the Legislative Assembly, or when a major reconstitution of the ministry takes place and ministerial officers with an expectation of employment to the next election become surplus. Ministerial officers are engaged to assist the Minister for Public Sector Management as the political office holder. Following Dr G I Gallop's resignation in January 2006, a number of ministerial officers did not seek further appointment and were paid their entitlements. That expense was considered an abnormal cost and is therefore excluded from key efficiency indicators for 2005-06. Future estimates of this expense are only made for election years.

**Major Achievements For 2006-07**

- The European Office:
  - promoted skilled and business migration to Western Australia at events in the United Kingdom and Europe, including Emigrate in London and Working Down Under in Ireland,
  - assisted Perth-based government agencies including the Western Australia Police with their specific migration programs;
  - promoted education services in Western Australia at education exhibitions and conferences throughout the United Kingdom and Europe;
  - coordinated a food and beverage promotion, specifically targeting the United Kingdom food service sector at the Restaurant Show in London and attended food and beverage related trade shows and events to network, support the agents of Western Australian products and assess the relevance of certain events for the future;
  - attended various biotechnology events to support biotechnology companies in Western Australia and to develop a network and knowledge base in the United Kingdom and Europe;
  - assisted ten Western Australian firms that participated in the Western Australian industry mission to the Offshore Northern Seas 2006 exhibition in Norway, Europe's largest oil and gas event; and
  - for the first time, exhibited at Australia Week in Moscow in order to create awareness of opportunities in Western Australia, and to assist in Government's assessment of the potential of the Russian market.
- The European Office assisted in planning, programming, and supporting Ministerial visits to the United Kingdom and Europe, and the coordination of the Government sponsored 2007 ANZAC Student Tour.
- The European Office supported the Department of Treasury and Finance in promoting an infrastructure initiative in Europe. The initiative seeks to have major infrastructure providers establish operations in Western Australia to participate in anticipated future public and private infrastructure programs to improve competition in the industry.

- The Middle East Trade Office concluded comprehensive market research to analyse three Gulf markets (the United Arab Emirates, Qatar and Saudi Arabia) highlighting opportunities for Western Australian industries, and developed and launched a comprehensive oil and gas market research report, focusing on Western Australia's strengths and opportunities in the Middle East region.
- The Middle East Trade Office worked with the Department of Agriculture and Food to:
  - support the Minister for Agriculture and Food's visit program in January 2007 to United Arab Emirates, Bahrain and Qatar;
  - facilitate a memorandum of understanding with the Qatar Ministry of Municipal Affairs and Agriculture;
  - win a \$9 million soil survey project in Abu-Dhabi;
  - facilitate a memorandum of understanding with the Environment Agency Abu-Dhabi, the Abu-Dhabi food control authority to provide assistance in implementing a bio-security plan in the United Arab Emirates;
  - coordinate a bio-security seminar in Abu-Dhabi, hosted and funded by the Abu-Dhabi Food control authority; and
  - develop project opportunities in Qatar (livestock and agriculture), Abu Dhabi (bio-security and food safety), Bahrain (meat and processed food), and Egypt (dairy).
- In conjunction with Western Australian education providers, the Middle East Trade Office:
  - supported the Education Minister's first visit to the gulf region in May 2007;
  - assisted in the development of a blended learning post-graduate course in Oil and Gas Engineering by the University of Western Australia in partnership with the Higher College of Technology of Abu-Dhabi/United Arab Emirates;
  - assisted TAFE WA in promoting vocational training programs to local government and private institutes in the Gulf Cooperation Council countries; and
  - assisted in attracting an influential Middle East delegation of scholarship providers to Perth to increase inflow of government-sponsored students to Western Australian universities.
- The Middle East Trade Office assisted the Perth Mint to establish a presence in the lucrative Gulf Region market when they won the contract to provide medals for the 15th Asian Games held at Doha in Qatar.
- The Middle East Trade Office supported the Tourism Minister's visit to Dubai to promote tourism and investment into Western Australia in April 2007, and Tourism WA's participation in the Arabian Travel Market and Arabian Hotel Investment Conference to attract investments into Western Australia's tourism industry.
- The Middle East Trade Office coordinated the Minister for Planning and Infrastructure's visit to the United Arab Emirates, and organised key meetings with DP World (world's biggest port handling company) and Dubai Aluminium (world's biggest aluminium smelter).
- In conjunction with the Department of Industry and Resources, the Middle East Trade Office recruited and supported 15 Western Australian building and construction companies to participate in the Middle East's biggest Building Construction Exhibition and provided in-market briefing and business matching programs to identify export opportunities.
- The North Asia Agency, through its business matching services, successfully assisted a number of Western Australian companies to identify trading partners in the mining; agribusiness; biotechnology; and information and communications technology sectors in Japan.
- The North Asia Office supported the Premier's visit to Japan and an associated biotechnology industry promotion and seminar featuring Nobel Prize winner Professor Barry Marshall.
- As part of the 25th anniversary of the Western Australia/Hyogo Prefecture sister-state relationship, the Kansai/Hyogo Strategy was reaffirmed and a new joint agreement signed in Perth by the Premier and the Governor of Hyogo. The North Asia Office coordinated the Governor's visit and the associated trade and investment mission groups.
- The North Asia Office, through its 'WA Wine Ambassador' program, successfully lobbied three separate wine and lifestyle journals to visit Western Australia, resulting in over 40 pages of coverage to a readership of more than 15 million.
- The Department developed and implemented the Contact with Lobbyists Code and Register.

**Major Initiatives For 2007-08**

- The European Office will, as a priority, continue to promote Western Australia as a desirable destination for skilled and business migration.
- The European Office will promote the investment opportunities and benefits of investing in Western Australia to the very important and substantial London capital markets.
- The European Office will promote Western Australia as a location for gas processing, and as an alternative location for secondary processing by major European energy intensive user industries, initially in the resources of titanium metal, silicon and aluminium.
- The European office will promote Western Australia to major infrastructure providers to increase competition and diversity of suppliers in the market place.
- Active promotion of Middle East opportunities in Western Australia, and Western Australian export capabilities will be undertaken by the Middle East Trade Office under a 24 month export assistance program, Access Middle East, including:
  - identification and promotion of construction, agribusiness, oil and gas, and education sector opportunities;
  - industry specific market research activities to identify opportunities consistent with Western Australia's strengths and capabilities;
  - participation in exhibitions and organisation of industry-specific trade missions to the Gulf countries;
  - market research to identify opportunities for Western Australian marine industries in water transportation and leisure arising from the increase in waterfront developments in the United Arab Emirates, Qatar, Bahrain and Oman;
  - organising investment attraction seminars in the Gulf region;
  - briefing participants at the Western Australia Government Overseas Network Conference about opportunities in the Middle East; and
  - co-promotion with Tourism WA to attract Arab investments and Arab tourists to Western Australia by promoting it as a gateway to Australia, recognising the increase in Arab tourists travelling to the eastern states of Australia.
- Focused initiatives targeting Saudi Arabia, the largest market in the region, will be implemented.
- The Middle East Trade Office will establish a fully equipped office desk facility in the Dubai office available to visiting Western Australian companies travelling in the region, and a business migration services to promote Western Australia as a business and skilled migration destination.
- Western Australian biotechnology, aged care, education, wine production and tourism service providers will be supported in developing commercial opportunities and building a higher profile for the state in the Japanese market.
- The North Asia Office will promote Western Australia as a desirable destination for equity investment in major resources projects, targeting new investment by existing stakeholders.
- The North Asia Office will support Western Australian companies participating in Foodex 2008, Asia's largest food and beverage trade show that attracts more than 100,000 commercial visitors over four days.

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

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

- support for the functions of executive government;
- administration of entitlements for Members and former Members of Parliament;
- support for ministerial offices and the leaders of the opposition parties;
- management of the state occasions and official visits program;
- coordinating delivery of government services provided to the Indian Ocean Territories on behalf of the Commonwealth Government; and
- provision of emergency management advice and support to the Premier, Ministers and Government agencies, and whole-of-government management and coordination of significant security incidents and emergencies.

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	70,536	70,846	78,744	75,227	
Less Income .....	771	569	1,130	1,295	
Net Cost of Service <sup>(a)</sup> .....	69,765	70,277	77,614	73,932	
Adjustments <sup>(b)</sup> .....	(8,420)	(623)	(1,569)	372	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>61,345</b>	<b>69,654</b>	<b>76,045</b>	<b>74,304</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average operating cost per Ministerial Office (including the Leaders of the Opposition) .....	\$1,487,387	\$1,585,521	\$1,692,891	\$1,816,158	See note (b)
Average cost of administration provided for each Ministerial Office (including the Leaders of the Opposition) .....	\$372,224	\$343,377	\$675,734	\$527,541	See note (c)
Average entitlement cost per Member of Parliament .....	\$248,438	\$279,679	\$271,815	\$286,257	
Average cost of administration per Member of Parliament .....	\$10,127	\$10,357	\$8,072	\$12,937	See note (d)
Average cost of providing an Executive Government Service .....	\$12,110	\$14,378	\$15,8379	\$16,060	
Average cost per briefing provided to the Premier as Minister for Federal-State Relations. ....	\$5,690	-	-	-	See note (e)
Average cost per Indian Ocean Territory Service Delivery Arrangement coordinated ..	\$5,866	\$7,465	\$10,238	\$9,479	
Average cost per security program and project undertaken .....	\$41,236	\$152,773	\$141,742	\$155,166	See note (f)
End of contract payments excluded from efficiency indicators .....	\$1,469,416	-	-	-	See note (g)
Support provided to Inquiries and Community Service Obligations .....	\$5,018,510	\$4,128,815	\$4,633,456	\$2,765,385	See note (h)
Severances excluded .....	\$399,656	-	-	-	
Community Service grants and donations excluded .....	\$1,198,165	\$631,000	\$1,495,980	\$1,059,000	
Corporate Services provided to external agencies	\$477,365	\$516,279	\$554,962	\$408,615	See note (i)
<b>Full Time Equivalents (FTEs)</b>	<b>538</b>	<b>541</b>	<b>548</b>	<b>512</b>	See note (j)

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) The movement in average cost between 2006-07 and 2007-08 results from the reduction in the number of Ministerial offices (note this indicator includes operating costs for the Offices of the Leaders of the Opposition).
- (c) The movement in the average cost of services provided to support the Premier between 2006-07 and 2007-08 is the result of higher air charter expenses in 2006-07 associated with finalisation of the previous contract, commencement of new air charter arrangements, and some overlap during implementation of the new arrangements to maintain continuity of service.
- (d) The movement in the average cost of administration per Member of Parliament between 2006-07 and 2007-08 is the result of changes in leave and other accrual items.

- (e) The Federal Affairs function was transferred to the Policy Division effective 1 July 2006.
- (f) The movement in the average cost per security program and project between 2006-07 and 2007-08 is the result of funding repositioned from 2006-07 to 2007-08. It is projected that part of this repositioned funding, initially allocated to the purchase of assets and excluded from this efficiency indicator, will be allocated to supplies and services increasing the average cost per security program and project for 2007-08.
- (g) Ministerial officer contracts include an entitlement to an end of contract payment when the contract ceases. This takes place when the political office holder ceases to hold office, or on the day fixed for the return of the writ for the general election for the Legislative Assembly, or when a major reconstitution of the ministry takes place and ministerial officers with an expectation of employment to the next election become surplus. Ministerial officers are engaged to assist the Minister for Public Sector Management as the political office holder. Following Dr G I Gallop's resignation in January 2006, a number of ministerial officers did not seek further appointment and were paid their entitlements. That expense was considered an abnormal cost and is therefore excluded from key efficiency indicators for 2005-06. Future estimates of this expense are only made for election years.
- (h) The movement in the cost of support provided to Inquiries and Community Service Obligations between 2006-07 and 2007-08 is the result of higher expenditure incurred for supernumerary and surplus officers in 2006-07 that is not expected to continue in 2007-08.
- (i) The reduction in the projected expense of Corporate Services provided to external agencies between 2006-07 and 2007-08 is the outcome of the roll-in to Shared Services that is scheduled to take place in 2007-08, and the reduction or cessation of some services currently provided to external agencies.
- (j) The movement in FTEs between 2006-07 and 2007-08 is principally due to the reduction in the number of Ministerial Offices from 17 to 15, and FTE reductions associated with the roll-in to shared services scheduled to take place in 2007-08.

### **Major Achievements For 2006-07**

- The Department coordinated arrangements for the visit in November 2006 by the Governor of Hyogo Prefecture, Japan, His Excellency Mr Toshizo Ido, to commemorate the 25th anniversary of Western Australia's sister-state relationship with Hyogo Prefecture.
- The Department coordinated a welcome reception on 13 February 2007 hosted by the Premier for the Heads of Asia-Pacific Economic Cooperation delegations attending the 2007 Ministers Responsible for Mining meeting in Perth.
- The Department coordinated arrangements for the official visit to Western Australia by the Vice Premier of the People's Republic of China, His Excellency Mr Zeng Peiyan, 19-21 March 2007.
- The Department assisted 12 Members of Parliament to establish new electorate offices.
- The Department, in cooperation with the Commonwealth Government, Western Australia Police and other emergency services, hosted an 'Investigation and Consequence Management Exercise' under the national counter-terrorism exercise program. The exercise tested agency responses to a major structural collapse of a city building as a result of terrorism, and featured full-scale deployment as well as discussion style exercises.
- Work continued on the establishment of a dedicated State Coordination Centre to be operational in 2007-08 to bring together existing emergency management policy and planning elements of this Department, Fire and Emergency Services Authority, Western Australia Police and Department for Communities. The centre will also provide a location for the coordination of interaction between the Commonwealth, States and Territories on crisis/consequence management arrangements in major incidents.
- To ensure that the State complies with its obligations under the National Guidelines for the Protection of Critical Infrastructure from Terrorism, an expanded exercise program was established. The program provides activities ranging from discussion exercises with key government agencies and industry groups to deployment exercises involving a multi-agency response.
- The Department coordinated the development of the Western Australian Government Human Influenza Pandemic Plan and established the Chief Executive Officer Human Influenza Pandemic Taskforce to support the implementation of human influenza pandemic planning and preparedness.
- The Department managed Western Australia's input to the Council of Australian Governments' Review of Hazardous Materials and negotiations with the Commonwealth on nationally consistent controls on hazardous materials identified as security sensitive substances.
- The mapping of 31 key development approval processes was undertaken during the year in order to identify and remove areas of duplication and overlap.
- Lieutenant General John Sanderson AC (Retired) was engaged as the Special Adviser to the Government on Indigenous Affairs. General Sanderson has consulted with Indigenous leaders and representatives, local, State and Commonwealth agencies, key corporate leaders and major non-government organisations to identify strategies for change, assist in building alliances, and support existing and emerging Indigenous and non-Indigenous leaders.

- In accordance with the Justice Reform Implementation Committee's terms of reference, and the Cabinet decision of 24 February 2006, the Committee has completed its function and transferred responsibility for the new model of operations and future management of justice reform to the Department of the Attorney General and the Department of Corrective Services.

### Major Initiatives For 2007-08

- The Department will support the proposed state visit to Western Australia by the President of China in September 2007.
- The Department will provide support to a proposed visit in November 2007 by the Governor of Zhejiang Province, People's Republic of China to mark the 20th anniversary of the sister-state relationship between Zhejiang and Western Australia.
- The Department will support the implementation of human influenza pandemic planning and preparedness by reviewing the Western Australian Government Human Influenza Pandemic Plan and developing pandemic-related education and training materials for governments, business, and the not-for-profit and community sector.
- Planning will be undertaken for a major multi-jurisdictional counter-terrorism exercise, featuring a combination of deployment and discussion/desktop activities to be conducted in Western Australia in October 2008.

### Service 3: Management of Policy

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	7,079	8,745	8,772	9,978	
Less Income .....	535	376	958	412	
Net Cost of Service <sup>(a)</sup> .....	6,544	8,369	7,814	9,566	
Adjustments <sup>(b)</sup> .....	(573)	252	(61)	(2)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>5,971</b>	<b>8,621</b>	<b>7,753</b>	<b>9,564</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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 <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per hour of policy advice, development and coordination .....	\$90	\$127	\$120	\$133	
Average cost per briefing provided to the Premier as Minister for Federal-State Relations	-	\$6,456	-	-	See note (b)
Grants excluded .....	\$883,727	\$874,000	\$339,545	\$285,000	
End of contract payments excluded .....	\$160,537	-	-	-	See note (c)
<b>Full Time Equivalents (FTEs)</b>	<b>51</b>	<b>59</b>	<b>62</b>	<b>65</b>	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) Following transfer of the Federal Affairs function to the Policy Division effective 1 July 2006, the indicator average cost per briefing provided to the Premier was abandoned as the Intergovernmental Relations Unit now has a different focus. The resources allocated to this function are now included in the indicator average cost per hour of policy advice, development and coordination.
- (c) Ministerial officer contracts include an entitlement to an end of contract payment when the contract ceases. This takes place when the political office holder ceases to hold office, or on the day fixed for the return of the writ for the general election for the Legislative Assembly, or when a major reconstitution of the ministry takes place and ministerial officers with an expectation of employment to the next election become surplus. Ministerial officers are engaged to assist the Minister for Public Sector Management as the political office holder. Following Dr G I Gallop's resignation in January 2006, a number of ministerial officers did not seek further appointment and were paid their entitlements. That expense was considered an abnormal cost and is therefore excluded from key efficiency indicators for 2005-06. Future estimates of this expense are only made for election years.

### **Major Achievements For 2006-07**

- A cross-government approach to Early Childhood policy linked to the Council of Australian Governments' new National Reform Initiative on Human Capital was established.
- The Department established cross-agency Aboriginal child health service projects in the Kimberley and Pilbara, in partnership with the private sector and Commonwealth Government.
- The Department completed the People with Exceptionally Complex Needs Project, which developed a policy framework and service model for the most complex and difficult clients who receive a range of government services including health, disability, corrective services and police.
- The Department provided support to the Premier for meetings of the Council of Australian Governments and the Council for the Australian Federation.
- The Department coordinated the State's input into the first stage of the Council of Australian Governments' project to implement full and effective mutual recognition of skills-based trades, with priority given to six skilled trades areas. A first ministerial declaration was signed in February 2007 under the State's *Mutual Recognition Act 2001* to give effect to this decision.
- The Department coordinated the State's input into a range of Commonwealth/State areas including the National Action Plan for mental health measures; the health reform package; the structural health workforce reform package; and the State's response to identity security.
- The Department established the Western Australian Government Office in Canberra.
- The Department developed the State's response to a proposed protection zone over a submarine telecommunications cable off the Western Australian coast.
- The Department is the formal point of contact between the State Government and the Commonwealth Department of Environment and Heritage with regards to National Heritage List matters.
- The Department coordinated the development of the State Broadband Strategy to provide open access, high speed broadband across Western Australia.
- Support was provided to the taskforce investigating the Commonwealth Government's changes to the Community Development Employment Program.
- The Department coordinated the development of the Premier's Climate Change Statement.
- The Go West campaign to attract skilled workers from interstate to live and work in Western Australia was coordinated by the Department.
- The Department coordinated the development of the Building WA campaign to inform the public about State Government capital works program projects.



- The Department is taking the lead in establishing a good neighbourhood program in Lockridge, Beechboro and Kiara to improve local responses to crime and anti-social behaviour, and the coordination of State, local and non-government services in the area.
- The Department implemented innovative approaches to addressing Indigenous crime in the metropolitan area through the Midwest Metropolitan Aboriginal Family Reference Group.
- The Department coordinated the Government's response to the National Water Initiative.
- The Department has completed the State Water Plan that will underpin a substantial reform program and intensive regional planning exercises being conducted at the Department of Water.
- The Department supported the Water Resources Cabinet Standing Committee and the State Water Council.

#### ***Major Initiatives For 2007-08***

- The Department will assist in the establishment of the new Department for Communities.
- In collaboration with the Department of Treasury and Finance, the Department will undertake a project to improve the management and the policy framework for State Government concessions.
- The Department will lead across-government initiatives in response to the State and National Early Childhood agendas.
- The Department will coordinate the State's input into the specific reform proposals under the ten year Council of Australian Governments National Reform Agenda, covering the human capital and competition and regulatory reform streams.
- The Department will coordinate the preparation for the State's participation in the National Constitutional Convention scheduled for 2008.
- The Department will coordinate State input to proposed national health workforce reforms.
- The Department will coordinate the State's input into implementing full and effective mutual recognition for the remaining trades.
- The Department will improve the coordination of crime and justice matters by promoting the adoption of a State Justice Plan and working with agencies including Western Australia Police, the Department of Corrective Services, the Department of the Attorney General and the Office of Crime Prevention.
- The Department will coordinate a major water recycling and reuse strategy.

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	7,407	10,985	9,724	13,133	See note (c)
Less Income.....	1,000	772	815	852	
Net Cost of Service <sup>(a)</sup> .....	6,407	10,213	8,909	12,281	
Adjustments <sup>(b)</sup> .....	181	802	(118)	141	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,588</b>	<b>11,015</b>	<b>8,791</b>	<b>12,422</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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) The movement in total cost of service between 2006-07 and 2007-08 is principally due to funding repositioned from 2006-07 to 2007-08, and a marginal increase in the appropriation for Leadership Development and Public Sector Improvement from 2006-07 to 2007-08.

### Key Efficiency Indicators <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per leadership development participant <sup>(b)</sup> .....	-	-	\$2,360	\$2,546	
Average cost per client to whom employment advice and organisational management advice and support is provided <sup>(b)(c)</sup> .....	-	-	\$42,816	\$45,069	
Average cost per workforce development participant <sup>(b)</sup> .....	-	-	\$2,061	\$1,905	
Copyright administered on behalf of Government.....	\$26,000	\$35,000	\$34,925	\$35,000	
Grants excluded. ....	\$12,325	\$1,027,000	\$339,000	\$1,276,000	See note (d)
<b>Full Time Equivalents (FTEs)</b>	<b>58</b>	<b>59</b>	<b>63</b>	<b>63</b>	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) New key efficiency indicators have been developed for this service in 2006-07 following the internal review and restructure of the Public Sector Management Division, and are reported for the first time. This service received significant new funding in 2006-07 for Leadership Development and Public Sector Improvement and accordingly, the new indicators focus on these areas. No data is available to enable reporting of comparative information for 2005-06 actual and 2006-07 budget.
- (c) For the purposes of this indicator, a client to whom employment advice and/or organisational management advice and support is provided is a government department, agency or instrumentality. The services provided include advice on a wide range of State Executive Service and non-State Executive Service employment matters, recruitment, redeployment; and organisational policy development, support for functional reviews, and management of the Premier's Awards program.
- (d) The movement between 2006-07 and 2007-08 is the result of repositioning grant funding from 2006-07 to 2007-08, and an increase in the number of scholarships to be awarded in 2007-08.

### Major Achievements For 2006-07

- The Department launched the Senior Executive Leadership Development Strategy, which is underpinned by a new Leadership Capability Profile. This includes an assessment service allowing leaders and aspiring leaders to measure their skills and behaviours against a capability profile, and ten new skills workshops directly linked to the profile.
- A new Senior Executive Service selection criteria was developed.
- The Department implemented an online screening process for entry-level recruitment, replacing the resource intensive paper-based testing process formerly used.

- The Department completed the Retirement Intentions Survey and published the findings, along with the Government's policy response to address issues identified in the survey.
- The Department completed a review of the processes governing Chief Executive Officer Performance Agreements.
- A program to provide coaching for managers was developed and implemented by the Department.
- A Regional Skills Strategy was developed and implemented by the Department to address identified skill deficiencies impacting regionally based agencies, and the imbalance in accessing training and development opportunities within regional and metropolitan areas.
- A public sector mobility register (talent pool) was launched. This register facilitates the mobility of individuals and provides agencies with secure access to an identified talent pool to meet short-term placement opportunities.
- The Department developed and trialled a whole-of-government mobility program designed to address concerns about the static nature of the public sector workforce and the resultant lack of a whole-of-government perspective among managers and leaders.
- The Department reviewed current sector-wide recruitment practices, streamlining processes to improve effectiveness and promoting innovative ways to attract and recruit public sector workers.
- The University Partnerships Strategy was expanded with the Department participating in all the careers fairs/expos, including events targeted at both undergraduates and postgraduates. New display and marketing materials were developed and used at these events, including wireless connection to the Jobs WA site.
- The Department supported functional reviews of the Department of Indigenous Affairs, the Department for Community Development and the Western Australian Sports Centre Trust and commenced the Department of Industry and Resources review.

#### ***Major Initiatives For 2007-08***

- The Department will develop and implement a revised human resource data collection system utilising the Workforce Analysis and Comparison Application software.
- The Department will introduce a range of new training and development initiatives to build upon and further consolidate the capabilities of its existing and future leaders. This includes:
  - a Women's Leadership Strategy to attract, develop and retain women for senior management roles; and
  - a Foundations of Leadership Program aimed at mid-management officers. The program will be a skills-based development program focusing on building leadership capabilities and competencies in a practical way.
- The State Government's Recruitment Advertising and Management System that provides the WA Government Jobs Board will be reviewed.
- The Department will review and evaluate the Senior Executive Leadership Development Strategy.
- The pilot Mobility Program will be reviewed.
- In conjunction with the Department of Treasury and Finance, a review of Public Sector Annual Reporting requirements will be conducted.
- Following the review of the Chief Executive Officer performance agreement system in 2006-07, changes will be made to the system and processes for 2007-08 agreements and assessments.
- The Department will continue to implement changes to recruitment practices aimed at streamlining and promoting innovative ways to attract people to the public sector workforce.
- The Department will support an across-government working party reviewing the disciplinary provisions of the *Public Sector Management Act 1994*, as part of the whole-of-government response to recommendations of the Ombudsman's Report on Allegations Concerning the Treatment of Children and Young People in Residential Care.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	2,422	3,216	2,539	2,653	
Less Income.....	2,990	2,775	2,644	2,638	
Net Cost of Service <sup>(a)</sup> .....	(568)	441	(105)	15	
Adjustments <sup>(b)</sup> .....	795	(105)	148	(15)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>227</b>	<b>336</b>	<b>43</b>	<b>-</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 <sup>(a)</sup>**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per printing image produced.....	\$0.08	\$0.10	\$0.10	\$0.11	
Average cost of publications sold.....	\$6.39	\$9.49	\$7.92	\$8.36	See note (b)
Average sale value.....	\$13.71	\$13.00	\$17.00	\$18.00	
<b>Full Time Equivalents (FTEs)</b>	<b>22</b>	<b>24</b>	<b>20</b>	<b>19</b>	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) The number of publications sold in 2007-08 is projected to decrease by approximately three per cent as the number of clients downloading publications over the Internet grows, leading to a small increase in the average cost per publication sold.

**Major Achievements For 2006-07**

- The State Law Publisher participated in the Parliamentary Counsel's Office 'Business Improvement Project' and assisted with development of a new database for Western Australian legislation. This new system is scheduled to be operative in April/May 2007.
- The reprints program fostered jointly with the Parliamentary Counsel's Office resulted in 135 titles of legislation being consolidated and reprinted for the financial year to February 2007.

**Major Initiatives For 2007-08**

- The State Law Publisher will commence the electronic take-up of previously published copies of the Western Australian Government Gazette.

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

(Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth)

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,313	1,347	1,297	1,377	
Less Income .....	71	47	47	45	
Net Cost of Service <sup>(a)</sup> .....	1,242	1,300	1,250	1,332	
Adjustments <sup>(b)</sup> .....	(47)	(12)	2	(4)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,195</b>	<b>1,288</b>	<b>1,252</b>	<b>1,328</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per customer of the Constitutional Centre .....	\$12.79	\$13.03	\$11.58	\$12.59	
Grants excluded .....	\$322,333	\$370,000	\$370,000	\$370,000	
<b>Full Time Equivalents (FTEs)</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>9</b>	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.

### Major Achievements For 2006-07

- The Department published and disseminated a self-administering civics program and materials suitable for Remote Aboriginal Schools.
- In conjunction with Curtin University, Flinders University of South Australia and the Department of Treasury and Finance, the Department received an Australian Research Council Linkage Grant to undertake research on 'Public Policy and Fiscal Federalism: evaluating the use of 'tied grants' in Australia'.
- The Department launched five tapestries in the first stage of a history of Western Australia resource, including images and research, which will be available online and at the Constitutional Centre.

**Major Initiatives For 2007-08**

- The history of Western Australia resource will be completed.
- A new education program, The Constitutional Challenge, for use in both metropolitan and regional schools will be developed.
- The Department will work with the Parliamentary Education Office and the Electoral Education Office to develop materials on civics education for loan to regional and remote schools.
- A conference on Federalism will be held to mark the tenth anniversary of the Constitutional Centre.

**Service 7: Support for the Implementation of the State's Road Safety Initiatives**

(Minister for Police and Emergency Services; Community Safety; Water Resources; Sport and Recreation)

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	19,828	26,950	29,463	26,155	See note (c)
Less Income.....	15,251	22,242	15,962	24,144	
Net Cost of Service <sup>(a)</sup> .....	4,577	4,708	13,501	2,011	
Adjustments <sup>(b)</sup> .....	1,008	(2,822)	(6,361)	117	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>5,585</b>	<b>1,886</b>	<b>7,140</b>	<b>2,128</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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) The significant movement in the income received between 2006-07 and 2007-08 is the result of substantially lower red light and speed camera infringement revenues in 2006-07 that are expected to return to normal levels in 2007-08, and additional revenue expected in 2007-08 from the significant increases in red light and speed camera infringement penalties recently approved by Government.

**Key Efficiency Indicators <sup>(a)</sup>**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of awareness-raising Campaigns.	\$1,049,286	\$663,560	\$683,469	\$477,873	See note (b)
Average cost of road safety initiatives. ....	\$292,981	\$658,623	\$1,804,997	\$756,409	see note (b)
Average cost per FTE for support services to the Road Safety Council. ....	\$203,323	\$150,537	\$489,853	\$202,045	See note (b)
Grants excluded. ....	\$8,943,560	\$15,928,000	\$10,705,496	\$15,540,000	See note (b)
<b>Full Time Equivalents (FTEs)</b>	<b>20</b>	<b>21</b>	<b>23</b>	<b>26</b>	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) The level of grants expenditure projected for 2006-07 Estimated compared with 2007-08 Target is substantially lower as a result of administrative changes that resulted in Main Roads WA incurring the costs for the Safer Roads initiative in 2006-07, rather than this initiative being funded as a grant from the Road Trauma Trust Fund; committed expenditure carried over from 2005-06; and additional funding received in 2006-07 to compensate for a reduction in red light and speed camera infringements. These significant funding movements have resulted in the abnormal key efficiency indicator values for the 2006-07 Estimated outcome. These efficiency indicator values are expected to return to more normal levels in 2007-08.

### **Major Achievements For 2006-07**

- The Department implemented major State-wide road safety community education programs focusing on drink driving, speed, use of restraints and fatigue, with a strong regional focus. An additional community education program focussing on the benefit of supervised driving for novice drivers was developed.
- The Department progressed the legislative requirements for implementation of random roadside drug testing, and initiatives to further improve novice driver safety.
- The Department continued to work with stakeholders in developing legislative and operational measures to combat repeat drink driving.
- Legislative amendments were progressed to enable recommended changes to speeding, restraints and other penalties to the *Road Traffic Code 2000*.
- A Road Safety Council review was undertaken to identify the best practice in speed enforcement. The recommendations from this review form the basis of a business case to be considered by Government.
- A series of community engagement forums commenced with a pilot project in Narrogin in August 2006. A further five forums are planned for the final quarter of 2006-07 in regional Western Australia.

### **Major Initiatives For 2007-08**

- The Department will conduct a series of road safety community engagement forums across the state.
- The Department will commence the development of a new road safety strategy for Western Australia beyond 2007. The development of the new strategy will involve independent expert review of the current strategy and process, and extensive consultation involving the community, stakeholders and community leaders.
- Initiatives to further improve novice driver safety will be implemented.
- Initiatives will be introduced to combat repeat drink driving in Western Australia including legislative changes to the *Road Traffic Act 1974* for drink and drug driving penalties.
- The Department, in conjunction with Main Roads, will conduct an Intelligent Speed Adaptation demonstration project to stimulate community demand for technology to assist drivers observe the speed limit.
- The Department is establishing a local Road Safety Research Centre to provide contemporary road safety research.
- A best practice in speed enforcement business case will be developed and recommendations made to Government.

### **Service 8: e-Government Policy and Coordination**

The Office of e-Government will:

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	3,741	4,799	4,208	4,318	
Less Income .....	40	8	12	5	
Net Cost of Service <sup>(a)</sup> .....	3,701	4,791	4,196	4,313	
Adjustments <sup>(b)</sup> .....	(429)	385	(42)	(15)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>3,272</b>	<b>5,176</b>	<b>4,154</b>	<b>4,298</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 <sup>(a)</sup>

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per Department that adopts and implements policies, standards and guidelines. ....	\$92,065	\$218,801	\$53,193	\$52,177	
Average cost per significant e-Government initiative in which the Office is involved. ....	\$129,093	\$153,569	\$203,180	\$187,685	See note (b)
<b>Full Time Equivalents (FTEs)</b>	<b>27</b>	<b>28</b>	<b>30</b>	<b>33</b>	

- (a) 2005-06 Actual and 2006-07 Budget key efficiency indicators have been recast to take account of the transfer of the Citizenship and Multicultural Interests service to the Department for Communities as at 1 July 2007, and the removal of the Capital User Charge. Key efficiency indicator expenses previously reported are varied by the reallocation of corporate and executive support overhead costs, previously allocated to the Citizenship and Multicultural Interests service to the Department's remaining efficiency indicators.
- (b) The reduction in the average cost per significant e-government initiative in 2006-07 compared with 2007-08 is the result of a 12 per cent increase in the number of initiatives projected for 2007-08.

### Major Achievements For 2006-07

- The Department undertook an environmental scan for a whole-of-government Enterprise Architecture Program for the Western Australian Public Sector to identify e-Government issues and barriers.
- Citizen-Centric Government: the Electronic Service Delivery Strategy for the Western Australian Public Sector was launched in March 2007. The Strategy provides a roadmap for transforming the delivery of Government services by electronic means.
- The Department merged the two Western Australian Government entry point websites into the wa.gov.au Single Entry Point. This is the first phase of a significant initiative to develop the website as a focal point for Western Australian Government information and services.
- The Department developed an Email Naming Standard and Transition Guideline to assist the Western Australian public sector to adopt the International Personal Naming Convention.
- The Department commenced the development of an inventory of electronic services across the Western Australian public sector.



- The Department worked with agencies to produce a Business Plan for a Government Wide Area Network, a whole-of-government telecommunications connectivity solution which was a recommendation of Connected Government: The Telecommunications Strategy for the Western Australian Public Sector 2005-2015. The Business Plan is being used to inform the development of the StateWide Broadband Network.
- The draft Emergency Services Communications Strategy has been completed. The Strategy identifies the mid to long-term direction for Western Australian emergency and incident management communications services.
- The Department worked with the Office of Shared Services and other agencies to develop a unique, sector-wide employee number. The Western Australian Government Number is currently being implemented across the Western Australian Government.
- The Department in partnership with the Department of Treasury and Finance commenced work on the development of an Information and Communications Technology Infrastructure Group within the Western Australian Government.
- The Department reviewed significant agency budget bids, worth more than \$200 million, to ensure better alignment with the goals and principles of the e-Government Strategy for the Western Australian Public Sector.

### ***Major Initiatives For 2007-08***

- The Department will further rationalise websites and continue work on the redevelopment of the Western Australian Government's Single Entry Point based on outcomes of the Citizen Centric Government: The Electronic Service Delivery Strategy and work undertaken in 2006-07.
- The Department will develop an m-Government Strategy that will address how the Western Australian Government might use mobile technologies in the future.
- The Department will develop an Information and Communications Technology Skills framework to address emerging skills requirements and the current skills shortages in the public sector environment.
- The Department will work with emergency service organisations to develop an implementation plan for the Emergency Services Communications Strategy with an emphasis on remote and regional areas.
- The Department will develop a web-based Standards Repository of e-Government standards from Western Australia, other jurisdictions, standards bodies and appropriate organisations. The Repository will be used by agencies to identify current positions for all current and future e-Government projects.
- The Department will continue to work with the Office of Shared Services and other Agencies to implement the Western Australian Government Number.
- The Department will develop a Trusted Government Strategy for the Western Australian Public Sector. This Strategy will outline a number of programs and projects in areas such as information security, identity and access management and information privacy.
- The Department will continue to work with the Department of Industry and Resources and the Department of Treasury and Finance on the StateWide Broadband Network project.
- The results from the Western Australian Public Sector Telecommunications Audit commenced in May 2007 will be used to inform future business arrangements for telecommunications in the Western Australian Public Sector.

**CAPITAL WORKS PROGRAM**

The Department's Capital Works Program includes:

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Asset Replacement/Upgrade				
Parliamentary Electorate Office Fitout .....	755	100	100	655
Miscellaneous .....	3,536	1,813	1,595	1,299
Partitioning and Accommodation Replacement/Upgrade				
2006-07 Program .....	250	70	70	180
<b>COMPLETED WORKS</b>				
Asset Replacement/Upgrade				
Computer Hardware and Software				
2005-06 Program .....	600	600	373	-
Electorate Offices Equipment Upgrade				
2005-06 Program .....	220	220	220	-
Ministerial Offices .....	2,600	2,600	2,200	-
Parliamentary Electorate Office Fitouts - Electoral Redistribution .....	1,600	1,600	439	-
Computer Hardware and Software				
2006-07 Program .....	600	600	600	-
e-Government Asset Purchases .....	77	77	14	-
Electorate Offices Equipment Upgrade				
2004-05 Program .....	1,286	1,286	698	-
<b>NEW WORKS</b>				
Asset Replacement/Upgrade				
Electorate Offices Equipment Upgrade				
2007-08 Program .....	1,575	-	-	1,575
Partitioning and Accommodation				
2007-08 Program .....	275	-	-	275
Computer Hardware and Software				
2007-08 Program .....	600	-	-	600
Electorate Offices Equipment Upgrade				
2006-07 Program .....	220	-	-	220
Partitioning and Accommodation Replacement/Upgrade				
2007-08 Program .....	250	-	-	250
	14,444	8,966	6,309	5,054

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	4,746	5,140	6,309	5,054	3,139	1,225	424
	4,746	5,140	6,309	5,054	3,139	1,225	424
<b>LESS</b>							
Drawdowns from the Holding Account .....	1,834	834	614	2,920	3,139	1,225	-
Funding Included in Service Appropriations <sup>(a)</sup> .....	27	-	93	-	-	-	-
Internal Funds and Balances .....	2,385	1,451	3,402	1,479	-	-	424
<b>Capital Contribution .....</b>	500	2,855	2,200	655	-	-	-

(a) Capital works expensed through the Income Statement.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	62,182	58,701	61,069	57,665	58,014	59,306	59,299
Superannuation .....	5,527	4,869	5,147	4,984	4,987	4,988	4,987
Grants and subsidies <sup>(b)</sup> .....	31,679	19,560	13,977	18,530	18,106	17,882	9,786
Supplies and services .....	45,719	44,153	56,362	48,204	48,014	53,898	47,074
Accommodation .....	12,555	11,576	11,205	11,405	11,405	11,405	11,405
Capital user charge <sup>(c)</sup> .....	1,987	1,495	1,495	-	-	-	-
Depreciation and amortisation .....	2,467	3,357	2,607	3,754	4,749	4,604	3,401
Loss on disposal of non-current assets .....	5	-	-	-	-	-	-
Other expenses .....	183	103	108	112	108	111	111
<b>TOTAL COST OF SERVICES</b> .....	<b>162,304</b>	<b>143,814</b>	<b>151,970</b>	<b>144,654</b>	<b>145,383</b>	<b>152,194</b>	<b>136,063</b>
<b>Income</b>							
User charges and fees .....	2,989	2,767	3,324	3,441	3,700	3,839	3,986
Regulatory fees and fines .....	12,178	19,128	10,819	20,150	19,750	19,750	19,750
Grants and subsidies .....	354	300	1,098	1,400	786	434	309
Interest revenue .....	472	200	200	200	200	200	200
Other revenue .....	5,903	4,426	6,178	4,219	4,344	4,226	4,292
<b>Total Income</b> .....	<b>21,896</b>	<b>26,821</b>	<b>21,619</b>	<b>29,410</b>	<b>28,780</b>	<b>28,449</b>	<b>28,537</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>140,408</b>	<b>116,993</b>	<b>130,351</b>	<b>115,244</b>	<b>116,603</b>	<b>123,745</b>	<b>107,526</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	136,971	115,009	121,609	115,518	115,374	122,091	112,725
Resources received free of charge .....	1,506	562	653	582	562	562	562
Liabilities assumed by the Treasurer .....	350	828	350	340	340	340	340
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>138,827</b>	<b>116,399</b>	<b>122,612</b>	<b>116,440</b>	<b>116,276</b>	<b>122,993</b>	<b>113,627</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(1,581)</b>	<b>(594)</b>	<b>(7,739)</b>	<b>1,196</b>	<b>(327)</b>	<b>(752)</b>	<b>6,101</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 795, 825 and 797 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	12,303	3,258	4,955	4,614	4,376	4,152	4,172
Restricted cash .....	7,849	6,630	505	1,026	722	422	6,838
Receivables .....	4,491	3,027	4,738	4,631	4,707	4,637	4,580
Inventories.....	125	205	205	205	205	205	205
Amounts receivable for services.....	834	4,150	2,920	3,139	1,225	-	-
Prepayments .....	8,079	2,347	2,142	2,083	2,112	2,097	2,105
<b>Total current assets .....</b>	<b>33,681</b>	<b>19,617</b>	<b>15,465</b>	<b>15,698</b>	<b>13,347</b>	<b>11,513</b>	<b>17,900</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	14,458	16,281	15,275	16,824	20,938	26,702	31,297
Plant and equipment.....	3,066	4,817	4,917	5,621	5,517	4,029	1,805
Intangibles.....	124	84	83	55	37	24	16
Restricted cash .....	193	500	500	750	1,000	1,250	1,250
Other.....	3,027	4,977	4,824	5,264	3,776	1,899	729
<b>Total non-current assets.....</b>	<b>20,868</b>	<b>26,659</b>	<b>25,599</b>	<b>28,514</b>	<b>31,268</b>	<b>33,904</b>	<b>35,097</b>
<b>TOTAL ASSETS.....</b>	<b>54,549</b>	<b>46,276</b>	<b>41,064</b>	<b>44,212</b>	<b>44,615</b>	<b>45,417</b>	<b>52,997</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	4,527	3,148	4,049	4,316	4,180	4,248	4,213
Provision for employee entitlements .....	10,265	12,006	10,254	10,978	11,361	12,186	13,037
Accrued salaries.....	199	198	235	443	675	915	1,145
Amounts due to the Treasurer.....	6,057	-	-	-	-	-	-
Other.....	55	8	56	60	62	66	70
<b>Total current liabilities.....</b>	<b>21,103</b>	<b>15,360</b>	<b>14,594</b>	<b>15,797</b>	<b>16,278</b>	<b>17,415</b>	<b>18,465</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	3,663	4,483	4,370	4,673	4,921	5,336	5,763
Other.....	17	-	20	23	24	26	28
<b>Total non-current liabilities .....</b>	<b>3,680</b>	<b>4,483</b>	<b>4,390</b>	<b>4,696</b>	<b>4,945</b>	<b>5,362</b>	<b>5,791</b>
<b>TOTAL LIABILITIES.....</b>	<b>24,783</b>	<b>19,843</b>	<b>18,984</b>	<b>20,493</b>	<b>21,223</b>	<b>22,777</b>	<b>24,256</b>
<b>EQUITY</b>							
Contributed equity .....	-	20,779	53	496	496	496	496
Accumulated surplus/(deficit) .....	29,766	4,786	22,027	23,223	22,896	22,144	28,245
Reserves .....	-	868	-	-	-	-	-
<b>Total equity.....</b>	<b>29,766</b>	<b>26,433</b>	<b>22,080</b>	<b>23,719</b>	<b>23,392</b>	<b>22,640</b>	<b>28,741</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>54,549</b>	<b>46,276</b>	<b>41,064</b>	<b>44,212</b>	<b>44,615</b>	<b>45,417</b>	<b>52,997</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	132,751	110,032	117,943	110,386	110,035	116,327	108,130
Capital contribution .....	500	2,855	2,200	655	-	-	-
Holding account drawdowns .....	1,834	834	614	2,920	3,139	1,225	-
<b>Net cash provided by State government .....</b>	<b>135,085</b>	<b>113,721</b>	<b>120,757</b>	<b>113,961</b>	<b>113,174</b>	<b>117,552</b>	<b>108,130</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(61,154)	(57,356)	(60,841)	(56,015)	(57,152)	(57,826)	(57,791)
Superannuation .....	(5,079)	(4,041)	(4,890)	(4,645)	(4,647)	(4,647)	(4,647)
Grants and subsidies .....	(31,012)	(19,560)	(14,720)	(18,530)	(18,106)	(17,882)	(9,786)
Supplies and services .....	(44,222)	(43,211)	(53,288)	(47,287)	(47,619)	(53,252)	(46,554)
Accommodation.....	(12,116)	(11,576)	(11,750)	(11,405)	(11,405)	(11,405)	(11,405)
Capital user charge <sup>(a)</sup> .....	(1,987)	(1,495)	(1,495)	-	-	-	-
Goods and services tax .....	(9,418)	(18,022)	(8,277)	(8,638)	(8,548)	(8,197)	(7,269)
Other.....	(288)	(103)	(103)	(105)	(105)	(105)	(105)
<b>Receipts</b>							
User charges and fees.....	2,959	3,468	3,324	3,441	3,700	3,839	3,986
Regulatory fees and fines.....	12,178	19,128	11,000	20,150	19,750	19,750	19,750
Grants and subsidies .....	454	301	1,098	1,400	786	434	309
Interest received.....	378	200	200	200	200	200	200
Goods and services tax .....	10,203	17,702	8,431	8,573	8,557	8,223	7,346
Other receipts .....	6,500	3,857	4,825	4,384	4,262	4,267	4,272
<b>Net cash from operating activities.....</b>	<b>(132,604)</b>	<b>(110,708)</b>	<b>(126,486)</b>	<b>(108,477)</b>	<b>(110,327)</b>	<b>(116,601)</b>	<b>(101,694)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(3,879)	(5,140)	(6,309)	(5,054)	(3,139)	(1,225)	-
Proceeds from sale of non-current assets .....	57	-	1	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(3,822)</b>	<b>(5,140)</b>	<b>(6,308)</b>	<b>(5,054)</b>	<b>(3,139)</b>	<b>(1,225)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	-	-	(6,057)	-	-	-	-
Other payments for financing activities.....	(6,057)	-	-	-	-	-	-
Proceeds from borrowings.....	6,057	-	-	-	-	-	-
Other proceeds from financing activities.....	-	-	6,057	-	-	-	-
<b>Net cash from financing activities.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(1,341)</b>	<b>(2,127)</b>	<b>(12,037)</b>	<b>430</b>	<b>(292)</b>	<b>(274)</b>	<b>6,436</b>
Cash assets at the beginning of the reporting period .....	66,454	12,515	20,345	5,960	6,390	6,098	5,824
Net cash transferred to/from other agencies.....	(44,768)	-	(2,348)	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>20,345</b>	<b>10,388</b>	<b>5,960</b>	<b>6,390</b>	<b>6,098</b>	<b>5,824</b>	<b>12,260</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE  
AND MAJOR FUNCTIONAL TRANSFERS**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	162,304	143,814	151,970	144,654	145,383	152,194	136,063
Less Capital User Charge.....	1,987	1,495	1,495	-	-	-	-
Less Transfer of the Office of Native Title.....	4,904	-	-	-	-	-	-
Less Transfer of the Office of Crime Prevention .....	8,455	-	-	-	-	-	-
Less Transfer of the Office of Science and Innovation .....	15,883	-	-	-	-	-	-
Less Transfer of the Office of Water Strategy	4,866	-	-	-	-	-	-
Less Transfer of the Office of Multicultural Interests .....	3,179	4,056	3,734	-	-	-	-
Adjusted Total Cost of Services .....	123,030	138,263	146,741	144,654	145,383	152,194	136,063
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	136,971	115,009	121,609	115,518	115,374	122,091	112,725
Less Capital User Charge.....	1,987	1,495	1,495	-	-	-	-
Less Transfer of the Office of Native Title.....	109	-	-	-	-	-	-
Less Transfer of the Office of Crime Prevention .....	7,214	-	-	-	-	-	-
Less Transfer of the Office of Science and Innovation .....	25,612	-	-	-	-	-	-
Less Transfer of the Office of Water Strategy	3,282	-	-	-	-	-	-
Less Transfer of the Office of Multicultural Interests .....	3,792	4,014	3,088	-	-	-	-
Adjusted net amount appropriated to deliver services.....	94,975	109,500	117,026	115,518	115,374	122,091	112,725

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Policy Office .....	884	874	339	285	-	-	-
Public Sector Management .....	12	1,027	339	1,276	937	1,543	17
Constitutional Centre .....	322	370	370	370	370	370	370
Office of Road Safety .....	8,944	15,928	10,743	15,540	15,990	15,410	8,840
Community Grants.....	1,199	631	1,476	1,059	809	559	559
Multicultural Interests.....	591	730	710	-	-	-	-
Office of Science and Innovation .....	14,168	-	-	-	-	-	-
Office of Native Title.....	1,748	-	-	-	-	-	-
Office of Crime Prevention .....	2,732	-	-	-	-	-	-
Office of Water Strategy.....	1,079	-	-	-	-	-	-
<b>TOTAL</b>	31,679	19,560	13,977	18,530	18,106	17,882	9,786

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
State Law Publisher .....	2,959	2,767	2,635	2,635
Other Revenue .....	3,665	1,859	2,612	2,590
GST input credits .....	7,404	14,723	5,528	5,448
GST Receipts on sales .....	469	605	543	460
<b>TOTAL</b>	14,497	19,954	11,318	11,133

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

## GOVERNOR'S ESTABLISHMENT

### PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT

#### DIVISION 4

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 6 Net amount appropriated to deliver services .....</b>	1,126	1,136	1,158	<b>1,178</b>	1,194	1,210	1,233
<b>Amount Authorised by Other Statutes</b>							
- Governor's Establishment Act 1992 .....	1,237	1,240	1,412	<b>1,523</b>	1,568	1,612	1,654
- Salaries and Allowances Act 1975 <sup>(a)</sup> .....	226	192	334	<b>351</b>	361	371	381
Total appropriations provided to deliver services .....	2,589	2,568	2,904	<b>3,052</b>	3,123	3,193	3,268
<b>GRAND TOTAL .....</b>	<b>2,589</b>	<b>2,568</b>	<b>2,904</b>	<b>3,052</b>	<b>3,123</b>	<b>3,193</b>	<b>3,268</b>

- (a) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

*To provide effective support to the Governor and effective management of the Governor's Establishment. The objectives are to ensure the Governor's requirements for personal, administrative and logistic support are met and to manage the conservation and development of the Domain as a significant heritage asset.*

#### SIGNIFICANT ISSUES AND TRENDS

- His Excellency Dr Ken Michael AC will consolidate the community focus of the role of Governor by undertaking several regional tours during the year.
- Preservation and appropriate use and presentation of the Government House, Ballroom and Grounds will continue in accordance with the Conservation and Management Plan.



**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Effective Support to the Governor.....	894	711	1,412	1,523			
<i>Service 2:</i>							
Management of the Governor's Establishment.....	2,247	1,918	1,553	1,590			
<b>Total Cost of Services .....</b>	<b>3,141</b>	<b>2,629</b>	<b>2,965</b>	<b>3,113</b>	<b>3,183</b>	<b>3,253</b>	<b>3,323</b>
<i>Less Income.....</i>	<i>33</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>
<b>Net Cost of Services .....</b>	<b>3,108</b>	<b>2,599</b>	<b>2,935</b>	<b>3,083</b>	<b>3,153</b>	<b>3,223</b>	<b>3,293</b>
Adjustments <sup>(a)</sup> .....	(519)	(31)	(31)	(31)	(30)	(30)	(25)
<b>Appropriation provided to deliver Services.....</b>	<b>2,589</b>	<b>2,568</b>	<b>2,904</b>	<b>3,052</b>	<b>3,123</b>	<b>3,193</b>	<b>3,268</b>
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....</b>	<b>2,589</b>	<b>2,568</b>	<b>2,904</b>	<b>3,052</b>	<b>3,123</b>	<b>3,193</b>	<b>3,268</b>

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

**OUTCOMES, SERVICES AND PERFORMANCE INFORMATION**

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

**Service 1: Effective Support to the Governor**

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	894	711	1,412	1,523	
<i>Less Income.....</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Net Cost of Service .....	894	711	1,412	1,523	
Adjustments <sup>(a)</sup> .....	(37)	(8)	(8)	(8)	
<b>Appropriation for delivery of Service .....</b>	<b>857</b>	<b>703</b>	<b>1,404</b>	<b>1,515</b>	

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

**Major Achievements For 2006-07**

- The Governor has undertaken regional tours of the East Kimberley, Goldfields, South-West and Gascoyne regions.
- Provision of a program of official hospitality for visiting dignitaries and other guests, including patronage and community organisations.

**Major Initiatives For 2007-08**

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	2,247	1,918	1,553	1,590	
Less Income.....	33	30	30	30	
Net Cost of Service .....	2,214	1,888	1,523	1,560	
Adjustments <sup>(a)</sup> .....	(482)	(23)	(23)	(23)	
<b>Appropriation for delivery of Service .....</b>	<b>1,732</b>	<b>1,865</b>	<b>1,500</b>	<b>1,537</b>	

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

**Major Achievements For 2006-07**

- Continued with maintenance program for the House and Grounds.
- Continued progress on works listed in the Grounds Master Plan.
- Implemented the Records Management Policy and Plan, installed a new computer server and a new records management database.

**Major Initiatives For 2007-08**

- Continue ongoing maintenance of accommodation areas within the House to maintain the safety of visitors to the domain.
- Review of the organisational structure including staffing and skills mix.

**CAPITAL WORKS PROGRAM**

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Government House Restoration and Refurbishment - Security System Upgrade	400	400	400	-
	400	400	400	-

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	100	400	400	-	-	-	-
	100	400	400	-	-	-	-
<b>LESS</b>							
Drawdowns from the Holding Account .....	100	400	400	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	1,347	1,520	1,786	1,912	1,961	2,007	2,041
Superannuation.....	126	113	136	144	148	152	158
Supplies and services .....	953	792	839	853	869	889	919
Accommodation.....	145	-	-	-	-	-	-
Depreciation and amortisation.....	560	195	195	195	195	195	195
Other expenses .....	10	9	9	9	10	10	10
<b>TOTAL COST OF SERVICES</b> .....	<b>3,141</b>	<b>2,629</b>	<b>2,965</b>	<b>3,113</b>	<b>3,183</b>	<b>3,253</b>	<b>3,323</b>
<b>Income</b>							
User charges and fees.....	33	30	30	30	30	30	30
<b>Total Income</b> .....	<b>33</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>NET COST OF SERVICES</b> .....	<b>3,108</b>	<b>2,599</b>	<b>2,935</b>	<b>3,083</b>	<b>3,153</b>	<b>3,223</b>	<b>3,293</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,589	2,568	2,904	3,052	3,123	3,193	3,268
Resources received free of charge .....	31	31	31	31	30	30	30
Liabilities assumed by the Treasurer .....	7	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,627</b>	<b>2,599</b>	<b>2,935</b>	<b>3,083</b>	<b>3,153</b>	<b>3,223</b>	<b>3,298</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(481)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 25, 25 and 25 respectively.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	337	257	332	361	361	361	361
Restricted cash .....	-	10	5	10	10	10	10
Receivables .....	5	1	5	5	5	5	10
Prepayments .....	4	4	4	4	4	4	4
<b>Total current assets .....</b>	<b>346</b>	<b>272</b>	<b>346</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>385</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	626	421	421	616	811	1,006	1,201
Land and buildings .....	16,258	12,923	16,490	16,322	16,156	15,961	15,766
Plant and equipment .....	183	218	156	129	100	100	100
Restricted cash .....	6	-	6	6	6	6	6
Other .....	701	828	701	701	701	701	701
<b>Total non-current assets .....</b>	<b>17,774</b>	<b>14,390</b>	<b>17,774</b>	<b>17,774</b>	<b>17,774</b>	<b>17,774</b>	<b>17,774</b>
<b>TOTAL ASSETS .....</b>	<b>18,120</b>	<b>14,662</b>	<b>18,120</b>	<b>18,154</b>	<b>18,154</b>	<b>18,154</b>	<b>18,159</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	13	62	8	62	62	62	62
Provision for employee entitlements .....	274	202	274	274	274	274	274
Accrued salaries .....	6	10	11	16	16	16	16
Other .....	100	-	100	100	100	100	100
<b>Total current liabilities .....</b>	<b>393</b>	<b>274</b>	<b>393</b>	<b>452</b>	<b>452</b>	<b>452</b>	<b>452</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	66	92	66	41	41	41	41
<b>Total non-current liabilities .....</b>	<b>66</b>	<b>92</b>	<b>66</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>
<b>TOTAL LIABILITIES .....</b>	<b>459</b>	<b>366</b>	<b>459</b>	<b>493</b>	<b>493</b>	<b>493</b>	<b>493</b>
<b>EQUITY</b>							
Contributed equity .....	2,635	2,635	2,635	2,635	2,635	2,635	2,635
Accumulated surplus/(deficit) .....	(576)	(39)	(576)	(576)	(576)	(576)	(571)
Reserves .....	15,602	11,700	15,602	15,602	15,602	15,602	15,602
<b>Total equity .....</b>	<b>17,661</b>	<b>14,296</b>	<b>17,661</b>	<b>17,661</b>	<b>17,661</b>	<b>17,661</b>	<b>17,666</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>18,120</b>	<b>14,662</b>	<b>18,120</b>	<b>18,154</b>	<b>18,154</b>	<b>18,154</b>	<b>18,159</b>

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,394	2,373	2,709	2,857	2,928	2,998	3,073
Holding account drawdowns .....	100	400	400	-	-	-	-
<b>Net cash provided by State government .....</b>	<b>2,494</b>	<b>2,773</b>	<b>3,109</b>	<b>2,857</b>	<b>2,928</b>	<b>2,998</b>	<b>3,073</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(1,351)	(1,494)	(1,760)	(1,885)	(1,936)	(1,985)	(2,041)
Superannuation .....	(119)	(114)	(137)	(145)	(149)	(152)	(158)
Supplies and services .....	(851)	(732)	(779)	(794)	(838)	(856)	(869)
Accommodation .....	(145)	-	-	-	-	-	-
Goods and services tax .....	(88)	(83)	(83)	(83)	(88)	(88)	(88)
Other .....	(9)	(43)	(43)	(9)	(10)	(10)	(10)
<b>Receipts</b>							
User charges and fees .....	33	30	30	30	30	30	30
Goods and services tax .....	88	63	63	63	63	63	63
<b>Net cash from operating activities .....</b>	<b>(2,442)</b>	<b>(2,373)</b>	<b>(2,709)</b>	<b>(2,823)</b>	<b>(2,928)</b>	<b>(2,998)</b>	<b>(3,073)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(12)	(400)	(400)	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(12)</b>	<b>(400)</b>	<b>(400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Net cash from financing activities .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	303	267	343	343	377	377	377
<b>Cash assets at the end of the reporting period .....</b>	<b>343</b>	<b>267</b>	<b>343</b>	<b>377</b>	<b>377</b>	<b>377</b>	<b>377</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Ballroom Hire .....	33	30	30	30
GST input credits .....	88	63	63	63
<b>TOTAL .....</b>	<b>121</b>	<b>93</b>	<b>93</b>	<b>93</b>

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

## OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER

### PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT

#### DIVISION 5

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 7 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	3,500	3,786	3,842	<b>3,988</b>	4,036	4,107	4,222
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	288	297	335	<b>335</b>	345	345	355
<b>Total appropriations provided to deliver services .....</b>	3,788	4,083	4,177	<b>4,323</b>	4,381	4,452	4,577
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	34	-	-	-	-	-	-
<b>GRAND TOTAL .....</b>	3,822	4,083	4,177	<b>4,323</b>	4,381	4,452	4,577

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- Pressures on public sector bodies to meet community demands on services, while ensuring they are operating within appropriate ethical and regulatory parameters, means there is an increasing need to build sector wide capacity to meet accountability requirements while at the same time providing practical and flexible support and assistance strategies.
- The current review of the *Public Interest Disclosure Act 2003* (PID) provides an opportunity to address a number of legal and policy issues that have emerged since the Act commenced.
- Difficulties being experienced by agencies in attracting and retaining staff in a competitive employment environment provide an opportunity to improve workforce diversity through targeted attraction strategies, by addressing structural and process barriers and by using more innovative recruitment methods.
- Maintaining confidence in the integrity of the recruitment and selection process for public sector Chief Executive Officers (CEO) will need to take into account the increased focus on the principles of good governance and the importance of attracting quality candidates into public sector CEO positions.



**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines.....	2,630	2,845	2,833	2,976			
<i>Service 2:</i>							
Advice and Evaluation of Equity and Diversity in Public Employment .....	1,069	1,068	1,068	1,123			
<i>Service 3:</i>							
Independent Chief Executive Officer Selection and Reappointment Advice.....	535	535	770	802			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	4,234	4,448	4,671	4,901	4,981	5,080	5,231
<i>Less Income</i> .....	276	275	465	485	505	533	558
<b>Net Cost of Services</b> <sup>(a)</sup> .....	3,958	4,173	4,206	4,416	4,476	4,547	4,673
Adjustments <sup>(b)</sup> .....	(170)	(90)	(29)	(93)	(95)	(95)	(96)
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	3,788	4,083	4,177	4,323	4,381	4,452	4,577
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	34	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	3,822	4,083	4,177	4,323	4,381	4,452	4,577

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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.

**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
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	In public authorities there is accountability for and achievement of: - merit, equity and probity in human resource management (public sector only); - work force diversity at all levels of employment; and - conduct and integrity in the performance of official duties.	1. Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines 2. Advice and Evaluation of Equity and Diversity in Public Employment 3. Independent Chief Executive Officer Selection and Reappointment Advice

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: In public authorities there is accountability for and achievement of:</b>					
<b>- merit, equity and probity in human resource management (public sector only);</b>					
<b>- work force diversity at all levels of employment; and</b>					
<b>- conduct and integrity in the performance of official duties.</b>					
Percentage of public authorities that have provided all reports as required by legislation <sup>(b)</sup> .....	95%	100%	100%	100%	
Percentage of employees expressing a view who agree that there is compliance in their agency with the human resource management standards <sup>(c)</sup> .....	77%	70%	78%	80%	
Percentage of employees expressing a view who agree that there is compliance in their agency with the ethical codes <sup>(c)</sup> .....	83%	80%	82%	85%	
Improvement in the public sector composite equity index for women, people with disabilities, Indigenous Australians and people from culturally diverse backgrounds <sup>(d)</sup> .....	80	82	82	85	
Corporate Executives satisfaction with agency climate surveys <sup>(e)</sup> .....	-	-	-	98%	
Percentage of Commissioner's nominations for CEO positions accepted by Minister .....	83%	100%	88%	100%	

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

(b) Each year public authorities are required by legislation to provide the Office and the Director of Equal Opportunity in Public Employment with a number of compliance related reports. This percentage refers to the percentage of agencies that complete these reports. More details about effectiveness indicators are available in the Annual Report.

(c) These percentages are measured by aggregated responses to selected climate survey questions conducted in a sample of agencies across the sector. The percentage is obtained by dividing the number of respondents who agree by the total number who express an opinion. People who neither agree nor disagree or who do not answer the question are excluded from the calculation. In 2006-07 additional climate survey questions have been included in calculating this indicator. This indicator has been recalculated for 2005-06 retrospectively and therefore indicators are different to those in the annual report. Budgeted figures for 2006-07 are not directly comparable, however, estimates for 2006-07 are.

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

(e) This performance indicator measures the satisfaction of Corporate Executives with the presentation of whole-of-agency climate survey results and outcomes of agency reviews on ethics and human resources *Public Sector Management Act 1994*, *Public Interest Disclosure Act 2003* and equity and diversity (Equal Employment Opportunity Legislation). This indicator is due to be reported on in full from 2007-08.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	2,630	2,845	2,833	2,976	
Less Income .....	14	-	15	17	
Net Cost of Service <sup>(a)</sup> .....	2,616	2,845	2,818	2,959	
Adjustments <sup>(b)</sup> .....	(113)	(60)	(20)	(62)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,503</b>	<b>2,785</b>	<b>2,798</b>	<b>2,897</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of assistance and monitoring per public sector agency for the PSM .....	\$21,392	\$21,421	\$21,814	\$22,915	
Average cost of assistance and monitoring per public authority for the PID .....	\$1,891	\$2,387	\$2,431	\$2,554	
<b>Full Time Equivalents (FTEs)</b>	<b>18</b>	<b>24</b>	<b>23</b>	<b>24</b>	

### Major Achievements For 2006-07

- Continued the Ten Year Review series of reports, including the launch of the discussion paper titled 'A Separate Ethical Code for Ministerial Staff' and the tabling of the fourth report on the principles of integrity in official conduct. Further, a report to Parliament was tabled, in collaboration with other accountability officers, titled 'Accountability Officers of the Western Australian Parliament: Accountability and Independence Principles'.
- Developed a number of assistance tools in relation to the Code of Ethics and codes of conduct, including the development of a framework for use by agencies to better embed ethical conduct in business practices and the issuing of Revitalising Codes of Conduct guidelines. This was complimented by work associated with revising the existing Code of Ethics (incorporating a Code of Ethics for Ministerial Staff) and preparing political impartiality guidelines for public servants.
- Implemented strategies to streamline procedures and processes to reduce duplication and better manage and coordinate compliance and monitoring activities, including breach claims under the Standards. Targeted assistance was provided direct to agencies as specific needs were identified and information was shared with the public sector, through e-bulletins and broadcast emails, regarding lessons learnt from breach claim processes in order to assist agencies to improve human resource practices and minimise the risk of non-compliance with the Standards.
- Launched the interactive online recruitment and selection tool 'The Right Path to the Right People' and provided assistance via presentations and direct consultations to encourage agencies to examine their current practices and use the tool to raise awareness of issues and streamline processes.

- Completed a submission to the review of the PID and developed and implemented a two day training course and workshops for PID Officers in metropolitan and regional areas which provides an overview of the Act and uses case studies to enhance an understanding of the Act and managing disclosures.

### Major Initiatives For 2007-08

- Design and implement an online grievance tool for use by agencies, drawing on the observations and recommendations of the thematic review of the Grievance Standard in a range of public sector agencies. The tool will provide tips and suggestions for agencies on how to better manage internal employee grievances to build capacity for better practices and minimize the risk of non-compliance.
- Undertake work associated with raising awareness of the revised public sector Code of Ethics (incorporating the Code of Ethics for Ministerial staff) and the political impartiality guidelines for public servants, and provide assistance to agencies and employees on their application.
- Ensure the consistent and transparent application of the powers of the Commissioner for Public Sector Standards to exempt agencies from the whole or any part of the Human Resource Standards, with particular focus on its applicability to issues associated with a tight labour market and an ageing population.
- Continue to develop specific programs and strategies through monitoring and assistance activities, including the climate survey program, to identify agencies and areas where targeted assistance may be needed to reduce the risk of non-compliance with public sector codes and standards, including a focus on shared service centres.
- Continue to develop targeted assistance strategies through monitoring and assistance activities to public authorities including; undertaking workshops aimed at raising awareness of the Act with line managers and those responsible for informing employees and members of the public of the avenues available to raise concerns, and developing a DVD for use by PID officers and managers to raise awareness of the Act within their organisations.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,069	1,068	1,068	1,123	
Less Income.....	13	15	16	18	
Net Cost of Service <sup>(a)</sup> .....	1,056	1,053	1,052	1,105	
Adjustments <sup>(b)</sup> .....	(45)	(23)	(7)	(23)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,011</b>	<b>1,030</b>	<b>1,045</b>	<b>1,082</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of advice and evaluation per public authority .....	\$4,074	\$3,970	\$3,985	\$4,190	
<b>Full Time Equivalents (FTEs)</b>	10	10	10	10	

**Major Achievements For 2006-07**

- The Office of Equal Employment Opportunity (OEEO) implemented an online EEO management planning tool to assist agencies develop plans consistent with requirements of the *Equal Opportunity Act 1984*. The planning tool has over 70 registered users and workshops run in the use of the planning tool attracted 88 representatives from 59 agencies.
- The compliance framework around Part IX of the *Equal Opportunity Act 1984* was reviewed in the context of the legislative changes to the role of the Director of Equal Opportunity in Public Employment (DEOPE). The revised framework supports an emphasis on advise and assist functions but also provides for detailed evaluations of EEO Management Plans, more detailed performance reporting and for different types of intervention in situations where the DEOPE is dissatisfied with the achievements of a public authority in the development and implementation of EEO Management Plans.
- The OEEO established a pilot program in partnership with 10 agencies across the public sector aimed at improving the representation of women in senior management tiers. The Women in Management Secondment Program is providing opportunities for aspirant women to diversify their skills and experience via a supported secondment program.
- The OEEO promoted programs and strategies to improve the representation of people with disabilities in public employment. The Office has run forums for Human Resource Professionals and Disability Employment Network providers, developed a new online information resource and produced a video case study on the application of supported work team arrangements in leading agencies.
- The OEEO has prepared EEO Management Plan templates and a planning guide specifically designed for smaller local governments.
- The OEEO has worked with the Department for Community Development, and a reference group of agencies employing significant numbers of Aboriginal staff to develop and deploy a questionnaire on the extent to which the organisational culture and human resource management policies and practices are adequate in allowing Aboriginal staff to reasonably balance cultural obligations to community and work commitments.
- The Office distributed approximately 25,000 climate surveys across the public sector and developed and implemented three new online surveys to assist with EEO management planning.

**Major Initiatives For 2007-08**

- The OEEO will work with local governments that demonstrate best practice in EEO planning and program implementation to promote the effective use of EEO Management Plans across the local government sector as strategic tools that can enhance workforce capability and business effectiveness.
- The OEEO will evaluate existing strategies designed to improve the representation of women in senior management and liaise with stakeholder groups about the most appropriate ways to enhance assistance provided to the public sector in this area.
- The OEEO will review current programs and identify targeted strategies to address areas where there is under achievement against Government objectives in the Equity and Diversity Plan for the Public Sector Workforce 2006-2009.

- The Office will work with agencies involved in the transition of sector wide human resource and workforce information systems from the existing state-based Minimum Obligatory Information Requirements system to the national Workforce Analysis Comparison Application system in order to ensure that appropriate equity and diversity information and data can be collected, maintained and reported on for public authorities in Western Australia.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	535	535	770	802	Increase in Treasurer's Advance to cover increased consultancy costs for executive searches and selection processes, resulting in increased costs and recoups from agencies.
Less Income.....	249	260	434	450	
Net Cost of Service <sup>(a)</sup> .....	286	275	336	352	
Adjustments <sup>(b)</sup> .....	(12)	(7)	(2)	(8)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>274</b>	<b>268</b>	<b>334</b>	<b>344</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per CEO selection.....	\$53,864	\$48,636	\$55,000	\$61,692	Increased consultancy costs for executive searches, fluctuations in number of positions referred and a number of jobs received late in 2006-07 for which payment and recoups will occur in 2007-08.
<b>Full Time Equivalents (FTEs)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	

### Major Achievements For 2006-07

- Tabled in Parliament a report, incorporating feedback from a discussion paper, addressing issues related to the Commissioner's CEO selection function: Ten Year Review Three: CEO Recruitment and Selection in the Western Australian Public Sector.
- Significant progress was made to implement changes to improve the recruitment and selection process, including sourcing and ensuring a broad diversity of panel members, enhancing the openness and transparency of the process and developing a database of information related to CEO nominations.
- Managed the selection process and provided nominations for 14 CEO positions to the Minister for Public Sector Management.

**Major Initiatives For 2007-08**

- Continue to implement improvements to the CEO recruitment and selection process to achieve streamlined and improved outcomes, involving progressing the recommendations contained in the tabled report: Ten Year Review Three: CEO Recruitment and Selection in the Western Australian Public Sector.

**CAPITAL WORKS PROGRAM**

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Computer Software Upgrades .....	56	56	34	-
Furniture and Office Equipment - 2005-06 Program.....	45	45	45	-
Replacement of Computing Equipment - 2006-07 Program.....	75	75	75	-
<b>NEW WORKS</b>				
Furniture and Office Equipment - 2007-08 Program.....	46	-	-	46
Replacement of Computing Equipment - 2007-08 Program.....	75	-	-	75
	297	176	154	121

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	195	109	154	121	191	218	201
	195	109	154	121	191	218	201
<b>LESS</b>							
Drawdowns from the Holding Account .....	164	102	102	120	191	218	201
Internal Funds and Balances .....	(3)	7	52	1	-	-	-
<b>Capital Contribution .....</b>	34	-	-	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	2,547	2,881	2,870	3,034	3,085	3,119	3,205
Superannuation .....	223	240	249	261	259	271	275
Supplies and services .....	987	848	1,093	1,133	1,141	1,240	1,259
Accommodation .....	251	267	267	267	267	267	267
Capital user charge <sup>(b)</sup> .....	51	55	55	-	-	-	-
Depreciation and amortisation .....	154	184	167	178	201	155	197
Other expenses .....	72	28	28	28	28	28	28
<b>TOTAL COST OF SERVICES</b> .....	<b>4,285</b>	<b>4,503</b>	<b>4,726</b>	<b>4,901</b>	<b>4,981</b>	<b>5,080</b>	<b>5,231</b>
<b>Income</b>							
Other revenue .....	276	275	465	485	505	533	558
<b>Total Income</b> .....	<b>276</b>	<b>275</b>	<b>465</b>	<b>485</b>	<b>505</b>	<b>533</b>	<b>558</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>4,009</b>	<b>4,228</b>	<b>4,261</b>	<b>4,416</b>	<b>4,476</b>	<b>4,547</b>	<b>4,673</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	3,839	4,138	4,232	4,323	4,381	4,452	4,577
Resources received free of charge .....	96	93	93	94	95	95	96
Liabilities assumed by the Treasurer .....	-	3	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>3,935</b>	<b>4,234</b>	<b>4,325</b>	<b>4,417</b>	<b>4,476</b>	<b>4,547</b>	<b>4,673</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(74)</b>	<b>6</b>	<b>64</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(74)</b>	<b>6</b>	<b>64</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 30, 35 and 37 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	313	51	304	294	284	284	284
Restricted cash .....	351	178	369	379	389	389	389
Receivables .....	214	149	212	189	189	189	189
Amounts receivable for services.....	102	120	120	141	141	141	85
Prepayments.....	-	24	-	-	-	-	-
Other.....	-	-	-	-	6	6	6
<b>Total current assets .....</b>	<b>980</b>	<b>522</b>	<b>1,005</b>	<b>1,003</b>	<b>1,009</b>	<b>1,009</b>	<b>953</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	711	899	899	1,072	1,185	1,271	1,430
Plant and equipment.....	208	457	215	154	132	195	199
Intangibles.....	9	21	15	7	-	-	-
Other.....	296	34	296	296	296	296	296
<b>Total non-current assets.....</b>	<b>1,224</b>	<b>1,411</b>	<b>1,425</b>	<b>1,529</b>	<b>1,613</b>	<b>1,762</b>	<b>1,925</b>
<b>TOTAL ASSETS.....</b>	<b>2,204</b>	<b>1,933</b>	<b>2,430</b>	<b>2,532</b>	<b>2,622</b>	<b>2,771</b>	<b>2,878</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	124	94	124	100	99	99	99
Provision for employee entitlements .....	445	516	444	514	583	657	721
Accrued salaries .....	9	9	(3)	6	16	16	16
Amounts due to the Treasurer.....	500	300	500	500	500	500	500
Other.....	-	2	73	56	3	24	10
<b>Total current liabilities.....</b>	<b>1,078</b>	<b>921</b>	<b>1,138</b>	<b>1,176</b>	<b>1,201</b>	<b>1,296</b>	<b>1,346</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	13	265	239	302	367	421	478
Other.....	1	-	1	1	1	1	1
<b>Total non-current liabilities .....</b>	<b>138</b>	<b>265</b>	<b>240</b>	<b>303</b>	<b>368</b>	<b>422</b>	<b>479</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,216</b>	<b>1,186</b>	<b>1,378</b>	<b>1,479</b>	<b>1,569</b>	<b>1,718</b>	<b>1,825</b>
<b>EQUITY</b>							
Contributed equity .....	615	615	615	615	615	615	615
Accumulated surplus/(deficit) .....	373	132	437	438	438	438	438
<b>Total equity.....</b>	<b>988</b>	<b>747</b>	<b>1,052</b>	<b>1,053</b>	<b>1,053</b>	<b>1,053</b>	<b>1,053</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>2,204</b>	<b>1,933</b>	<b>2,430</b>	<b>2,532</b>	<b>2,622</b>	<b>2,771</b>	<b>2,878</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	3,541	3,830	3,924	4,009	4,077	4,148	4,273
Capital contribution .....	34	-	-	-	-	-	-
Holding account drawdowns .....	164	102	102	120	191	218	201
<b>Net cash provided by State government .....</b>	<b>3,739</b>	<b>3,932</b>	<b>4,026</b>	<b>4,129</b>	<b>4,268</b>	<b>4,366</b>	<b>4,474</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(2,441)	(2,751)	(2,777)	(2,892)	(2,941)	(2,991)	(3,084)
Superannuation .....	(216)	(237)	(251)	(261)	(270)	(280)	(290)
Supplies and services .....	(908)	(755)	(944)	(1,030)	(1,061)	(1,100)	(1,147)
Accommodation.....	(210)	(267)	(267)	(267)	(267)	(267)	(267)
Capital user charge <sup>(a)</sup> .....	(51)	(55)	(55)	-	-	-	-
Goods and services tax .....	(130)	(115)	(158)	(158)	(158)	(158)	(158)
Other.....	(91)	(28)	(28)	(28)	(28)	(28)	(28)
<b>Receipts</b>							
Goods and services tax .....	154	117	158	158	158	158	158
Other receipts .....	194	275	450	470	490	518	543
<b>Net cash from operating activities.....</b>	<b>(3,699)</b>	<b>(3,816)</b>	<b>(3,872)</b>	<b>(4,008)</b>	<b>(4,077)</b>	<b>(4,148)</b>	<b>(4,273)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(85)	(109)	(154)	(121)	(191)	(218)	(201)
<b>Net cash from investing activities.....</b>	<b>(85)</b>	<b>(109)</b>	<b>(154)</b>	<b>(121)</b>	<b>(191)</b>	<b>(218)</b>	<b>(201)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Proceeds from borrowings.....	200	-	-	-	-	-	-
<b>Net cash from financing activities.....</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>155</b>	<b>7</b>	<b>197</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	518	222	673	673	673	673	673
<b>Cash assets at the end of the reporting period.....</b>	<b>673</b>	<b>229</b>	<b>673</b>	<b>673</b>	<b>673</b>	<b>673</b>	<b>673</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

### RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	4,285	4,503	4,726	4,901	4,981	5,080	5,231
<i>Less Capital User Charge.....</i>	51	55	55	-	-	-	-
Adjusted Total Cost of Services .....	4,234	4,448	4,671	4,901	4,981	5,080	5,231
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	3,839	4,138	4,232	4,323	4,381	4,452	4,577
<i>Less Capital User Charge.....</i>	51	55	55	-	-	-	-
Adjusted net amount appropriated to deliver services.....	3,788	4,083	4,177	4,323	4,381	4,452	4,577

### NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST input credits .....	154	117	158	158
Other Revenue .....	194	275	450	470
<b>TOTAL .....</b>	<b>348</b>	<b>392</b>	<b>608</b>	<b>628</b>

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

## SALARIES AND ALLOWANCES TRIBUNAL

### PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT

#### DIVISION 6

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 8 Net amount appropriated to deliver services<sup>(a)</sup> .....</b>	480	325	325	<b>488</b>	499	527	541
Total appropriations provided to deliver services .....	480	325	325	<b>488</b>	499	527	541
<b>GRAND TOTAL .....</b>	<b>480</b>	<b>325</b>	<b>325</b>	<b>488</b>	499	527	541

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- The Tribunal has had the legislation changed, which prohibited it from remunerating Parliamentary Secretaries. Also, clarification was achieved over its capacity to remunerate Parliamentary Committee members.
- The Tribunal has taken over responsibility for the remuneration of non-judicial members of the State Administrative Tribunal.
- The Tribunal has noted continued pressures in the economic indices in this State.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Support Services to the Salaries and Allowances Tribunal .....	567	515	485	558			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	567	515	485	558	568	592	607
<i>Less Income</i> .....	45	3	3	3	3	3	3
<b>Net Cost of Services</b> <sup>(a)</sup> .....	522	512	482	555	565	589	604
Adjustments <sup>(b)</sup> .....	(42)	(187)	(157)	(67)	(66)	(62)	(63)
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	480	325	325	488	499	527	541
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	480	325	325	488	499	527	541

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) 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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Judicial and Magisterial Officers and superannuation benefits for Members of Parliament.	1. Support Services to the Salaries and Allowances Tribunal

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Judicial and Magisterial Officers and superannuation benefits for Members of Parliament.</b>					
Quantity - Determinations/Reports.....	16	11	11	11	
Quality - Tribunal satisfaction with the quality of service provided.....	100%	100%	100%	100%	
Timeliness - Tribunal satisfaction with quality of service provided.....	100%	100%	100%	100%	
Cost (Efficiency) - Average cost per determination report.....	\$35,500	\$46,500	\$43,800	\$50,700	Generally reflects anticipated cost escalation over time

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	567	515	485	558	
Less Income.....	45	3	3	3	
Net Cost of Service <sup>(a)</sup> .....	522	512	482	555	
Adjustments <sup>(b)</sup> .....	(42)	(187)	(157)	(67)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>480</b>	<b>325</b>	<b>325</b>	<b>488</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
The extent to which the Tribunal is satisfied with the support services provided .....	100%	100%	100%	100%	
<b>Full Time Equivalents (FTEs)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	

**Major Achievements For 2006-07**

- The determinations and reports were made in accordance with the *Salaries and Allowances Act 1975*.
- Additional determinations issued as required.
- The Tribunal conducted and issued determinations on new areas of responsibility legislated for it by government.
- Resolution of the legislative impediments for remuneration for Parliamentary Secretaries and clarification of the powers of the Tribunal in relation to differing remuneration for members and Chairmen of Parliamentary committees.

**Major Initiatives For 2007-08**

- Issue of the determination for the members of the Tribunal.

**CAPITAL WORKS PROGRAM**

The Tribunal will spend \$6,000 in 2007-08 to continue its rolling program for replacement of office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Asset Replacement Program				
2005-06 Program .....	6	6	1	-
2006-07 Program .....	6	6	6	-
<b>NEW WORKS</b>				
Asset Replacement Program				
2007-08 Program .....	6	-	-	6
-	18	12	7	6

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	5	6	7	6	6	7	7
	5	6	7	6	6	7	7
<b>LESS</b>							
Drawdowns from the Holding Account .....	6	6	6	6	6	6	6
Internal Funds and Balances .....	(1)	-	1	-	-	1	1
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	137	192	149	188	180	186	197
Superannuation .....	24	20	22	22	22	22	22
Supplies and services .....	372	254	268	301	318	335	331
Accommodation .....	31	43	40	41	42	43	44
Capital user charge <sup>(b)</sup> .....	17	15	15	-	-	-	-
Depreciation and amortisation .....	3	6	6	6	6	6	6
Other expenses .....	-	-	-	-	-	-	7
<b>TOTAL COST OF SERVICES</b> .....	<b>584</b>	<b>530</b>	<b>500</b>	<b>558</b>	<b>568</b>	<b>592</b>	<b>607</b>
<b>Income</b>							
Other revenue .....	45	3	3	3	3	3	3
<b>Total Income</b> .....	<b>45</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>539</b>	<b>527</b>	<b>497</b>	<b>555</b>	<b>565</b>	<b>589</b>	<b>604</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	497	340	340	488	499	527	541
Resources received free of charge .....	52	41	52	54	56	58	60
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>549</b>	<b>381</b>	<b>392</b>	<b>542</b>	<b>555</b>	<b>585</b>	<b>601</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>10</b>	<b>(146)</b>	<b>(105)</b>	<b>(13)</b>	<b>(10)</b>	<b>(4)</b>	<b>(3)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 1, 2 and 2 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	283	60	137	113	103	99	96
Restricted cash .....	43	1	44	1	2	3	3
Receivables .....	6	1	6	6	6	6	6
Amounts receivable for services.....	6	6	25	6	6	6	6
<b>Total current assets .....</b>	<b>338</b>	<b>68</b>	<b>212</b>	<b>126</b>	<b>117</b>	<b>114</b>	<b>111</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	12	19	-	6	12	18	24
Plant and equipment.....	12	9	12	12	12	13	14
<b>Total non-current assets.....</b>	<b>24</b>	<b>28</b>	<b>12</b>	<b>18</b>	<b>24</b>	<b>31</b>	<b>38</b>
<b>TOTAL ASSETS.....</b>	<b>362</b>	<b>96</b>	<b>224</b>	<b>144</b>	<b>141</b>	<b>145</b>	<b>149</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	74	26	26	26	26	26	26
Provision for employee entitlements .....	58	58	65	-	-	-	-
Accrued salaries .....	-	1	1	2	2	3	3
<b>Total current liabilities.....</b>	<b>132</b>	<b>85</b>	<b>92</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>29</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	3	5	10	7	14	21	28
<b>Total non-current liabilities .....</b>	<b>3</b>	<b>5</b>	<b>10</b>	<b>7</b>	<b>14</b>	<b>21</b>	<b>28</b>
<b>TOTAL LIABILITIES.....</b>	<b>135</b>	<b>90</b>	<b>102</b>	<b>35</b>	<b>42</b>	<b>50</b>	<b>57</b>
<b>EQUITY</b>							
Contributed equity .....	6	6	6	6	6	6	6
Accumulated surplus/(deficit) .....	221	-	116	103	93	89	86
<b>Total equity.....</b>	<b>227</b>	<b>6</b>	<b>122</b>	<b>109</b>	<b>99</b>	<b>95</b>	<b>92</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>362</b>	<b>96</b>	<b>224</b>	<b>144</b>	<b>141</b>	<b>145</b>	<b>149</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	484	327	327	476	487	515	529
Holding account drawdowns .....	6	6	6	6	6	6	6
<b>Net cash provided by State government .....</b>	<b>490</b>	<b>333</b>	<b>333</b>	<b>482</b>	<b>493</b>	<b>521</b>	<b>535</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(110)	(184)	(134)	(247)	(173)	(178)	(190)
Superannuation .....	(23)	(20)	(22)	(30)	(22)	(22)	(22)
Supplies and services .....	(295)	(213)	(264)	(246)	(262)	(277)	(271)
Accommodation.....	(29)	(43)	(40)	(41)	(42)	(43)	(44)
Capital user charge <sup>(a)</sup> .....	(17)	(15)	(15)	-	-	-	-
Goods and services tax .....	(26)	(10)	(22)	(21)	(22)	(24)	(22)
Other.....	-	-	-	-	-	-	(7)
<b>Receipts</b>							
Goods and services tax .....	26	10	22	21	22	24	22
Other receipts .....	45	3	3	3	3	3	3
<b>Net cash from operating activities.....</b>	<b>(429)</b>	<b>(472)</b>	<b>(472)</b>	<b>(561)</b>	<b>(496)</b>	<b>(517)</b>	<b>(531)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(5)	(6)	(6)	(6)	(6)	(7)	(7)
<b>Net cash from investing activities.....</b>	<b>(5)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(7)</b>	<b>(7)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	56	(145)	(145)	(85)	(9)	(3)	(3)
Cash assets at the beginning of the reporting period .....	270	206	326	181	96	87	84
<b>Cash assets at the end of the reporting period.....</b>	<b>326</b>	<b>61</b>	<b>181</b>	<b>96</b>	<b>87</b>	<b>84</b>	<b>81</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	584	530	500	558	568	592	607
<i>Less Capital User Charge.....</i>	17	15	15	-	-	-	-
Adjusted Total Cost of Services .....	567	515	485	558	568	592	607
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	497	340	340	488	499	527	541
<i>Less Capital User Charge.....</i>	17	15	15	-	-	-	-
Adjusted net amount appropriated to deliver services.....	480	325	325	488	499	527	541

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST Input Credits.....	26	10	22	21
Other Revenue .....	45	3	3	3
<b>TOTAL .....</b>	<b>71</b>	<b>13</b>	<b>25</b>	<b>24</b>

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

## Part 3

### Deputy Premier; Treasurer; Minister for State Development

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
137	Treasury and Finance			
	– Delivery of Services .....	113,271	117,654	<b>109,096</b>
	– Administered Grants, Subsidies and Other Transfer Payments.....	1,285,994	1,248,933	<b>1,465,816</b>
	– Capital Contribution .....	13,716	32,486	<b>17,741</b>
	– Administered Capital Contribution .....	326,334	208,004	<b>1,495,513</b>
	Total.....	1,739,315	1,607,077	<b>3,088,166</b>
175	Office of Native Title			
	– Delivery of Services .....	44,159	9,388	<b>30,785</b>
	Total.....	44,159	9,388	<b>30,785</b>
183	Office of the Auditor General			
	– Delivery of Services .....	14,112	15,224	<b>14,696</b>
	– Capital Contribution .....	-	-	<b>108</b>
	Total.....	14,112	15,224	<b>14,804</b>
196	Economic Regulation Authority			
	– Delivery of Services .....	5,148	5,263	<b>4,765</b>
	Total.....	5,148	5,263	<b>4,765</b>
209	Provision for Water Source Development	-	-	-
210	Western Australian Treasury Corporation	-	-	-
211	State Supply Commission			
	– Delivery of Services .....	1,613	1,634	<b>1,670</b>
	Total.....	1,613	1,634	<b>1,670</b>

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
221	Industry and Resources			
	– Delivery of Services .....	169,131	139,013	<b>168,666</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	70,618	58,829	<b>67,574</b>
	– Capital Contribution .....	5,584	1,945	<b>15,313</b>
	– Administered Capital Contribution .....	1,000	2,080	<b>2,700</b>
	Total .....	246,333	201,867	<b>254,253</b>
	GRAND TOTAL .....			
	– Delivery of Services .....	347,434	288,176	<b>329,678</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	1,356,612	1,307,762	<b>1,533,390</b>
	– Capital Contribution .....	19,300	34,431	<b>33,162</b>
	– Administered Capital Contribution .....	327,334	210,084	<b>1,498,213</b>
	Total .....	2,050,680	1,840,453	<b>3,394,443</b>

## TREASURY AND FINANCE

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT

#### DIVISION 7

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual <sup>(a)</sup>	2006-07 Budget <sup>(a)</sup>	2006-07 Estimated Actual <sup>(a)</sup>	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 9 Net amount appropriated to deliver services <sup>(b)</sup></b> .....	83,792	112,371	116,644	<b>108,059</b>	92,151	93,456	93,812
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(c)</sup></b> .....	874	900	1,010	<b>1,037</b>	1,065	1,094	1,094
Total appropriations provided to deliver services .....	84,666	113,271	117,654	<b>109,096</b>	93,216	94,550	94,906
<b>ADMINISTERED TRANSACTIONS</b>							
Community Service Obligation Payments							
<b>Item 10 - Electricity Retail Corporation (Synergy)</b> .....							
	9,167	38,007	38,007	<b>31,504</b>	37,674	40,352	42,590
<b>Item 11 - Forest Products Commission</b> .....	1,070	2,370	2,370	<b>2,370</b>	2,370	2,370	2,370
<b>Item 12 - Regional Power Corporation (Horizon Power)</b> .....	3,205	16,184	15,400	<b>23,900</b>	28,900	30,600	31,700
<b>Item 13 - Water Corporation of Western Australia</b> .....	339,821	367,647	367,837	<b>385,110</b>	387,325	400,859	401,391
<b>Item 14 - Western Australian Land Authority</b> .....	25,420	21,540	35,532	<b>33,982</b>	19,150	26,407	26,427
<b>Electricity Corporation</b> .....	31,636	-	-	-	-	-	-
<b>Electricity Networks Corporation (Western Power (Networks))</b> .....	665	-	-	-	-	-	-
Grants, Subsidies and Transfer Payments							
<b>Item 15 - Aerial Shark Surveillance Program</b> .....	127	170	170	<b>177</b>	185	194	204
<b>Item 16 - Armadale Redevelopment Authority</b> .....							
	1,470	2,750	2,750	<b>1,200</b>	1,200	1,250	1,250
<b>Item 17 - Broome Port Authority</b> .....	1,651	1,335	1,293	<b>420</b>	405	405	405
<b>Item 18 - Department for Child Protection <sup>(d)</sup></b> .....	-	-	-	<b>7,550</b>	15,300	14,200	28,300
<b>Item 19 - Department for Communities <sup>(d)</sup></b> .....	-	-	-	<b>1,150</b>	570	590	610
<b>Item 20 - Electricity Generation Corporation (Verve Energy) – Part Reimbursement of Land Sales</b> .....							
	-	-	-	<b>158</b>	-	-	-
<b>Item 21 - First Home Owners' Assistance</b> .....	123,056	129,100	105,000	<b>114,500</b>	116,000	118,000	120,000
<b>Item 22 - Goods and Services Tax (GST) Administration Costs</b> .....							
	60,105	63,000	63,100	<b>65,300</b>	66,500	65,800	66,800
<b>Item 23 - HIH Insurance – Assistance to Local Government</b> .....							
	3,700	300	200	<b>100</b>	-	-	-
<b>Item 24 - HIH Insurance Rescue Package</b> .....	16	600	433	<b>433</b>	433	433	433
<b>Item 25 - Office of Health Review</b> .....	1,390	1,254	1,430	<b>1,437</b>	1,478	1,520	1,561
<b>Item 26 - Pensioners Concessions – Emergency Services Levy</b> .....							
	6,745	9,455	9,455	<b>10,114</b>	10,809	11,100	11,400
<b>Item 27 - Pensioners Concessions – Local Government and Water Rates</b> .....							
	45,187	52,000	52,000	<b>55,640</b>	59,430	63,350	67,151
<b>Item 28 - Provision for Unfunded Liabilities in the Government Insurance Fund</b> .....							
	4,061	4,761	1,472	<b>2,274</b>	2,527	2,692	2,798
<b>Item 29 - Refund of Past Years Revenue Collections – Public Corporations</b> .....							
	10,914	500	500	<b>500</b>	500	500	500
<b>Item 30 - Refund of Past Years Revenue Collections – All Other</b> .....							
	19,160	18,675	35,000	<b>34,000</b>	32,000	33,000	34,000

	2005-06 Actual <sup>(a)</sup>	2006-07 Budget <sup>(a)</sup>	2006-07 Estimated Actual <sup>(a)</sup>	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Item 31 - Rottneest Island Authority <sup>(e)</sup> .....	-	2,200	2,200	<b>2,200</b>	2,200	2,200	2,200
Item 32 - State Property – Emergency Services Levy .....	8,866	9,000	9,000	<b>9,000</b>	9,000	9,000	9,000
Item 33 - Water Corporation of Western Australia – State Water Strategy Rebate Scheme .....	11,940	9,000	9,000	<b>9,000</b>	9,000	-	-
Item 34 - Water Corporation of Western Australia – Part Reimbursement of Land Sales .....	1,061	716	716	<b>700</b>	800	900	1,000
Item 35 - Western Australian Building Management Authority – Interest <sup>(f)</sup> .....	5,633	4,700	4,700	<b>4,000</b>	3,300	2,900	2,500
Item 36 - Wine Equalisation Tax Rebate .....	-	4,400	-	<b>7,000</b>	2,700	2,800	2,900
Item 37 - All Other Grants, Subsidies and Transfer Payments <sup>(g)</sup> .....	12,879	13,285	19,558	<b>15,482</b>	14,576	14,516	15,002
Comprising:							
Acts of Grace .....	1	1	1	<b>1</b>	1	1	1
ANZAC Day Trust .....	300	300	300	<b>300</b>	300	300	300
Consumer Utilities Program (WACOSS) ....	-	170	170	<b>170</b>	170	-	-
Life Support Equipment Electricity Subsidy Scheme .....	581	550	550	<b>560</b>	-	-	-
Incidentals .....	1	1	1	<b>1</b>	1	1	1
Interest on Public Moneys held in Participating Trust Fund Accounts .....	2,271	1,970	3,232	<b>4,500</b>	4,084	4,084	4,460
On-Road Diesel Subsidies .....	7,790	8,200	8,700	<b>8,900</b>	9,120	9,330	9,440
Public Swimming Pools – Operating Costs Subsidy .....	273	300	300	<b>300</b>	300	300	300
Rebates to Community Banks .....	-	8	-	-	-	-	-
Stamp Duty Concessions on Farming Properties .....	326	300	300	<b>250</b>	100	-	-
Stamp Duty Rebate Scheme .....	1,336	1,000	5,664	-	-	-	-
Thermoregulatory Dysfunction Energy Subsidy Scheme .....	-	485	340	<b>500</b>	500	500	500
Albany Port Authority .....	151	-	-	-	-	-	-
City of Subiaco .....	-	6,100	6,100	-	-	-	-
Housing Loan Guarantee Act – Losses on Indemnities .....	-	254	-	-	-	-	-
Search for HMAS Sydney (II) .....	100	-	-	-	-	-	-
Authorised by Other Statutes							
Gold Corporation Act 1987 .....	26	55	30	<b>30</b>	30	30	30
Judges' Salaries and Pensions Act 1950 .....	5,384	7,280	5,960	<b>6,480</b>	6,780	7,090	7,420
Parliamentary Superannuation Act 1970 .....	5,873	5,027	5,460	<b>5,720</b>	15,420	11,300	7,650
Salaries Provision – Special Division and Prescribed Office Holders <sup>(h)</sup> .....	-	1,500	159	<b>924</b>	944	968	992
State Superannuation Act 2000 .....	440,901	471,108	433,776	<b>613,976</b>	533,476	553,476	578,776
Tobacco Control Act 1990 .....	17,753	18,153	18,179	<b>18,635</b>	19,110	19,547	20,020
Unclaimed Money Act 1990 .....	470	500	1,000	<b>750</b>	750	750	750
Unclaimed Money (Superannuation and RSA Providers) Act 2003 .....	190	50	100	<b>100</b>	100	100	100
Western Australian Treasury Corporation Act 1986 - Interest .....	13,483	3,018	1,046	-	6,000	5,520	5,059
Total Administered .....	1,213,276	1,285,994	1,248,933	<b>1,465,816</b>	1,406,942	1,444,719	1,493,289
<b>CAPITAL</b>							
Item 122 Capital Contribution .....	44,689	13,716	32,486	<b>17,741</b>	15,457	1,000	500
<b>ADMINISTERED CAPITAL</b>							
Government Equity Contributions							
Item 123 - Albany Port Authority .....	-	-	-	<b>3,785</b>	-	-	-
Item 124 - Armadale Redevelopment Authority .....	3,000	10,600	10,600	<b>2,000</b>	2,000	2,000	2,000
Item 125 - Department for Child Protection <sup>(d)</sup> .....	-	-	-	<b>200</b>	-	-	-
Item 126 - Department for Communities <sup>(d)</sup> ....	-	-	-	<b>200</b>	-	-	-
Item 127 - Department of Health <sup>(i)</sup> .....	52,102	178,509	61,743	<b>140,846</b>	222,566	382,566	333,803
Item 128 - Electricity Networks Corporation (Western Power (Networks)) .....	6,000	6,000	6,000	<b>6,000</b>	6,000	-	-

	2005-06 Actual <sup>(a)</sup>	2006-07 Budget <sup>(a)</sup>	2006-07 Estimated Actual <sup>(a)</sup>	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Item 129 - Forest Products Commission .....</b>	1,270	2,291	2,200	<b>2,200</b>	2,200	2,200	2,200
<b>Item 130 - Fremantle Port Authority.....</b>	1,528	214	215	<b>5,214</b>	212	211	210
<b>Item 131 - Midland Redevelopment Authority.....</b>	3,440	16,448	16,448	<b>6,216</b>	-	-	-
<b>Item 132 - Regional Power Corporation (Horizon Power).....</b>	1,290	10,950	5,500	<b>9,800</b>	650	-	-
<b>Item 133 - Rottnest Island Authority <sup>(e)</sup>.....</b>	15,244	6,456	6,839	<b>1,689</b>	22	22	-
<b>Item 134 - Housing Authority.....</b>	15,000	15,000	15,000	<b>64,700</b>	73,860	31,720	55,990
<b>Item 135 - Western Australian Building Management Authority <sup>(f)</sup>.....</b>	7,626	7,900	7,900	<b>8,200</b>	8,400	8,600	9,000
<b>Item 136 - Western Australian Coastal Shipping Commission.....</b>	-	-	-	<b>17,500</b>	-	-	-
<b>Item 137 - Western Australian Land Authority.....</b>	20,000	42,100	19,534	<b>77,700</b>	48,066	-	-
<b>Broome Port Authority.....</b>	1,500	1,450	200	-	-	-	-
<b>Water Corporation.....</b>	-	-	-	-	7,210	7,730	8,280
<b>Western Australian Meat Industry Authority.....</b>	-	3,200	3,200	-	5,000	-	-
Other							
<b>Item 138 - Fiona Stanley Hospital Construction Account <sup>(g)</sup>.....</b>	-	-	-	<b>1,088,585</b>	-	-	-
<b>Item 139 - Perry Lakes Trust Account.....</b>	-	25,216	3,307	<b>60,678</b>	16,677	9,123	-
Authorised by Other Statutes							
<b>Loans (Co-operative Companies) Act 2004.....</b>	1,226	-	-	-	-	-	-
<b>Western Australian Treasury Corporation Act 1986 - Capital Repayments.....</b>	244,000	-	49,318	-	4,000	4,000	4,000
Total Administered Capital Contribution.....	373,226	326,334	208,004	<b>1,495,513</b>	396,863	448,172	415,483
GRAND TOTAL.....	1,715,857	1,739,315	1,607,077	<b>3,088,166</b>	1,912,478	1,988,441	2,004,178

- (a) The statements have been changed to reflect the transfer of the Office of Shared Services to the Department from 1 January 2007.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.
- (d) Reflects global funding to be applied to the Ford Review recommendations as part of the Government's response to child protection operations. The Department for Child Protection and the Department for Communities are required to submit business cases for Government approval to access these funds.
- (e) Prior to 2006-07, these items were reflected in the administered appropriations of the Western Australian Tourism Commission. From 2006-07, the recurrent and capital components of the appropriation are shown.
- (f) The functions of the Western Australian Building Management Authority (WABMA) were transferred to the Department of Housing and Works (DHW) as part of the Machinery of Government changes in 2002-03. For legal reasons, loans held by WABMA cannot be transferred to the DHW. The Consolidated Account provides appropriation support for the interest and capital repayments associated with this debt.
- (g) Includes all Administered Grants, Subsidies and Transfers not covered elsewhere by individual Acts.
- (h) Reflects the Salaries and Allowances decision of 4 April 2007 to increase the annual remuneration of officers in this division. These increases were received too late to be shown in the estimates of the affected divisions elsewhere in Budget Paper No. 2.
- (i) Reflects global funding to be applied to health reforms and related broader health initiatives as part of the Department of Health's Capital Works Program. The Department of Health is required to submit business cases and planning details for Government approval to access these funds.
- (j) Represents the full funding from the Consolidated Account for the Fiona Stanley Hospital – annual equity contributions.

## MISSION

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



## SIGNIFICANT ISSUES AND TRENDS

### Financial Management

- Achievement of sound financial management outcomes, including maintenance of the State's triple-A credit rating, remains a high priority. The Department will continue to provide financial management advice to Government that takes account of the opportunities and challenges presented by the current economic environment, with the aim of maximising the long-term structural position of the State's finances. This includes analysis and advice on the most effective application of budget surpluses.
- The past year has seen significant changes to the public sector financial reporting environment, with the implementation of Australian equivalents to International Financial Reporting Standards and accelerated reporting deadlines applying from 1 January 2006 for both agency-level and whole-of-government reporting. Further changes and improvements are in prospect, with new reporting requirements stemming from the recently enacted *Financial Management Act 2006*, and a review of agency annual reporting requirements expected to result in further improvements.
- An ongoing challenge is to improve the quality and usefulness of agencies' performance information and reporting, and to more closely link resource allocation and strategic planning processes to the achievement of government desired outcomes. These challenges will be assisted by the continuing work of the Outcome Structure Review Group.
- The effective reform of the Department of Health is one of the most critical issues facing Government at the present time. In this regard, the Department has a continuing involvement in the health reform process, through the evaluation of business cases for the development of new hospital facilities and providing advice to the Government on the progress of the reform.
- The Government has a significant number of capital projects underway with material economic and financial implications. The Department has a key role in providing independent advice to the Government on the progress of these projects, which include health, water and power infrastructure, as well as specific projects such as the proposed Multipurpose Indoor Entertainment and Sports Stadium.
- The Government has an objective to ensure the efficiency and effectiveness of its agencies and, to this end, has a rolling program of functional reviews. The Department will assist Government by providing advice on individual agency reviews as required.

### Economic Policy

- Housing affordability and the housing cycle are key social policy and economic issues for the Government. There are three distinct but related dimensions to the growing problem of housing stress in Western Australia: affordability for owner-occupiers (and especially first-home buyers); the availability and cost of private rental accommodation; and the additional demand for social housing. The Department has a role in providing evidenced-based analyses of housing-related data to properly inform policy response to these issues, and helping ensure those policy responses are appropriate and effective.
- Climate change has moved to mainstream public attention and is a high priority for Government. The challenge for the Department is to provide research and advice to Government that allows Western Australia to contribute to global efforts to reduce greenhouse gas emissions while minimising harm to the Western Australian economy.
- The Coalition of Australian Governments (COAG) is currently considering the merits of undertaking reforms under the National Reform Agenda, including reducing red tape, health and education reforms. A key task is to evaluate each action and reform to ensure that it is in the state's interest, and to ensure that it is adequately compensated by the Commonwealth for any costs incurred.
- Western Australia's economy has benefited from the resources boom, but commodity prices are highly cyclical, and will turn down at some stage. The international economy is also unusually strong, but could soon return to more typical growth patterns. Any slowdown in global demand or prices would have flow-on implications for tax and mining royalties revenue, and for economic conditions more generally – particularly if it is sharper than currently expected. The Department has a key role in providing analyses of the fiscal, economic and policy implications of how the economy might fare under such scenarios.

## Revenue and Intergovernmental Relations

- Western Australia is still booming compared to most other parts of the country on the back of China's demand for the state's natural resource exports. This is fuelling Western Australia's tax and royalties income, but at the expense of a reduction in its GST share which will escalate over the Budget period.
- Western Australia is concerned that the Grants Commission is reducing the State's GST share on account of its strong revenue growth, but is not adequately recognising the increasing cost pressures on the State to provide services and infrastructure.
- The Grants Commission is now about mid-way through its latest five yearly review of the methods it uses to distribute GST revenues among the states (due to report in February 2010), including how it can simplify these methods. This poses further risks to Western Australia's long-term GST share, but also opportunities for certain shortcomings such as the treatment of infrastructure financing costs to be corrected.
- Western Australia's boom has increased the State's net contribution to the Commonwealth budget to \$5 billion per annum. However, the Commonwealth's infrastructure support for Western Australia remains low, potentially threatening the long-term sustainability of the State's economic and fiscal position.
- A number of major specific purpose payments are up for renegotiation over the next year. This poses the risk of further intrusive Commonwealth conditions that do not recognise Western Australia's particular circumstances, but also presents opportunities to press for reforms that allow states more flexibility in the way they manage the services partially funded by these payments, to achieve the best community outcomes.

## Economic

- The Western Australian economy is growing rapidly, however, it is important that this does not lead to complacency and that economic reform continues to help sustain a vibrant economy.
- Implementation of the National Reform Agenda, which COAG committed to on 10 February 2006, can contribute to sustained growth.
- On 13 April 2007 COAG agreed on a series of actions to progress the National Reform Agenda, including:
  - reforms in the areas of competition, regulation and human capital;
  - the institutional arrangements to support implementation of the National Reform Agenda; and
  - an implementation plan for enhanced regulatory gatekeeping and review processes for all jurisdictions.
- The increasing cost, capital constraints and relative scarcity of water supports investigation and implementation of water reforms. Key areas of reform include water pricing, water trading and the potential for private sector involvement in funding infrastructure. Such reforms will lead to efficient water allocation and enhanced mechanisms to fund the increasing cost of water infrastructure.
- The export of iron ore plays a fundamental role in Western Australia's and Australia's economic prosperity. In order to avoid duplication of expensive iron ore railway infrastructure, the State is developing a rail haulage regime for application on Pilbara railways. The regime will balance the needs of infrastructure owners and access seekers and enhance the competitiveness of the state's iron ore industry. The state-based approach means that Western Australia is involved in both the development and regulation of the regime as an alternative to declaration by the Commonwealth Government.
- The Wholesale Electricity Market commenced on 21 September 2006 to promote greater competition and private sector investment. Independent regulation of network access is in its final stages of implementation and new electricity access arrangements are soon to be implemented which will have financial implications for Western Power.

## Revenue Laws Administration

- The outcomes of the State Tax Review process will shape reform of the taxation system into the future.
- The need to reduce compliance costs for the community will continue to drive efforts in developing better service delivery mechanisms and reducing unnecessary differences between the taxing regimes of the States and Territories.

- Economic activity, particularly as it affects transaction activity in the property market and employment growth, will continue to impact on the level of demand for services.
- Monitoring of the level of tax evasion and avoidance in the community will continue through the use of appropriate compliance strategies.
- There will be a continuing need to focus on education initiatives to ensure taxpayers and their agents are well informed of their obligations and rights, particularly as a result of a greater reliance on self-assessment as a means of tax administration.
- The Department will continue to explore opportunities to partner with other government agencies where opportunities exist to provide improved services to common customers.
- Increasing contact will occur with industry and professional bodies to ensure their views are considered in the design of taxation and grant administrative arrangements and to increase the Department's awareness of issues important to their members.
- Expansion of electronic systems and procedures for interaction with customers and the supply of information and data with other agencies will continue.

### **Government Procurement**

- The Government's Procurement Reform initiative is based on a five year plan that commenced in 2003-04 and entails whole-of-government savings targets for the period 2004-05 to 2007-08. Thus, the continued development, implementation and monitoring of the original program will be completed in 2007-08 however, procurement reform will remain an ongoing objective.
- Significant benefits are being sought from leveraging purchasing power on a whole-of-government basis while ensuring probity and equity principles are maintained for public sector procurement.
- There is a need to continue to develop the level of procurement expertise across the sector to assist those in procurement leadership positions to pursue innovative and effective solutions to procurement problems and emerging issues.
- The role of government purchasing cards as an effective means of undertaking low value procurement continues to be highlighted by a number of reports and reviews. The use of these cards needs to be actively encouraged across government as a means of reducing transaction costs and increasing accountability for the expenditure of public monies.

### **Shared Services**

- The Government's Shared Services Reform project commenced in January 2004 and has a whole-of-government savings target of \$55 million per annum when all agencies have rolled into shared service arrangements.
- The whole-of-government Oracle Finance System went live during 2006-07 and 15 agencies commenced receiving finance and procurement services during the year. The 15 agencies are as follows:
  - Office of Shared Services;
  - Department of Fisheries;
  - Economic Regulation Authority;
  - Gas Disputes Arbitrator;
  - Racing, Gaming and Liquor;
  - Gaming Commission;
  - Department of Racing Penalties Appeal Tribunal;
  - Department of the Registrar;
  - Department of Culture and the Arts;
  - Western Australian Museum;
  - Art Gallery of Western Australia;
  - Library of Western Australia;
  - ScreenWest;
  - Perth Theatre Trust; and
  - Pilbara Development Commission.

- The project has experienced a number of delays, including the completion of the Oracle Human Resource and Payroll System. A priority for 2007-08 will be to finalise this functionality and provide a fully integrated Business System for agencies rolling-in to shared services. The roll-in of individual agencies will be phased to maximise the savings. While the concept is sound, implementation has fallen behind its original schedule and consequently the realisation of benefits is also behind schedule.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Works Centre of Expertise.....	3,000	3,000	3,000	3,000

## SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Financial Management.....	5,310	5,249	4,868	5,029			
<i>Service 2:</i>							
Reporting of Public Sector Finances .....	1,807	1,857	1,683	1,761			
<i>Service 3:</i>							
Development of Economic and Revenue Policies.....	6,671	6,648	6,389	6,365			
<i>Service 4:</i>							
Management of the State Budget's Expenditure Aspects .....	8,070	8,291	8,062	8,135			
<i>Service 5:</i>							
Revenue Assessment and Collection.....	35,374	38,426	38,402	37,292			
<i>Service 6:</i>							
Grants and Subsidies Administration .....	2,315	2,987	2,778	2,799			
<i>Service 7:</i>							
Facilitate the Development and Management of Agency Specific Contracts .....	13,813	12,858	16,037	15,459			
<i>Service 8:</i>							
Development, Management and Promotion of Whole-of-Government Common Use Contract Arrangements and Systems.....	23,715	23,419	24,178	23,140			
<i>Service 9:</i>							
Project Management, Coordination and Implementation of the Whole-of- Government Shared Corporate Services Reform <sup>(a)</sup> .....	11,272	290	11,021	3,940			

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>Service 10:</b>							
Provision of Financial and Human Resources Services .....	1,252	36,527	31,411	44,035			
<b>Total Cost of Services</b> <sup>(b)</sup> .....	109,599	136,552	144,829	147,955	159,292	160,375	162,428
<i>Less Income</i> .....	10,647	25,905	11,130	25,929	49,659	52,317	54,085
<b>Net Cost of Services</b> <sup>(b)</sup> .....	98,952	110,647	133,699	122,026	109,633	108,058	108,343
Adjustments <sup>(c)</sup> .....	(14,312)	2,624	(16,045)	(12,930)	(16,417)	(13,508)	(13,437)
<b>Appropriation provided to deliver Services</b> <sup>(b)</sup> .....	84,666	113,271	117,654	109,096	93,216	94,550	94,906
ADMINISTERED TRANSACTIONS							
<b>Appropriation for Community Service Obligation Payments; Grants, Subsidies and Transfer Payments and Authorised by Other Statutes</b> .....	1,586,502	1,612,328	1,456,937	2,961,329	1,803,805	1,892,891	1,908,772
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(d)</sup> .....	44,689	13,716	32,486	17,741	15,457	1,000	500
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,715,857	1,739,315	1,607,077	3,088,166	1,912,478	1,988,441	2,004,178

- (a) The statements have been changed to reflect the transfer of the Office of Shared Services to the Department from 1 January 2007.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Supporting details are disclosed in the Capital Contribution Statement.

## RESOURCE AGREEMENT

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

## 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
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Sustainable and transparent public sector finances.	1. Financial Management 2. Reporting of Public Sector Finances
	A strong and competitive State economy.	3. Development of Economic and Revenue Policies.
	Financial resources are allocated consistent with the Government's priorities.	4. Management of the State Budget's Expenditure Aspects
	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	5. Revenue Assessment and Collection 6. Grants and Subsidies Administration
	Value for money from public sector procurement.	7. Facilitate the Development and Management of Agency Specific Contracts 8. Development, Management and Promotion of Whole-of-Government Common Use Contract Arrangements and Systems
	Quality, value for money corporate services within a whole of government shared services framework.	9. Project Management, Coordination and Implementation of the Whole-of-Government Shared Corporate Services Reform 10. Provision of Financial and Human Resources Services

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Sustainable and transparent public sector finances.</b>					
Maintenance of the State's credit rating .....	Triple A	Triple A	Triple A	Triple A	
Fiscal transparency ranking .....	First (A)	First (A)	First (A)	First (A)	
<b>Outcome: A strong and competitive State economy.</b>					
State's tax competitiveness:					
- Western Australian taxation revenue as a percentage of Gross State Product (GSP) <sup>(b)</sup> .....	4.36	4.13	4.11	3.82	
- weighted average of other State's taxation revenue as a percentage of GSP .....	4.65	4.50	4.66	4.56	
- Western Australian taxation revenue as a percentage of GSP minus weighted average of other States .....	-0.29	-0.37	-0.55	-0.74	
- five year average GSP growth compared with average of other States (percentage point difference) .....	+2.3	>=0.0	>=0.0 <sup>(c)</sup>	>=0.0	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Financial resources are allocated consistent with the Government's priorities.</b>					
Percentage of the Department's resource allocation recommendations accepted by the Expenditure Review Committee.....	n/a	75%	85%	80%	
Share of general government expenses allocated to priority areas.....	56%	54%	55%	55%	
<b>Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid.</b>					
Extent to which due revenue is collected .....	86%	87%	87%	88%	
Extent to which correct grants, subsidies and rebates are claimed.....	99%	99%	99%	99%	
<b>Outcome: Value for money from public sector procurement.</b>					
Extent to which client agencies agree that common use contract arrangements achieved value for money. ....	83%	85%	85%	85%	
Extent to which client agencies agree that their contract arrangements achieved value for money.....	84%	85%	85%	85%	
<b>Outcome: Quality, value for money corporate services within a whole of government shared services framework.</b>					
Progress with the reform of the Western Australian public sector for shared corporate services by achievement of the following milestones:					
- first agencies go live	n/a	July 2006	July 2006	n/a	
- number of agencies rolling in by financial quarter <sup>(d)</sup> .....	n/a	Qtr 1 - 2	Qtr 1 - 1	Qtr 1 - 4	
		Qtr 2 - 11	Qtr 2 - 3	Qtr 2 - 6	
		Qtr 3 - 11	Qtr 3 - 3	Qtr 3 - 4	
		Qtr 4 - 14	Qtr 4 - 8	Qtr 4 - 2	
Percentage of services provided within established timeframes <sup>(f)</sup> .....	n/a	90%	See note (e)	90%	
Accuracy of services provided <sup>(e)</sup> .....	n/a	>90%	See note (e)	>90%	
Average resolution rate of enquiries <sup>(f)</sup> .....	n/a	99%	92%	99%	

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

(b) Economic growth is measured independently with reference to GSP.

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

(d) The 2006-07 Estimate of agencies rolling in is for agencies receiving finance and procurement services only as Human Resource/payroll component of the Business System is still being finalised.

(e) Processes and systems to report on these effectiveness indicators are currently being developed.

(f) Resolution time varies depending on the nature and type of the query.

**Service 1: Financial Management**

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	5,310	5,249	4,868	5,029	
Less Income .....	331	805	537	386	
Net Cost of Service <sup>(a)</sup> .....	4,979	4,444	4,331	4,643	
Adjustments <sup>(b)</sup> .....	(537)	(234)	(526)	(485)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,442</b>	<b>4,210</b>	<b>3,805</b>	<b>4,158</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost of financial management per million dollars general government sector expenses .	\$381	\$353	\$315	\$312	
<b>Full Time Equivalents (FTEs)</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	

**Major Achievements For 2006-07**

- Assisted the Treasurer with the passage through Parliament of the *Financial Management Act 2006* and the *Auditor General Act 2006*, which together replaced (from 1 February 2007) the *Financial Administration and Audit Act 1985*. The Department also developed and issued the related Financial Management Regulations and Treasurer's Instructions, and provided guidance and advice to agencies on the major changes.
- Detailed and comprehensive submissions and presentations were provided to Moody's Investor Services and Standard and Poors in support of the State's credit rating assessment during 2006-07. Both of these internationally recognised credit rating agencies reaffirmed Western Australia's triple-A credit rating.
- Assisted the Expenditure Review Committee and Cabinet in the ongoing management of the State's finances and in framing the 2007-08 Budget through the provision of timely and comprehensive analysis, advice and budget updates.
- Developed a revised investment policy for the Public Bank Account, consistent with the new investment powers in the *Financial Management Act 2006* and associated regulations.
- Released an updated and amended edition of the publication *Costing and Pricing Government Services* that will assist agencies with the costing of services and the setting of fees and charges.
- State Fleet's environment program, involving a large-scale shift to four cylinder vehicles, use of liquefied petroleum gas where appropriate and an emissions offset program, won the National Environment Award for 2006 presented by the Australasian Fleet Managers Association. The program was also a finalist in the State Environment Awards and the Premier's Award for Excellence in Public Sector Management.



### Major Initiatives For 2007-08

- Develop and implement a policy framework that will facilitate improved management of agencies' cash balances, in line with new powers under the *Financial Management Act 2006*.
- Implement improved outcome-based management structures for agencies through the continuing efforts of the Outcome Structure Review Group.
- Manage the transfer of the Department's transactional accounting functions to the Office of Shared Services.
- Restructure outsourced vehicle facility management arrangements to further streamline State Fleet operations and reduce costs.

### Service 2: Reporting of Public Sector Finances

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,807	1,857	1,683	1,761	
Less Income .....	117	22	159	137	
Net Cost of Service <sup>(a)</sup> .....	1,690	1,835	1,524	1,624	
Adjustments <sup>(b)</sup> .....	(190)	(81)	(218)	(172)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,500</b>	<b>1,754</b>	<b>1,306</b>	<b>1,452</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Percentage of financial reports released as per agreed time frames <sup>(a)</sup> .....	50%	100%	73%	100%	
<b>Full Time Equivalents (FTEs)</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>21</b>	

- (a) Agreed time frames for whole-of-government financial reports are as follows:
- Annual Report on State Finances - 90 days after the end of the financial year (legislative deadline);
  - Quarterly Financial Results Report - 60 days after the end of the quarter (legislative deadline);
  - Mid-Year Review - 31 December (legislative deadline);
  - Pre-Election Financial Projections Statement - 10 days after Legislative Assembly dissolved/expired (legislative deadline); and
  - Monthly Reports - six weeks from end of the month (non-legislative internal goal, agreed with the Treasurer).

### Major Achievements For 2006-07

- Consistent with amendments made to the *Government Financial Responsibility Act 2000*, the Department prepared, and the Treasurer subsequently tabled, Quarterly Financial Results Reports within the 60 day legislative deadline. Timely general government monthly financial reporting also continued during the year. The timely release of these reports enhanced the accountability and transparency framework, allowing the Parliament and other stakeholders to monitor the State's finances, and the Government's financial management, through the year.

- Whole-of-government financial reporting was enhanced by the release of the State's first Annual Report on State Finances. This report replaced three previous publications, was released within the statutory 90 days of the end of the financial year, and included audit scrutiny of the 'headline' Government Finance Statistics (GFS) results, a first for any jurisdiction in Australia.
- These enhancements have been recognised by Access Economics, which has once again ranked Western Australia as the benchmark for other States and Territories in terms of fiscal transparency.
- Established, in conjunction with the Department of the Premier and Cabinet, a steering committee to review the agency annual reporting framework. The objective is to streamline and improve the value and relevance of information presented in agencies' annual reports, with an increased focus on agencies' core business and performance. The first stage of the improved framework is expected to be reflected in agencies' 2006-07 annual reports.
- Monitoring of the Treasurer's Advance throughout the year was enhanced with the release of quarterly disclosures of progress toward the authorised annual limit, together with the publication of expected full-year outcomes in the mid-year-review and Budget Paper No. 3: Economic and Fiscal Outlook.
- Provided input into the development and issue of a key new accounting standard for the public sector – AASB 1049 Financial Reporting of General Government Sector by Governments – as part of the harmonisation of GFS and Generally Accepted Accounting Principles (GAAP).

### Major Initiatives For 2007-08

- Continue to explore, in conjunction with the Department of the Premier and Cabinet and other stakeholders, opportunities to further streamline and enhance the value of agencies' annual reports.
- Contribute to the development and issue of new accounting standards harmonising GFS and GAAP reporting for the whole-of-government, and participate in a related inter-jurisdictional review of the Uniform Presentation Framework for public sector finances.

### Service 3: Development of Economic and Revenue Policies

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	6,671	6,648	6,389	6,365	
Less Income .....	11	59	663	489	
Net Cost of Service <sup>(a)</sup> .....	6,660	6,589	5,726	5,876	
Adjustments <sup>(b)</sup> .....	(680)	(289)	(685)	(614)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>5,980</b>	<b>6,300</b>	<b>5,041</b>	<b>5,262</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 Indicator**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Accuracy of key economic and general government revenue forecast <sup>(a)</sup> :					
- tax and mining revenue (percentage difference in how much actually received by State compared to forecast)(see significant variation) .....	23.9%	+/-5%	7.4%	+/-5%	See (b)
- GST Revenue Grants (percentage difference in how much actually received by State compared to forecast).....	-0.1%	+/-3%	0.8%	+/-3%	
- Economic Growth (percentage point difference) .....	0.4	+/-1.0	0.8	+/-1.0	
- Consumer Price Index (CPI) growth (percentage point difference) .....	1.8	+/-0.5	1.3	+/-0.5	See (c)
- employment growth (percentage point difference) .....	2.4	+/-0.5	0.3	+/-0.5	See (d)
Percentage of briefing requests and other Ministerials responded to within agreed time frames.....	50%	80%	83%	80%	
<b>Full Time Equivalents (FTEs)</b>	59	59	59	59	

- (a) The indicators show the accuracy of forecasts by disclosing the extent to which variations between budget forecasts and actual results are within acceptable limits. The actual revenues and economic parameters on which the efficiency indicators are based are each reported in Budget Paper No. 3, Chapter 2 subheading 'Statement of Risks' and Chapter 4 'Financial Projections – Revenue'.
- (b) Tax and mining royalty revenues have exceeded expectations in recent years due to the strength the property market and commodity prices. The Review of Revenue Forecasting released by the Department in March 2006 outlines initiatives to improve the forecasting process.
- (c) Actual CPI growth in 2005-06 – The extent to which growth in the Perth median house price exceeded growth in the rest of the country was unexpected. The cost of home purchases added 1.4 percentage points to the CPI increase in 2005-06. Two one-off factors boosted the CPI in all states – rising petrol prices caused by record world oil prices, and a spike in fresh food prices caused by the effects of Cyclone Larry and the drought. Forecast CPI Growth in 2006-07 – Drought and the after-effects of Cyclone Larry continued to affect food prices into the second half of 2006. Further strong house price growth also contributed to faster than expected CPI growth over this period.
- (d) Actual employment growth in 2005-06 – Growth in the domestic economy was stronger than expected (10.9 per cent over 2005-06), increasing employment demand. Western Australia's population increased by 2 per cent over the year to June 2006, the fastest Year to June population growth since 1990, adding to labour supply growth.

**Major Achievements For 2006-07**

- Contributed to the ongoing development of the new National Reform Agenda in collaboration with other State agencies, including the Department for Planning and Infrastructure and the Department of the Premier and Cabinet.
- Developed the State's contribution to the Regulation Reform Plan of COAG that outlines the State's commitment to best practice regulation and avoidance of regulation which is not in the public interest.
- Contributed to the Western Australian submission to the Productivity Commission's review into the efficient (competitively neutral) pricing of road and rail freight infrastructure, in coordination with the Department for Planning and Infrastructure and the Economic Regulation Authority.
- Contributed to the electricity reform and implementation process through membership on working groups and expert teams. The reforms have included the introduction of new wholesale electricity market and accompanying arrangements.
- Contributed to the State's superannuation reform agenda by:
  - conducting a review and making recommendations to Government on choice of superannuation fund for public sector employees;
  - advising the Treasurer and the Government on financial implications for the State; and
  - undertaking a three month consultation process with key stakeholders.
- Provided advice on budget submissions prepared by commercial agencies, as well as Strategic Development Plans (SDP) and Statements of Corporate Intent (SCI), including alignment of the SDP, SCI and the Budget process.

- Made submissions to the Economic Regulation Authority on:
  - country water pricing;
  - Harvey bulk water pricing review;
  - Western Power's access arrangements; and
  - Western Power's proposed headworks charges policy.
- In May 2006, the Hon E S Ripper, Treasurer, approved the development of a State-based access regime for haulage on the Pilbara iron ore railways. The Pilbara Rail Access Interdepartmental Committee (PRAIC) is chaired by the Department. In 2006-07 PRAIC progressed the development of a draft regime, undertaking a significant amount of consultation with key stakeholders.
- Continued to contribute to major water policy issues, such as the Water Reform Implementation Committee's Blue Print for Water Reform in Western Australia, the State's commitments under the National Water Initiative and water source development.
- Completion of Stage Two of the State Tax Review, and leading the national Heads of Treasuries Payroll Tax Consistency Project. Also assisted the Government with preparation of the tax relief measures announced in the 2007-08 Budget.
- Upgrading the Department's revenue forecasting capability, including through implementation of the recommendations of last year's major Review of Revenue Forecasting.
- Continued to circulate widely the Department's March 2006 Commonwealth-State Relations Discussion Paper, and provided various briefings to stakeholders that incorporated some of its key messages.
- Participated in the Commonwealth Grants Commission's review of its methods for distributing the GST revenue among the States, making various submissions and establishing relationships with State service provision agencies to gather data and research in support of the further submissions to come.
- Continued to chair the national Heads of Treasuries Specific Purpose Payments Working Group, which undertook a major review of the Australian Health Care Agreements. State members also prepared joint submissions to the Commonwealth on enhancing flexibility and accountability for major specific purpose payments subject to renegotiation (covering housing, natural resource management and health).
- Hosted the 2006 Computable General Equilibrium (CGE) Modelling Conference and presented papers on Project Evaluation using CGE Models and Western Australia's mining boom.
- The Department has raised the range and profile of its economic policy and analysis, and contributed to a better understanding of the State's economy. This has been achieved through:
  - the launch of a new-look, topical and analytically focused Economic Summary;
  - providing presentations to industry and professional groups; publishing policy and analytical papers on issues such as migration, housing affordability, the decline in mining productivity and others;
  - developing a series of quarterly gross state product estimates to aid economic analysis; and
  - using economic modeling to support better evidenced-based Government policy evaluation.
- Successfully managed credit rating agency visits.

### ***Major Initiatives For 2007-08***

- Continue to input to and implement COAG reforms in order to sustain economic growth.
- Develop a detailed regulatory gatekeeping and review proposal for Government that accords with the State's commitments to COAG and principles of best practice regulation.
- Address outstanding priority legislation reviews from the National Competition Policy legislation review program, in accordance with the National Competition Policy public benefit test, and report annually to COAG on meeting this commitment.

- Continue to work on the Western Australian review of the handling and storage facility operations of significant ports in Western Australia, to ensure that where economic regulation is warranted it conforms with agreed access, planning and competition principles.
- Update the State's Competitive Neutrality Policy Statement to conform to evolving standards of best practice policy.
- Contribute to a comprehensive economic review of housing and land affordability, examining regulatory and structural impacts and market failures in housing and land supply, in coordination with the Department of the Premier and Cabinet.
- Continue to chair the Pilbara Rail Access Interdepartmental Committee to finalise a state-based haulage regime for approval by Cabinet and certification by the National Competition Council.
- Continue to work with key stakeholders to progress water reforms. The Department will sit on a number of water-related committees, including the State Water Council and the Water Law Reform Committee.
- Continue to contribute to the electricity reform and implementation process, including overseeing the disaggregated Western Power Corporation entities, the implementation of the electricity access arrangements and the new electricity market arrangements.
- Advise the Treasurer and Government on the State superannuation reform agenda and oversee the implementation of recommendations arising out of the State Response to Choice review.
- Continue to assist the Government in responding in a financially responsible manner to community priorities for taxation relief and reform identified in the Final Report of the State Tax Review.
- Continue to participate in the Commonwealth Grants Commission's review of its methods for distributing the GST revenue among the States, including hosting a week-long visit to by Commissioners to Western Australia to talk to State service providers in a range of locations.
- Assist State agencies in renegotiating major specific purpose payments, and contribute to State Treasuries' joint submissions on specific purpose payments to the Commonwealth.
- Continue to develop and implement strategies for broad reform of Commonwealth-State financial relations, aimed at achieving a better deal for Western Australian taxpayers, industry and the community generally.
- The Department has raised the profile, standard and usefulness of the Department's economic publications and analysis by: providing advice to Government on complex economic and social issues (e.g. climate change, housing affordability); ensuring high standards for economic evaluation across the public sector through the provision of expert advice on the economic evaluation of policies and projects; making further improvements to the quality of economic data and analysis by refining econometric modeling (including exploring the use of computable general equilibrium results to produce detailed sectoral projections for Western Australia, and improving the quality of cost-benefit analyses undertaken by the Western Australian public sector); and undertaking research projects on important issues relevant to the Western Australian economy.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	8,070	8,291	8,062	8,135	
Less Income.....	522	49	888	610	
Net Cost of Service <sup>(a)</sup> .....	7,548	8,242	7,174	7,525	
Adjustments <sup>(b)</sup> .....	(822)	(365)	(792)	(766)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,726</b>	<b>7,877</b>	<b>6,382</b>	<b>6,759</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost of expenditure budget management per million dollars general government sector expenses .....	\$463	\$558	\$527	\$504	
Percentage of briefing requests and other Ministerials responded to within agreed time frames .....	n/a	90%	94%	90%	
<b>Full Time Equivalents (FTEs)</b>	<b>81</b>	<b>83</b>	<b>83</b>	<b>92</b>	

**Major Achievements For 2006-07**

- Monitored and provided advice to Government on the progress of the 2006-07 Budget and contributed to the formulation of the 2007-08 Budget and forward estimates.
- Provided ongoing advice on major public sector wage agreement negotiations.
- Provided agencies and Government with policy, financial and economic advice on a range of issues.
- Continued the implementation of the Strategic Asset Management Framework and, in consultation with the Department of Housing and Works, assisted agencies in utilising the Framework effectively.
- Continued involvement in the Department of Health reform process including intensive involvement in:
  - the steering committee process for reform of the Health system; and
  - the governance and analysis of the Fiona Stanley Hospital.
- Assisted Government in the review of the functions of a number of agencies to improve efficiency and effectiveness and, as part of contributing to the Department of Indigenous Affairs functional review, developed a revised service delivery framework addressing the outcomes of Indigenous people and the associated service delivery and accountability.
- Released the State Infrastructure Strategy Green Paper in September 2006.

**Major Initiatives For 2007-08**

- Monitor and provide advice to Government on the progress of the 2007-08 Budget and contribute to the formulation of the 2008-09 Budget and forward estimates.
- Provide ongoing advice on major public sector wage agreement negotiations.
- Continue to strengthen relationships with agencies, through regular visits, to better understand agencies' business and the issues impacting them, and to engage agencies in policy development.
- Provide agencies and Government with policy, financial and economic advice on a range of issues.
- Continue to facilitate the development of the State Infrastructure Strategy, with the White Paper scheduled for release late 2007.
- Continue to be involved in the health system reform process including planning and procurement of the Fiona Stanley Hospital.
- Further assist the Government in the review of the functions of a number of agencies to improve efficiency and effectiveness as required and assist in the implementation of previous reviews (e.g. the Department of Justice, Department of Community Development and the Department of Indigenous Affairs).

**Service 5: Revenue Assessment and Collection**

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	35,374	38,426	38,402	37,292	
Less Income .....	968	2,532	3,281	2,828	
Net Cost of Service <sup>(a)</sup> .....	34,406	35,894	35,121	34,464	
Adjustments <sup>(b)</sup> .....	(5,430)	(12,347)	(5,498)	(4,282)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>28,976</b>	<b>23,547</b>	<b>29,623</b>	<b>30,182</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per land item assessed .....	\$8.80	\$9.37	\$9.80	\$9.97	
Average cost per stamp duty return issued .....	\$132.12	\$115.21	\$147.28	\$186.95	
Average cost per payroll tax return issued .....	\$98.93	\$138.02	\$110.25	\$117.58	
Average cost per instrument assessed .....	\$13.35	\$16.81	\$17.23	\$17.73	
<b>Full Time Equivalents (FTEs)</b>	<b>286</b>	<b>287</b>	<b>289</b>	<b>297</b>	

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

**Major Achievements For 2006-07**

- Assistance was provided in analysing issues raised through the State Tax Review.
- Significant progress has been made towards preparing an exposure draft of the stamp duty rewrite legislation for the Government to release for consultation.
- Ongoing emphasis on voluntary compliance has occurred with particular focus on partnering with key industry and representative bodies in the delivery of taxpayer education.
- Further development of internal capacity took place to address the complex assessing needs of the Office of State Revenue's (OSR) customers in respect of the OSR's major product lines.
- Work continued to implement the recommendations to improve the quality of land related data maintained by the OSR.
- Continued improvement of revenue administration by:
  - implementing a number of enhancements to improve the suite of payroll tax and online stamping services including facilities for automatic late lodgement penalty remission, electronic funds transfer payments, and online annual payroll tax return lodgement and wage adjustments;
  - launching a new 'e' newsletter for Revenue Online clients;
  - reducing payment processing, paper usage and postage through continuing expansion of electronic services;
  - introducing an online interactive conditional contract self-help guide for conveyances to assist customers in determining document lodgement requirements;
  - reviewing the OSR Customer Charter in consultation with industry groups;
  - introducing Revenue Online to the local courts for the stamping of routine documents; and
  - surveying insurance duty customers to obtain buy-in for the development of the online insurance module for Revenue Online.

**Major Initiatives For 2007-08**

- Implementing the Government's decisions in response to the recommendations of the State Tax Review.
- Ensuring the stamp duty rewrite legislation and associated documentation is available for the Government to introduce into the Parliament.
- Reviewing opportunities for greater consistency of payroll tax legislation and administration with other jurisdictions.
- Developing a more 'customer friendly' OSR website.
- Examining and developing options for land tax customer self-service.
- Reviewing and implementing as appropriate, standard payment and service channels to meet the needs of customers and the Government for revenue collection and grants administration matters.
- Continuing to implement the recommendations to improve the quality of land related data maintained by the OSR.
- Commence the planning, scoping and procurement of services to replace OSR's computerised systems.
- Developing and introducing an Online Stamp Duty Document Lodgement and Assessment Service with a broadened use of A4 Stamp Duty Certificates to all instruments.
- Implementing the online insurance facility for stamp duty insurance customers.
- Implementing changes arising from a penalty policy review.



### Service 6: Grants and Subsidies Administration

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	2,315	2,987	2,778	2,799	
Less Income .....	214	183	255	220	
Net Cost of Service <sup>(a)</sup> .....	2,101	2,804	2,523	2,579	
Adjustments <sup>(b)</sup> .....	(305)	(41)	(350)	(276)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,796</b>	<b>2,763</b>	<b>2,173</b>	<b>2,303</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per application/claim processed ..	n/a	\$7.69	\$7.82	\$7.52	Cost of all grants and subsidy schemes amalgamated.
<b>Full Time Equivalents (FTEs)</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>32</b>	

### Major Achievements For 2006-07

- Continued to explore opportunities to leverage our revenue collection and grant payment processes in order to maximise the use of the Department's infrastructure to realise efficiencies across the whole-of-government.
- Continued to liaise with the Commonwealth and other jurisdictions regarding the administration of the FHOG scheme, including accessing information held by certain Commonwealth agencies to improve compliance.
- Integrated the new Thermoregulatory Dysfunction Energy Subsidy scheme operations into the OSR.
- Achieved stakeholder agreement on the system/process proposal and individual roles of stakeholders in the proposed Electronic Concession Confirmation (e-Concessions) system, in respect of the application and validation process for eligible pensioners and seniors for local government and water rates and the emergency services levy, in order to develop the business case for the system.

### Major Initiatives For 2007-08

- Continuing to explore opportunities to leverage our revenue collection and grant payment processes in order to maximise the use of the Department's infrastructure to realise efficiencies across the whole-of-government.
- Continuing to liaise with the Commonwealth and other jurisdictions, as appropriate, regarding the administration of the FHOG scheme, including accessing information held by certain Commonwealth agencies to improve compliance.

- Undertaking a tender exercise to ensure a new contract is in place for the provision of maintenance, support and web-hosting services with respect to the FHOG national database.
- Continuing to progress the e-Concessions System initiative.
- Monitoring and implementing, as appropriate, system and process changes for the validation and payment of concessions for local government rates and the emergency services levy which may arise through the proposed introduction of the Commonwealth Government's Access Card.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	13,813	12,858	16,037	15,459	
Less Income.....	809	414	1,098	946	
Net Cost of Service <sup>(a)</sup> .....	13,004	12,444	14,939	14,513	
Adjustments <sup>(b)</sup> .....	(2,815)	(609)	(3,008)	(2,188)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>10,189</b>	<b>11,835</b>	<b>11,931</b>	<b>12,325</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Client satisfaction with the timeliness of agency specific contract development .....	84%	85%	85%	85%	
Cost of facilitating the development of agency specific contracts as a percentage of the contract award value .....	1.2%	1.9%	1.6%	1.5%	
<b>Full Time Equivalents (FTEs)</b>	<b>156</b>	<b>159</b>	<b>175</b>	<b>193</b>	

### Major Achievements For 2006-07

- Implemented a new Contracting Development and Management System to improve management of the contracting process and to improve the quality of management information.
- Implemented an improved Annual Forward Procurement Planning process with the largest spending government agencies.
- Further expanded the scope of the procurement training and skills development program across the Department, to deliver a comprehensive and effective program.
- Consolidated the role and operations of the three Regional Buying Centres established in 2005-06. A particular focus was the development of group buying arrangements for agencies based in a particular region.

**Major Initiatives For 2007-08**

- Continue to enhance the Department's procurement services to agencies.
- Continue to improve and streamline contract development processes.
- Continue the comprehensive skills development program for the Department's procurement practitioners.
- Grow the role of the Regional Buying Centres.

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	23,715	23,419	24,178	23,140	
Less Income.....	7,556	3,136	1,999	1,723	
Net Cost of Service <sup>(a)</sup> .....	16,159	20,283	22,179	21,417	
Adjustments <sup>(b)</sup> .....	(5,294)	(1,180)	(4,745)	(4,164)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>10,865</b>	<b>19,103</b>	<b>17,434</b>	<b>17,253</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Percentage of retendered/redesigned common use contract arrangements developed and awarded prior to the expiry of the previous arrangement.....	67%	90%	90%	90%	
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements .....	1.2%	3.0%	1.3%	1.2%	
Cost of developing and managing procurement systems and standards as a percentage of the total contracting throughput .....	0.7%	n/a	0.7%	0.5%	
<b>Full Time Equivalents (FTEs)</b>	<b>111</b>	<b>108</b>	<b>129</b>	<b>150</b>	

**Major Achievements For 2006-07**

- Continued the successful development and launch of new and redesigned common use contracting arrangements (CUAs) – with 18 contracts either commencing or being awarded during the year. New and redesigned CUAs delivered significant additional savings and buying efficiencies to agencies.
- Launched a new awards program recognising best practice and innovation in public sector procurement. Winners of the inaugural Treasurer's Innovation in Procurement Awards were announced at an awards ceremony in November 2006.
- Worked with all agencies to implement the international United Nations Standard Products and Services Code procurement classification system for the annual Who Buys What report, in conjunction with the State Supply Commission. This enables more detailed analysis of procurement activity at a whole-of-government level and allows for richer procurement reporting.
- Consolidated and expanded the program of regular buying behaviour reporting to agencies, as a key strategy in promoting the adoption of smarter buying practices.
- Worked with Shared Corporate Services Centres to implement procurement systems and processes in scheduled agencies.
- Reviewed the Gem Tendering system and developed a replacement strategy to provide a new system which is more technically robust and has greater functionality.
- Restructured the online technologies function in readiness for transition to the Office of Shared Services.

**Major Initiatives For 2007-08**

- Continue the program of developing new CUAs and reviewing (and if appropriate redesigning) existing ones as they approach their expiry date.
- Continue to enhance awareness programs to assist agency buyers in achieving best value outcomes from CUAs.
- Continue to work with the Shared Corporate Services Centres on the roll-out to agencies of the e-Procurement modules of the Enterprise Resource Planning System and the implementation of new procure-to-pay arrangements.
- Implement a new Gem Tendering system to provide an improved display of advertised tenders and their award details.
- Implement a new Procurement Data Warehouse and reporting suite, and take over the role of preparing the Who Buys What Report and the Buy Local Report from the State Supply Commission.
- Provide strategic leadership and coordination support to the works procurement reform program - particularly through the Works Centre of Expertise.

### Service 9: Project Management, Coordination and Implementation of the Whole-of-Government Shared Corporate Services Reform

The Office of Shared Services (OSS) is responsible for building the Business System which will support the provision of shared services to client agencies and rolling-in (or transitioning), general government agencies into the shared service environment operated by the OSS. The Human Resource and payroll component of the Oracle Business System is still being finalised. Agencies rolling in are currently receiving finance and procurement services and will transition to the payroll system once this is completed.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	11,272	290	11,021	3,940	The Business System was originally planned to be finalised early 2006-07, however as a result of delays to the project, the estimated actual cost for 2006-07 are substantially higher than originally estimated.
Less Income.....	119	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	11,153	290	11,021	3,940	
Adjustments <sup>(b)</sup> .....	47	-	3,840	17	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>11,200</b>	<b>290</b>	<b>14,861</b>	<b>3,957</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Progress with the reform of the Western Australian public sector for shared corporate services within budget: - delivery of project within budgeted target <sup>(b)</sup> .....	n/a	\$12,461	\$47,994	\$20,937	The Business System is progressively being completed and the project is moving into the agency roll-in phase.
<b>Full Time Equivalents (FTEs) <sup>(a)</sup></b>	<b>0</b>	<b>4</b>	<b>55</b>	<b>45</b>	

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

(b) The 2006-07 Estimated of \$47,994 million and the 2007-08 Target of \$20,397 million includes the appropriation for the delivery of Service 9 and the capital appropriation for the build of the Oracle Business System.

**Major Achievements For 2006-07**

- Finalised the build and test of Release One of the Oracle Business System finance functionality, which was implemented in mid 2006. The project has experienced delays in the implementation of human resource and payroll component of the Business System, which was originally scheduled to be completed at the same time as the finance component.
- Completed the build and commenced testing of the human resource and payroll component of the Business System ready for go-live operations in the 1st quarter of 2006-07 financial year.
- Completed the roll-in of 15 agencies that commenced receiving finance and procurement services from the OSS in 2006-07.
- Commenced transition planning with a further 18 agencies to assist them to roll-into the shared service environment during 2007-08.
- Conducted industry and supplier briefings and awareness-raising sessions throughout the period. Seventeen Government Office of Shared Services Improving Payments (GOSSIP) seminars were run with some 276 attendees. In addition, 1,374 GOSSIP resource packs were developed and distributed to client agency suppliers and 2,657 awareness letters were sent to ensure that the new payment processes were clearly understood by all.

**Major Initiatives For 2007-08**

- Finalise the build and test of Release Two of the Business System finance functionality which provides further functionality to enable subsequent agencies to progressively roll-in to shared services.
- Finalise the build and test of Release 1 of Business System human resource and payroll functionality ready for implementation in 2007-08.
- Continue working with agencies to assist them to roll-in progressively to shared services over 2007-08.
- Finalise a review of the roll-in schedule to ensure achievable targets are set while at the same time ensuring the optimal and most effective transitioning of separate agencies occurs.
- Continue to engage with industry and suppliers to ensure that the impact of changed payment arrangements for government is clearly understood by this large stakeholder group.

**Service 10: Provision of Financial and Human Resources Services**

The OSS is responsible for providing shared corporate services to general agencies across the sector. This commenced in 2006-07 with finance and procurement services being delivered to agencies. Human resource and payroll services will be provided during 2007-08.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,252	36,527	31,411	44,035	Increase due to increasing number of agencies rolling in to shared service arrangements.
Less Income .....	-	18,705	2,250	18,590	
Net Cost of Service <sup>(a)</sup> .....	1,252	17,822	29,161	25,445	
Adjustments <sup>(b)</sup> .....	1,740	17,770	(4,063)	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,992</b>	<b>35,592</b>	<b>25,098</b>	<b>25,445</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost of Financial Services <sup>(a)(b)</sup> .....	n/a	n/a	\$18,998	\$23,807	Costs have increased due to an increasing number of agencies rolling in to shared service arrangements.
Cost of Human Resource Service <sup>(a)(b)</sup> .....	n/a	n/a	\$12,413	\$20,228	
<b>Full Time Equivalents (FTEs)</b>	0	300	143	300	

- (a) The cost of providing these services will be higher in the initial years of operation as not all agencies have rolled in to shared service arrangements. The baseline average cost will be achieved when all agencies have rolled in which is currently scheduled to be finalised by 2009-10.
- (b) These indicators will be further developed to report on the average cost per Finance and Human Resource Services and processes and systems are currently being developed to report on this basis.

**Major Achievements For 2006-07**

- Commenced business operations and the delivery of financial services to 15 agencies. These services included accounts payable, accounts receivable, asset management, budgeting and forecasting, cash management, general ledger, procurement and taxation.
- Commenced providing human resource services to nine agencies, including payroll services (using existing agency payroll systems) and organisational data management.
- The OSS eBusiness Centre, incorporating Oracle-based finance and procurement applications, was successfully launched in July 2006. These applications represent components of a future Government enterprise resource planning system, to enable more efficient and effective information management for planning purposes.
- The online portal (or gateway) to these services 'went live' in October 2006, giving customers single sign-on access to a range of corporate services related business systems, customer support, forms, policies, training material and knowledge bases.
- The OSS Customer Service Centre, which acts as the primary contact point for customer service requests, enquiries and eBusiness system issues, was also formed at this time. This achievement signified the successful delivery of telephony and business management technology commissioning projects, as well as the establishment of an operational and service delivery model.
- Rolled-in 15 client agencies during the year. This is a significant change management accomplishment, involving the integration of business processes and policies, technology, data, training and people components. Each roll-in project is a substantial undertaking and involves a close partnership between the OSS and its client agencies.

**Major Initiatives For 2007-08**

- Provide the full suite of finance, human resources and procurement services to an increasing number of agencies.
- Continue engaging with agencies as they prepare for their roll-in to the OSS eBusiness system. This is a significant process involving close partnerships between agencies and OSS. The roll-in process involves the integration of business processes and policies, technology, data, training and people components.
- Continue to enhance the delivery of services and systems to existing client agencies.

**CAPITAL WORKS PROGRAM**

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Computing and Office Equipment Replacement				
2004-05 to 2014-15 Online Technologies .....	3,644	1,134	745	218
Office of Shared Services Establishment .....	93,219	66,158	27,360	13,854
Gem Procurement .....	3,300	3,150	254	150
Procurement Reforms project .....	26,988	21,817	6,515	5,171
Software Development				
Strategic Information Management System .....	4,945	1,431	1,431	1,730
Treasury Information Management System .....	2,880	2,234	-	646
<b>COMPLETED WORKS</b>				
Accommodation Fit-out .....	660	660	69	-
Computing and Office Equipment Replacement				
2006-07 Program .....	1,565	1,565	1,565	-
Confer West Stage 3 .....	350	350	350	-
Procurement Systems Replacement				
2006-07 Program .....	450	450	450	-
Software Development				
Revenue Collection Information System - Planning Funds .....	250	250	144	-
<b>NEW WORKS</b>				
Computing and Office Equipment Replacement				
2007-08 Program .....	470	-	-	470
Information Technology 2007-08 PC Replacement Program - 170 desktops .....	350	-	-	350
Procurement Systems Replacement				
2007-08 Program .....	450	-	-	450
Software Development				
Revenue Collection Information System Replacement .....	20,677	-	-	654
Works Centre of Expertise .....	4,000	-	-	1,000
	164,198	99,199	38,883	24,693

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	56,888	23,091	38,883	24,693	22,803	8,376	7,963
	56,888	23,091	38,883	24,693	22,803	8,376	7,963
<b>LESS</b>							
Drawdowns from the Holding Account .....	2,115	2,241	2,622	4,077	7,346	6,976	7,063
Funding Included in Service Appropriations <sup>(a)</sup> .....	-	3,775	3,775	2,875	-	-	-
Internal Funds and Balances .....	10,084	3,359	-	-	-	400	400
<b>Capital Contribution .....</b>	44,689	13,716	32,486	17,741	15,457	1,000	500

(a) Capital works expensed through the Income Statement.



## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual <sup>(a)</sup>	2006-07 Budget <sup>(a)</sup>	2006-07 Estimated Actual <sup>(a)</sup>	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	55,165	60,892	65,290	66,843	77,818	82,179	82,377
Superannuation .....	5,088	4,530	5,893	6,874	7,931	7,934	7,938
Grants and subsidies <sup>(c)</sup> .....	940	-	-	-	-	-	-
Supplies and services .....	34,183	48,649	45,654	49,467	45,143	44,230	46,475
Accommodation .....	9,056	8,411	7,254	7,284	7,589	7,734	7,838
Capital user charge <sup>(d)</sup> .....	1,903	7,016	7,016	-	-	-	-
Depreciation and amortisation .....	4,112	9,857	9,857	10,050	10,968	11,387	11,385
Loss on disposal of non-current assets .....	30	-	781	-	-	225	-
Other expenses .....	1,025	4,213	10,100	7,437	9,843	6,686	6,415
<b>TOTAL COST OF SERVICES</b> .....	<b>111,502</b>	<b>143,568</b>	<b>151,845</b>	<b>147,955</b>	<b>159,292</b>	<b>160,375</b>	<b>162,428</b>
<b>Income</b>							
User charges and fees .....	9,970	23,557	6,014	21,478	45,013	48,051	49,912
Gain on disposal of non-current assets .....	-	-	258	-	-	-	-
Other revenue .....	677	2,348	4,858	4,451	4,646	4,266	4,173
<b>Total Income</b> .....	<b>10,647</b>	<b>25,905</b>	<b>11,130</b>	<b>25,929</b>	<b>49,659</b>	<b>52,317</b>	<b>54,085</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>100,855</b>	<b>117,663</b>	<b>140,715</b>	<b>122,026</b>	<b>109,633</b>	<b>108,058</b>	<b>108,343</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(d)</sup> .....	86,569	120,287	124,670	109,096	93,216	94,550	94,906
Resources received free of charge .....	10,391	10,643	11,218	12,024	12,617	13,245	13,284
Liabilities assumed by the Treasurer .....	370	720	720	720	720	720	720
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>97,330</b>	<b>131,650</b>	<b>136,608</b>	<b>121,840</b>	<b>106,553</b>	<b>108,515</b>	<b>108,910</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(3,525)</b>	<b>13,987</b>	<b>(4,107)</b>	<b>(186)</b>	<b>(3,080)</b>	<b>457</b>	<b>567</b>

(a) The statements have been changed to reflect the transfer of the Office of Shared Services to the Department from 1 January 2007.

(b) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 793; 1,038; and 1,239 respectively.

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

(d) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual <sup>(a)</sup>	2006-07 Budget <sup>(a)</sup>	2006-07 Estimated Actual <sup>(a)</sup>	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	48,108	22,172	12,791	12,859	12,310	12,605	12,009
Restricted cash .....	3,958	1,795	336	-	1,300	475	655
Receivables .....	4,052	2,934	2,370	3,948	4,964	3,978	4,030
Amounts receivable for services.....	5,654	2,033	9,008	1,801	2,657	2,627	3,402
Prepayments .....	-	959	491	498	482	468	480
Other.....	483	-	743	-	-	-	-
<b>Total current assets .....</b>	<b>62,255</b>	<b>29,893</b>	<b>25,739</b>	<b>19,106</b>	<b>21,713</b>	<b>20,153</b>	<b>20,576</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	12,366	23,604	16,248	29,428	25,194	29,635	33,182
Restricted cash .....	181	-	-	-	-	-	-
Plant and equipment.....	4,905	47,093	29,189	32,349	36,784	30,487	27,259
Intangibles .....	55,318	5,927	54,125	53,240	52,355	49,655	46,281
Other.....	-	5,338	-	7,696	16,331	22,142	27,131
<b>Total non-current assets.....</b>	<b>72,770</b>	<b>81,962</b>	<b>99,562</b>	<b>122,713</b>	<b>130,664</b>	<b>131,919</b>	<b>133,853</b>
<b>TOTAL ASSETS.....</b>	<b>135,025</b>	<b>111,855</b>	<b>125,301</b>	<b>141,819</b>	<b>152,377</b>	<b>152,072</b>	<b>154,429</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(b)</sup> .....	4,284	858	3,624	3,749	3,481	3,726	6,071
Provision for employee entitlements .....	14,397	10,497	14,187	16,955	17,085	17,084	17,084
Accrued salaries .....	-	266	3,396	786	924	924	1,062
Other.....	4,087	125	1,411	1,496	(193)	(2,096)	(3,289)
<b>Total current liabilities.....</b>	<b>22,768</b>	<b>11,746</b>	<b>22,618</b>	<b>22,986</b>	<b>21,297</b>	<b>19,638</b>	<b>20,928</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	4,582	6,353	5,274	6,634	6,504	6,401	6,401
<b>Total non-current liabilities .....</b>	<b>4,582</b>	<b>6,353</b>	<b>5,274</b>	<b>6,634</b>	<b>6,504</b>	<b>6,401</b>	<b>6,401</b>
<b>TOTAL LIABILITIES.....</b>	<b>27,350</b>	<b>18,099</b>	<b>27,892</b>	<b>29,620</b>	<b>27,801</b>	<b>26,039</b>	<b>27,329</b>
<b>EQUITY</b>							
Contributed equity .....	106,697	85,537	100,538	121,484	136,941	137,941	138,441
Surplus/deficit .....	(3,525)	13,987	(4,107)	(186)	(3,080)	457	567
Accumulated surplus/(deficit) .....	4,503	8,219	978	(9,099)	(9,285)	(12,365)	(11,908)
<b>Total equity.....</b>	<b>107,675</b>	<b>93,756</b>	<b>97,409</b>	<b>112,199</b>	<b>124,576</b>	<b>126,033</b>	<b>127,100</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>135,025</b>	<b>111,855</b>	<b>125,301</b>	<b>141,819</b>	<b>152,377</b>	<b>152,072</b>	<b>154,429</b>

(a) The statements have been changed to reflect the transfer of the Office of Shared Services to the Department from 1 January 2007.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual <sup>(a)</sup> \$'000	2006-07 Budget <sup>(a)</sup> \$'000	2006-07 Estimated Actual <sup>(a)</sup> \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	81,444	110,430	114,813	99,046	82,248	83,163	83,521
Capital contribution .....	44,689	13,716	32,486	17,741	15,457	1,000	500
Holding account drawdowns .....	2,115	2,241	2,622	4,077	7,346	6,976	7,063
<b>Net cash provided by State government .....</b>	<b>128,248</b>	<b>126,387</b>	<b>149,921</b>	<b>120,864</b>	<b>105,051</b>	<b>91,139</b>	<b>91,084</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(56,647)	(59,754)	(65,584)	(64,613)	(77,680)	(82,283)	(82,239)
Superannuation .....	(210)	(3,810)	(4,064)	(6,154)	(7,211)	(7,214)	(7,218)
Grants and subsidies .....	(940)	-	-	-	-	-	-
Supplies and services .....	(16,112)	(39,062)	(37,879)	(38,028)	(34,989)	(34,026)	(39,945)
Accommodation.....	(5,401)	(8,411)	(7,254)	(7,284)	(7,214)	(7,269)	(7,523)
Capital user charge <sup>(b)</sup> .....	(1,903)	(7,016)	(7,016)	-	-	-	-
Goods and services tax .....	(8,398)	(5,084)	(5,484)	(5,484)	(6,487)	(5,484)	(5,360)
Other.....	(4,563)	(3,127)	(5,389)	(6,503)	(3,699)	(4,555)	(6,381)
<b>Receipts</b>							
User charges and fees.....	11,260	22,571	4,328	19,337	44,050	47,088	49,812
Goods and services tax .....	6,390	4,954	6,732	5,484	6,487	5,484	5,485
Other receipts .....	127	3,948	5,458	5,051	5,246	4,866	9,432
<b>Net cash from operating activities.....</b>	<b>(76,397)</b>	<b>(94,791)</b>	<b>(116,152)</b>	<b>(157,938)</b>	<b>(193,063)</b>	<b>(198,269)</b>	<b>(213,395)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(47,052)	(15,971)	(33,473)	(20,021)	(22,803)	(8,276)	(7,563)
Purchase of investments.....	-	-	(467)	(150)	-	-	-
<b>Net cash from investing activities.....</b>	<b>(47,052)</b>	<b>(15,971)</b>	<b>(33,940)</b>	<b>(20,171)</b>	<b>(22,803)</b>	<b>(8,276)</b>	<b>(7,563)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	4,799	15,625	(171)	2,499	751	(530)	(416)
Cash assets at the beginning of the reporting period .....	6,611	8,342	52,247	13,127	12,859	13,610	13,080
Net cash transferred to/from other agencies .....	40,837	-	(38,949)	(2,767)	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>52,247</b>	<b>23,967</b>	<b>13,127</b>	<b>12,859</b>	<b>13,610</b>	<b>13,080</b>	<b>12,664</b>

(a) The statements have been changed to reflect the transfer of the Office of Shared Services to the Department from 1 January 2007.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

## SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Superannuation .....	76,623	496,310	496,310	489,907	429,146	437,055	443,055
Interest .....	47,782	38,488	76,110	76,449	71,370	70,890	79,711
Appropriations .....	11,176,606	12,323,513	12,431,729	12,086,183	12,452,379	12,823,087	13,237,628
Grants, subsidies and transfers .....	1,056,521	1,086,666	1,085,136	1,142,794	1,206,606	1,264,001	1,353,056
Other expenses .....	59,377	38,837	42,503	43,205	13,963	14,766	15,598
<b>Total administered expenses <sup>(a)</sup> .....</b>	<b>12,416,909</b>	<b>13,983,814</b>	<b>14,131,788</b>	<b>13,838,538</b>	<b>14,173,464</b>	<b>14,609,799</b>	<b>15,129,048</b>
<b>INCOME</b>							
Sale of goods and services .....	29,778	33,587	37,600	37,790	7,985	8,184	8,389
Taxation .....	4,564,032	4,456,427	4,966,218	4,785,278	4,925,413	5,269,967	5,515,148
Commonwealth grants .....	4,689,380	4,725,820	4,752,063	4,796,659	4,775,396	4,773,512	4,722,054
Government enterprises:							
- dividends .....	533,115	456,404	445,031	441,148	448,284	494,975	550,421
- income tax Tax Equivalent Regime .....	310,048	284,927	304,723	314,706	295,265	333,807	365,794
- local government Rates Equivalent Regime ..	6,775	8,588	11,877	13,196	13,643	14,684	14,767
Net assets transferred in .....	-	6,100	6,100	-	-	29,049	-
Other revenue .....	4,532,031	5,390,631	5,305,235	4,610,118	4,881,277	4,916,442	4,845,561
<b>Total administered income <sup>(b)</sup> .....</b>	<b>14,665,159</b>	<b>15,362,484</b>	<b>15,828,847</b>	<b>14,998,895</b>	<b>15,347,263</b>	<b>15,840,620</b>	<b>16,022,134</b>

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

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

## SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash resources.....	2,927,755	1,572,918	2,433,510	2,314,492	2,675,733	3,241,648	3,556,608
Investments .....	71,895	136,359	71,048	70,154	69,211	68,214	67,162
Treasurer's advances .....	16,364	9,542	14,831	12,534	10,943	8,832	7,657
Interest receivable .....	21,582	14,861	31,182	41,082	49,282	56,482	64,682
Pension recoups receivable.....	1,275	507	1,238	1,238	1,238	1,238	1,239
Government enterprises:							
- dividends receivable .....	6,270	39,362	7,456	7,473	7,724	18,884	27,297
- tax equivalents receivable.....	71,618	57,732	106,864	72,737	50,907	93,635	95,681
Revenue received from agencies receivable....	4,152	3,273	4,152	4,152	4,152	4,152	4,152
Capital ledgers.....	12,918	12,059	11,925	11,259	10,065	8,358	5,759
Other receivables .....	285,786	215,957	282,565	282,565	282,565	282,565	282,565
<b>Total Administered Current Assets .....</b>	<b>3,419,615</b>	<b>2,062,570</b>	<b>2,964,771</b>	<b>2,817,686</b>	<b>3,161,820</b>	<b>3,784,008</b>	<b>4,112,802</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Investments .....	271,108	258,258	271,108	271,108	271,108	271,108	271,108
Capital ledgers and other repayable borrowings.....	104,057	118,429	95,587	135,595	103,870	63,238	57,328
Equity in agencies .....	3,884,247	6,472,602	6,161,325	7,906,426	9,238,063	10,322,576	11,476,561
<b>Total Administered Non-Current Assets .....</b>	<b>4,259,412</b>	<b>6,849,289</b>	<b>6,528,020</b>	<b>8,313,129</b>	<b>9,613,041</b>	<b>10,656,922</b>	<b>11,804,997</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>7,679,027</b>	<b>8,911,859</b>	<b>9,492,791</b>	<b>11,130,815</b>	<b>12,774,861</b>	<b>14,440,930</b>	<b>15,917,799</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Borrowings.....	49,318	-	-	-	-	-	-
Superannuation .....	32,834	499,961	32,834	32,834	32,834	32,834	32,834
Interest payable .....	9,641	6,899	19,563	26,892	27,918	42,744	66,206
Appropriations payable.....	181,836	158,711	160,914	124,864	135,786	145,018	85,535
Trust account liabilities.....	1,776,036	1,183,138	1,363,431	1,260,995	1,188,978	1,064,328	1,077,986
Other payables.....	14,744	14,567	14,873	14,508	14,351	14,093	13,583
<b>Total Administered Current Liabilities.....</b>	<b>2,064,409</b>	<b>1,863,276</b>	<b>1,591,615</b>	<b>1,460,093</b>	<b>1,399,867</b>	<b>1,299,017</b>	<b>1,276,144</b>
<b>ADMINISTERED NON-CURRENT LIABILITIES</b>							
Borrowings.....	-	49,318	-	100,000	96,000	92,000	88,000
Superannuation .....	5,419,847	5,160,779	5,470,961	5,334,692	5,208,162	5,073,351	4,922,560
Appropriations payable.....	1,997,818	2,508,059	2,512,035	3,132,773	3,761,523	4,417,968	5,148,366
Trust account liabilities.....	10,457	12,267	20,653	31,305	43,058	55,505	68,827
Other liabilities.....	42,530	43,394	43,871	43,301	41,548	39,640	36,075
<b>Total Administered Non-Current Liabilities..</b>	<b>7,470,652</b>	<b>7,773,817</b>	<b>8,047,520</b>	<b>8,642,071</b>	<b>9,150,291</b>	<b>9,678,464</b>	<b>10,263,828</b>
<b>TOTAL ADMINISTERED LIABILITIES.....</b>	<b>9,535,061</b>	<b>9,637,093</b>	<b>9,639,135</b>	<b>10,102,164</b>	<b>10,550,158</b>	<b>10,977,481</b>	<b>11,539,972</b>

## SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Appropriations.....	(10,524,017)	(11,651,939)	(11,763,729)	(11,322,580)	(11,664,247)	(12,006,470)	(12,405,617)
Grants, subsidies and transfers.....	(1,060,475)	(1,078,839)	(1,070,472)	(1,131,503)	(1,194,734)	(1,276,792)	(1,354,853)
Superannuation.....	(452,158)	(483,915)	(445,196)	(626,176)	(555,676)	(571,866)	(593,846)
Interest.....	(45,038)	(38,488)	(68,220)	(68,969)	(65,130)	(64,030)	(74,241)
Other payments .....	(41,571)	(38,798)	(42,373)	(43,170)	(13,821)	(14,670)	(15,547)
<b>Financing Activities</b>							
Net change in Treasurer's Advance .....	(9,098)	(8,841)	1,534	2,297	1,591	2,111	1,175
Repayment of borrowings.....	(244,000)	-	(49,318)	-	(4,000)	(4,000)	(4,000)
Accrual appropriations receivable paid to agencies .....	(160,985)	(184,466)	(181,726)	(163,455)	(130,331)	(139,062)	(148,599)
Other payment.....	(1,226)	25,216	(3,307)	(60,678)	(16,677)	(9,123)	-
Net movement in trust account balances and other financing transactions .....	488,664	(36,432)	(402,409)	(91,784)	(60,264)	(112,203)	26,980
<b>Investing Activities</b>							
Equity/capital contribution payments .....	(1,209,879)	(2,504,849)	(2,273,984)	(1,748,281)	(1,331,644)	(1,084,521)	(1,153,985)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(13,259,783)</b>	<b>(16,001,351)</b>	<b>(16,299,200)</b>	<b>(15,254,299)</b>	<b>(15,034,933)</b>	<b>(15,280,626)</b>	<b>(15,722,533)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Sale of goods and services .....	29,778	33,587	37,600	37,790	7,985	8,184	8,389
Taxation.....	4,478,103	4,456,427	4,966,218	4,785,278	4,925,413	5,269,967	5,515,148
Commonwealth grants .....	4,689,380	4,714,020	4,740,263	4,783,959	4,761,796	4,784,512	4,722,054
Government enterprises:							
- dividends.....	532,746	456,767	447,082	440,229	450,635	487,725	544,713
- income tax Tax Equivalent Regime .....	327,391	308,695	274,349	336,859	312,783	294,429	365,534
- local government rates Tax Equivalent Regime .....	7,880	8,119	11,877	13,198	13,645	14,686	14,769
Consolidated Fund revenue received from agencies .....	3,383,962	3,989,539	3,819,915	4,275,597	4,551,450	4,565,208	4,463,228
Capital user charge.....	854,021	1,145,764	1,147,011	-	-	-	-
Interest.....	106,231	92,584	151,641	152,252	149,386	171,903	203,256
Loan guarantee fees.....	14,894	18,139	17,037	17,218	17,549	17,920	18,191
Pension recoups.....	12,896	14,361	13,039	13,385	13,722	14,080	14,404
Other operating receipts .....	142,265	131,341	149,042	143,769	142,968	142,226	141,530
<b>Financing Activities</b>							
Proceeds of borrowings.....	-	-	-	100,000	-	-	-
Capital ledgers repaid by agencies.....	15,004	11,122	12,780	11,806	11,151	9,943	8,242
Other receipts .....	81,623	6,100	6,100	9,530	38,470	70,541	293
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>14,676,174</b>	<b>15,386,565</b>	<b>15,793,954</b>	<b>15,120,870</b>	<b>15,396,953</b>	<b>15,851,324</b>	<b>16,019,751</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>1,416,391</b>	<b>(614,786)</b>	<b>(505,246)</b>	<b>(133,429)</b>	<b>362,020</b>	<b>570,698</b>	<b>297,218</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>Superannuation</b> .....	<b>76,623</b>	<b>496,310</b>	<b>496,310</b>	<b>489,907</b>	<b>429,146</b>	<b>437,055</b>	<b>443,055</b>
<b>Interest</b> .....	<b>47,782</b>	<b>38,488</b>	<b>76,110</b>	<b>76,449</b>	<b>71,370</b>	<b>70,890</b>	<b>79,711</b>
<i>Appropriations for:</i>							
Outputs .....	9,850,434	10,876,951	10,920,432	10,508,312	10,767,390	11,069,298	11,429,761
Salaries and allowances .....	51,059	55,880	59,778	61,366	62,981	64,754	66,577
<i>Community Service Obligations</i>							
Electricity Corporation .....	33,135	-	-	-	-	-	-
Electricity Networks Corporation (Western Power (Networks)) .....	665	-	-	-	-	-	-
Electricity Retail Corporation (Synergy) .....	7,635	38,007	38,007	36,004	37,590	40,720	43,320
Forest Products Commission .....	1,070	2,370	2,370	2,370	2,370	2,370	2,370
Regional Power Corporation (Horizon Power)	3,205	16,184	15,400	23,900	28,900	30,600	31,700
Water Corporation .....	339,821	367,647	367,837	385,110	387,325	400,859	401,391
Western Australian Land Authority .....	25,420	21,540	35,532	33,982	19,150	26,407	26,427
<i>Total Community Service Obligations</i> .....	<i>410,951</i>	<i>445,748</i>	<i>459,146</i>	<i>481,366</i>	<i>475,335</i>	<i>500,956</i>	<i>505,208</i>
<i>Other appropriations</i> .....	<i>864,162</i>	<i>944,934</i>	<i>992,373</i>	<i>1,035,139</i>	<i>1,146,673</i>	<i>1,188,079</i>	<i>1,236,082</i>
<b>Total appropriations</b> .....	<b>11,176,606</b>	<b>12,323,513</b>	<b>12,431,729</b>	<b>12,086,183</b>	<b>12,452,379</b>	<b>12,823,087</b>	<b>13,237,628</b>
<i>Grants, subsidies and transfers</i>							
Acts of Grace Payments .....	1	1	1	1	1	1	1
Aerial Shark Surveillance Program .....	127	170	170	177	185	194	204
Albany Port Authority .....	151	-	-	-	-	-	-
ANZAC Day Trust .....	300	300	300	300	300	300	300
Armadale Redevelopment Authority .....	1,470	2,750	2,750	1,200	1,200	1,250	1,250
Broome Port Authority .....	1,651	1,335	1,293	420	405	405	405
City of Subiaco .....	-	6,100	6,100	-	-	-	-
Commonwealth grants on-passed - Jervoise Bay Infrastructure .....	-	-	8,358	-	-	-	-
Commonwealth grants on-passed - all other ....	8	1,107	1,107	690	690	-	-
Consumer Utilities Program (WACOSS) .....	-	170	170	170	170	-	-
Department for Child Protection .....	-	-	-	7,550	15,300	14,200	28,300
Department for Communities .....	-	-	-	1,150	570	590	610
Electricity Generation Corporation (Verve Energy) - Part Reimbursement of Land Sales .....	-	-	-	158	-	-	-
First Home Owners Scheme .....	123,056	129,100	105,000	114,500	116,000	118,000	120,000
Gold Corporation Act 1987 .....	26	55	30	30	30	30	30
GST administration .....	60,105	63,000	63,100	65,300	66,500	65,800	66,800
HIH Insurance - Assistance to Local Government .....	3,700	300	200	100	-	-	-
HIH Insurance Rescue Package .....	-	600	433	433	433	433	433
Incidentals .....	1	1	1	1	1	1	1
Life Support Equipment Electricity Subsidy Scheme .....	581	550	550	560	-	-	-
Local Government Financial Assistance Grants .....	111,072	115,580	116,480	121,813	126,290	130,900	135,800
Local Govt Road Funding .....	76,334	79,019	79,719	83,004	85,989	89,200	92,500
Losses on indemnities under the Housing Loan Guarantee Act .....	-	254	-	-	-	-	-
Non-government schools .....	543,804	545,371	537,171	582,205	631,347	684,900	743,100
Office of Health Review .....	1,390	1,261	1,437	1,443	1,476	1,520	1,561
On-road diesel subsidies .....	7,790	8,200	8,700	8,900	9,120	9,330	9,440
Pensioner Concessions - Emergency Services Levy .....	6,745	9,455	9,455	10,114	10,809	11,100	11,400
Pensioner Concessions - Local government and water rates .....	45,187	52,000	52,000	55,640	59,430	63,350	67,151
Provision for unfunded liabilities in the Government Insurance Fund .....	-	-	3,612	-	-	-	-
Public swimming pools - operating costs subsidy .....	273	300	300	300	300	300	300

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Rebates to Community Banks.....	-	8	-	-	-	-	-
Refund of past years revenue collections - public corporations.....	10,914	500	500	500	500	500	500
Refund of past years revenue - all other.....	19,160	18,675	35,000	34,000	32,000	33,000	34,000
Rottneest Island Authority.....	-	2,200	2,200	2,200	2,200	2,200	2,200
Search for HMAS Sydney (II).....	100	-	-	-	-	-	-
Stamp duty concessions on farming properties.....	326	300	300	250	100	-	-
Stamp Duty Rebate Scheme.....	1,336	1,000	5,664	-	-	-	-
State Property - Emergency Services Levy.....	8,866	9,000	9,000	9,000	9,000	9,000	9,000
Thermoregulatory Dysfunction Energy Subsidy Scheme.....	-	485	340	500	500	500	500
Tobacco Control Act 1990.....	17,753	18,153	18,179	18,635	19,110	19,547	20,020
Unclaimed Money Act 1990.....	470	500	1,000	750	750	750	750
Unclaimed Money (Superannuation and RSA Providers) Act 2003.....	190	50	100	100	100	100	100
Water Corporation of Western Australia - Part Reimbursement of Land Sales.....	1,061	716	716	700	800	900	1,000
Water Corporation of Western Australia - State Water Strategy Rebate Scheme.....	6,940	9,000	9,000	9,000	9,000	-	-
Western Australian Building Management Authority - Interest.....	5,633	4,700	4,700	4,000	3,300	2,900	2,500
Wine Equalisation Tax Rebate.....	-	4,400	-	7,000	2,700	2,800	2,900
<b>Total grants, subsidies and transfers.....</b>	<b>1,056,521</b>	<b>1,086,666</b>	<b>1,085,136</b>	<b>1,142,794</b>	<b>1,206,606</b>	<b>1,264,001</b>	<b>1,353,056</b>
<i>Other expenses</i>							
Services and contracts.....	29,778	25,987	30,000	30,000	-	-	-
Doubtful debts.....	17,800	-	-	-	-	-	-
Other.....	11,799	12,850	12,503	13,205	13,963	14,766	15,598
<b>Total other expenses.....</b>	<b>59,377</b>	<b>38,837</b>	<b>42,503</b>	<b>43,205</b>	<b>13,963</b>	<b>14,766</b>	<b>15,598</b>
<b>TOTAL.....</b>	<b>12,416,909</b>	<b>13,983,814</b>	<b>14,131,788</b>	<b>13,838,538</b>	<b>14,173,464</b>	<b>14,609,799</b>	<b>15,129,048</b>

#### DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>Sale of goods and services.....</b>	<b>29,778</b>	<b>33,587</b>	<b>37,600</b>	<b>37,790</b>	<b>7,985</b>	<b>8,184</b>	<b>8,389</b>
<i>Taxation</i>							
Betting tax.....	63,877	64,327	63,918	29,278	30,513	31,667	32,948
Debits tax.....	8,435	-	-	-	-	-	-
Land tax.....	314,544	345,700	397,300	434,100	476,500	522,700	573,400
Metropolitan Regional Improvement Tax.....	53,403	57,500	71,100	78,100	85,900	94,500	103,700
Payroll tax.....	1,358,958	1,431,600	1,596,400	1,724,200	1,850,900	1,992,200	2,143,200
Stamp duty - conveyancing and transfers.....	1,916,434	1,745,700	1,995,100	1,718,200	1,765,100	1,898,800	1,892,900
Stamp duty - insurance.....	299,108	317,000	312,000	324,800	337,000	354,800	373,200
Stamp duty - mortgages.....	173,624	101,600	119,700	108,100	9,400	200	-
Stamp duty - motor vehicles.....	342,244	368,500	385,000	366,800	368,700	373,800	394,800
Stamp duty - other financial and capital transactions.....	2	-	-	-	-	-	-
Stamp duty - rental business.....	31,966	21,000	24,300	300	-	-	-
Stamp duty - shares and marketable securities.....	63	-	-	-	-	-	-
Stamp duty - other.....	1,374	3,500	1,400	1,400	1,400	1,300	1,000
<b>Total taxation.....</b>	<b>4,564,032</b>	<b>4,456,427</b>	<b>4,966,218</b>	<b>4,785,278</b>	<b>4,925,413</b>	<b>5,269,967</b>	<b>5,515,148</b>
<i>Commonwealth grants</i>							
Commonwealth mirror taxes.....	17,381	20,800	21,643	22,476	23,970	25,512	27,154
Compensation (companies regulation).....	16,489	17,043	17,143	17,671	18,110	18,600	19,100



	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Competition reform .....	66,948	-	-	-	-	-	-
Debt redemption assistance .....	23,601	-	-	-	-	-	-
GST grants .....	3,816,108	3,929,200	3,959,800	3,950,800	3,870,000	3,804,800	3,684,200
Local government (financial assistance grants).....	111,072	115,580	116,480	121,813	126,290	130,900	135,800
Local government (road funding).....	76,334	79,019	79,719	83,004	85,989	89,200	92,500
Non government schools .....	543,804	545,371	537,171	582,205	631,347	684,900	743,100
Pensioner concession assistance .....	17,268	17,700	17,600	18,000	19,000	19,600	20,200
Other .....	375	1,107	2,507	690	690	-	-
<b>Total Commonwealth grants .....</b>	<b>4,689,380</b>	<b>4,725,820</b>	<b>4,752,063</b>	<b>4,796,659</b>	<b>4,775,396</b>	<b>4,773,512</b>	<b>4,722,054</b>
<b>GOVERNMENT ENTERPRISES</b>							
<i>Dividends</i>							
Albany Port Authority .....	826	448	1,546	555	397	834	1,096
Broome Port Authority .....	-	-	-	772	692	604	604
Bunbury Port Authority .....	1,479	2,300	2,300	2,037	2,724	3,345	3,236
Country Housing Authority .....	-	18	-	-	-	-	-
Dampier Port Authority .....	24	935	-	279	455	357	314
Electricity Corporation .....	116,401	-	-	-	-	-	-
Electricity Generation Corporation (Verve Energy).....	-	11,075	-	-	-	-	-
Electricity Networks Corporation (Western Power (Networks)).....	-	62,429	42,387	47,703	36,309	55,532	69,515
Electricity Retail Corporation (Synergy).....	6,270	1,766	10,962	6,711	8,527	5,756	14,530
Esperance Port Authority.....	-	2,432	1,585	2,148	3,279	3,094	2,827
Forest Products Commission .....	-	-	2,700	666	883	1,206	1,267
Fremantle Port Authority .....	4,929	3,641	4,891	3,907	5,330	6,259	6,503
Geraldton Port Authority .....	2	3,343	733	375	2,799	6,752	10,642
Gold Corporation .....	493	1,630	2,904	2,505	2,831	3,107	3,107
Port Hedland Port Authority .....	-	1,259	1,259	2,369	5,172	5,227	5,227
Regional Power Corporation (Horizon Power) .....	-	-	-	-	-	-	4,800
Subiaco Redevelopment Authority.....	-	-	-	7,000	7,000	-	-
Water Corporation of Western Australia.....	362,366	348,485	349,862	343,226	351,883	373,987	397,712
Western Australian Land Authority .....	35,451	13,751	18,751	17,751	17,251	26,129	26,129
Western Australian Treasury Corporation .....	4,874	2,892	5,151	3,144	2,752	2,786	2,912
<b>Total dividends.....</b>	<b>533,115</b>	<b>456,404</b>	<b>445,031</b>	<b>441,148</b>	<b>448,284</b>	<b>494,975</b>	<b>550,421</b>
<i>Income Tax Equivalent Regime</i>							
Albany Port Authority .....	678	383	597	427	894	1176	1315
Broome Port Authority .....	-	-	372	458	469	481	481
Bunbury Port Authority .....	1655	2265	2265	2006	2683	3295	2774
Bunbury Water Board.....	782	590	679	511	541	647	677
Busselton Water Board.....	888	227	227	301	325	1040	1060
Dampier Port Authority .....	372	801	-	239	390	306	269
Electricity Corporation .....	48235	-	-	-	-	-	-
Electricity Networks Corporation (Western Power (Networks)).....	13030	52209	23299	38642	35725	50501	59811
Electricity Retail Corporation (Synergy).....	6195	7039	9396	5753	9841	9234	16643
Esperance Port Authority.....	1201	1000	1359	1841	2810	2652	2423
Fremantle Port Authority .....	3498	3856	3856	5062	5949	6211	6141
Geraldton Port Authority .....	2175	2865	321	2399	5787	9121	9190
Gold Corporation .....	2433	1586	1828	2022	2219	2219	2219
Insurance Commission of Western Australia...	3285	-	29888	23287	10456	8125	5945
Land Information Authority .....	-	-	569	1215	1403	2586	3381
Port Hedland Port Authority .....	1,497	1079	1079	2030	2976	4481	4481
Water Corporation of Western Australia.....	193,193	196175	194041	195950	179829	197326	208506
Western Australian Land Authority .....	26688	12013	32252	30204	30580	31910	37995
Western Australian Treasury Corporation .....	4243	2839	2695	2359	2388	2496	2483
<b>Total Income Tax Equivalent Regime .....</b>	<b>310,048</b>	<b>284,927</b>	<b>304,723</b>	<b>314,706</b>	<b>295,265</b>	<b>333,807</b>	<b>365,794</b>
<i>Local Government Rates Equivalent</i>							
Albany Port Authority .....	-	93	93	95	97	100	104
Broome Port Authority .....	8	5	5	5	5	5	5
Bunbury Port Authority .....	177	148	148	186	191	210	220
Dampier Port Authority .....	15	13	14	14	15	15	16
Electricity Corporation .....	686	-	-	-	-	-	-

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Electricity Generation Corporation (Verve Energy).....	55	576	576	589	604	609	606
Electricity Networks Corporation (Western Power (Networks)).....	-	1,121	4421	4532	4645	4761	4854
Electricity Retail Corporation (Synergy).....	-	150	-	-	-	-	-
Esperance Port Authority.....	242	230	90	90	90	95	100
Fremantle Port Authority.....	175	239	239	274	288	302	317
Geraldton Port Authority.....	164	160	160	160	160	160	160
Gold Corporation.....	102	-	110	110	110	110	110
Regional Power Corporation (Horizon Power).....	-	504	-	-	-	-	-
Perth Market Authority.....	181	146	161	165	170	175	180
Port Hedland Port Authority.....	260	224	224	233	242	252	252
Water Corporation of Western of Australia.....	2,606	3,040	3,040	3,200	3,280	3,362	3,446
Western Australian Land Authority.....	2,104	1,939	2,596	3,543	3,746	4,528	4,397
<b>Total Local Government Rates Equivalent ....</b>	<b>6,775</b>	<b>8,588</b>	<b>11,877</b>	<b>13,196</b>	<b>13,643</b>	<b>14,684</b>	<b>14,767</b>
<b>Total Government Enterprises.....</b>	<b>849,938</b>	<b>749,919</b>	<b>761,631</b>	<b>769,050</b>	<b>757,192</b>	<b>843,466</b>	<b>930,982</b>
<i>Other revenue</i>							
Consolidated Account revenue received from agencies.....	3,384,841	3,989,218	3,819,896	4,275,576	4,551,431	4,565,208	4,462,152
Capital user charge.....	856,541	1,145,743	1,146,765	-	-	-	-
Interest.....	113,097	92,584	161,241	162,052	157,586	179,103	211,456
Pension recoups.....	13,939	13,606	11,254	11,503	11,743	11,985	12,232
Loan guarantee fees.....	16,027	18,139	17,037	17,218	17,549	17,920	18,191
Gold State superannuation reimbursement.....	124,826	113,921	123,986	122,458	120,948	119,457	117,984
Other revenue.....	22,760	17,420	25,056	21,311	22,020	22,769	23,546
<b>Total other revenue.....</b>	<b>4,532,031</b>	<b>5,390,631</b>	<b>5,305,235</b>	<b>4,610,118</b>	<b>4,881,277</b>	<b>4,916,442</b>	<b>4,845,561</b>
<i>Net assets transferred in</i>							
Net assets transferred in - Subiaco Redevelopment Authority wind-up.....	-	6,100	6,100	-	-	29,049	-
<b>Total net assets transferred in.....</b>	<b>-</b>	<b>6,100</b>	<b>6,100</b>	<b>-</b>	<b>-</b>	<b>29,049</b>	<b>-</b>
<b>TOTAL.....</b>	<b>14,665,159</b>	<b>15,362,484</b>	<b>15,828,847</b>	<b>14,998,895</b>	<b>15,347,263</b>	<b>15,840,620</b>	<b>16,022,134</b>

### RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	111,502	143,568	151,845	147,955	159,292	160,375	162,428
Less Capital User Charge.....	1,903	7,016	7,016	-	-	-	-
Adjusted Total Cost of Services .....	109,599	136,552	144,829	147,955	159,292	160,375	162,428
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	86,569	120,287	124,670	109,096	93,216	94,550	94,906
Less Capital User Charge.....	1,903	7,016	7,016	-	-	-	-
Adjusted net amount appropriated to deliver services.....	84,666	113,271	117,654	109,096	93,216	94,550	94,906

### DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Grants and subsidies from the Commonwealth	940	-	-	-	-	-	-
<b>TOTAL</b>	940	-	-	-	-	-	-

### NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST input credits .....	6,178	4,923	5,928	3,700
GST receipts on sales.....	891	485	580	482
Land Tax Liability Enquiry Fee .....	3,391	2,640	3,100	2,750
State Fleet revenues .....	625	900	640	700
Revenues from the Executive Vehicle Scheme.....	58	56	70	70
Procurement services .....	4,958	3,334	3,480	3,200
Corporate services to the Office of Energy and the Economic Regulation Authority .....	428	380	300	300
Shared services rendered	119	18,705	2,250	18,590
Other receipts .....	1,129	50	170	80
<b>TOTAL</b>	17,777	31,473	16,518	29,872

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

## OFFICE OF NATIVE TITLE

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT

#### DIVISION 8

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual <sup>(a)</sup>	2006-07 Budget	2006-07 Estimated Actual	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 38 Net amount appropriated to deliver services<sup>(b)</sup></b> .....	109	44,159	9,388	<b>30,785</b>	25,690	10,669	8,357
Total appropriations provided to deliver services .....	109	44,159	9,388	<b>30,785</b>	25,690	10,669	8,357
<b>GRAND TOTAL</b> .....	109	44,159	9,388	<b>30,785</b>	25,690	10,669	8,357

- (a) Figures have been adjusted due to the transfer of the Office from the Department of the Premier and Cabinet from 1 July 2006.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- There is significant continuing motivation at the state and national levels to resolve Native Title matters by agreement rather than litigation.
- There is increasing motivation to develop alternative strategies for the resolution of Native Title Determination Applications (NTDA) that do not meet the legal requirements for Native Title.
- The Commonwealth Government is continuing to progress a Native Title reform program focussing on the efficiency and effectiveness of the Native Title system and processes. The next 12 months will enable the Commonwealth to evaluate the effectiveness of those parts of the reform program that have been implemented.
- Developing Native Title case law has a significant impact on the negotiation of NTDA. Inconsistent application of case law by the courts engenders an uncertain negotiation environment and also impacts upon the ability to resolve matters by agreement.
- There is an increasing demand for access to land for the purpose of exploration and mining, in response to the State's resource boom.
- An increasing number of Native Title determinations have increased the pressure to clarify the rights and interests of Native Title holders under the State Government policies and practices.
- There is growing need for greater awareness within State Government agencies of the impact of the *Native Title Act 1993(Cth)* on Government business.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 <sup>(a)</sup> Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<b>Service 1:</b>							
Native Title Policy Development, Implementation and Negotiation .....	4,921	55,002	20,630	43,145			
<b>Total Cost of Services</b> <sup>(b)</sup> .....	4,921	55,002	20,630	43,145	36,553	11,262	7,352
<i>Less Income</i> .....	-	5	7	7	7	7	5
<b>Net Cost of Services</b> <sup>(b)</sup> .....	4,921	54,997	20,623	43,138	36,546	11,255	7,347
Adjustments <sup>(c)</sup> .....	(4,812)	(10,838)	(11,235)	(12,353)	(10,856)	(586)	1,010
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	109	44,159	9,388	30,785	25,690	10,669	8,357
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	109	44,159	9,388	30,785	25,690	10,669	8,357

- (a) Figures have been adjusted due to the transfer of the Office of Native Title from the Department of Premier and Cabinet to the Department of Treasury and Finance from 1 July 2006, and may not be directly comparable to previously published information.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) 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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Resolution of Native Title matters in accordance with Government Policy.	1. Native Title Policy Development, Implementation and Negotiation

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Resolution of Native Title matters in accordance with Government Policy.</b>					
Percentage change in number of outstanding claims awaiting resolution .....	-3.9%	-8.7%	-0.87%	-7.02%	Variance due to post 2005-06 Financial Year performance indicator methodology clarified (counts consent and litigated determinations only).
Ratio of consent agreements to litigated decisions.....	9:8	18:12	13:6	21:6	

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

**Service 1: Native Title Policy Development, Implementation and Negotiation**

The Office implements the Government's Native Title objectives by:

- resolving Native Title determination applications and other matters by agreement and in accordance with the requirements of the *Native Title Act 1993 (Cth)* and relevant case law;
- ensuring all 'future acts' are valid;
- ensuring extinguishment and impairment of Native Title is minimised;
- ensuring certainty for all parties with an interest in claimed and determined Native Title land;
- ensuring Native Title matters are administered efficiently and consistently across all government agencies; and
- raising the level of understanding of Native Title issues within Western Australia.

	2005-06 Actual \$'000 (c)	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	7,818	55,002	20,630	43,145	
Less Income .....	51	5	7	7	
Net Cost of Service <sup>(a)</sup> .....	7,767	54,997	20,623	43,138	
Adjustments <sup>(b)</sup> .....	531	(10,838)	(11,235)	(12,353)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>44,198</b>	<b>44,159</b>	<b>9,388</b>	<b>30,785</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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) Compiled by aggregating total cost of services part financial year Department of the Premier and Cabinet and also Department of Treasury and Finance.

**Key Efficiency Indicators**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per Native Title determination ...	\$689,296	\$105,849	\$256,329	\$198,843	The variation is due to an increase in the estimated number of Native Title determinations.
Average cost per Native Title application managed .....	\$102,118	\$150,417	\$142,714	\$213,509	This variation is due to a movement of some 2006-07 funding into the 2007-08 financial year.
Average time taken to achieve resolution of prioritised Native Title applications .....	2.5	3.0 yrs	2.77yrs	2.77yrs	
<b>Full Time Equivalents (FTEs)</b>	37	34	38	38	

**Major Achievements For 2006-07**

- Major milestones have been reached in the implementation of the Ord Final Agreement including: Satisfaction, Transfer of Lot 239 Kununurra and Yardungarrl, and Joint Management of Reserve 31165.
- Major milestones have been reached in the implementation of the Burrup and Maitland Industrial Estates Agreement Satisfaction, and Draft Management Plan for the Conservation Reserve.
- Finalised consent determinations of Native Title in the Miriuwung Gajerrong No. 4, Eastern Guruma, Noonkanbah, and Ngarla (resolving Ngarla No. 1 and No. 2) Native Title Determination Applications.
- Participated in litigation in relation to the Single Noongar and Wongatha Native Title Determination Application.
- Participated in the Bardi Jawi, Rubibi and Single Noongar Claim appeals.
- Finalised a Heritage Agreement and Negotiation Protocol to settle compensation issues in Broome.
- Published 'Government Business and the Extinguishment of Native Title' to assist agencies to understand the basis on which extinguishment principles are applied in the doing of Government business.
- Completed reviews of the Regional Standard Heritage Agreements for Geraldton, Pilbara, Central Desert and the South West Region.

**Major Initiatives For 2007-08**

- Continue to pursue opportunities for the determination of native title in accordance with Government policy favouring negotiation rather than litigation, where possible.
- Continue to lead the negotiations to settle compensation and facilitate future development in the Broome area.
- Lead negotiations to resolve native title and compensation issues in the South West.
- Continue to lead the implementation of the Ord Final Agreement and the Burrup and Maitland Industrial Estates Agreement.
- Develop efficient future act processes that recognise the rights and interests of Native Title holders in the post-determination environment.
- Participate in a Connection Project with the Pilbara Native Title Service and Pilbara Iron, to resolve eight Native Title applications in the central Pilbara region.

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	-	2,540	2,745	2,809	2,767	3,375	2,770
Superannuation .....	-	187	250	254	253	253	253
Grants and subsidies <sup>(b)</sup> .....	-	49,445	14,211	35,569	30,470	6,790	2,891
Supplies and services .....	-	2,403	2,282	2,285	2,282	238	661
Accommodation .....	-	363	372	470	372	372	332
Capital user charge <sup>(c)</sup> .....	-	14	14	-	-	-	-
Depreciation and amortisation .....	-	64	64	64	64	64	65
Other expenses .....	-	-	706	1,694	345	170	380
<b>TOTAL COST OF SERVICES</b> .....	-	55,016	20,644	43,145	36,553	11,262	7,352
<b>Income</b>							
Other revenue .....	-	5	7	7	7	7	5
<b>Total Income</b> .....	-	5	7	7	7	7	5
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	-	55,011	20,637	43,138	36,546	11,255	7,347
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	-	44,173	9,402	30,785	25,690	10,669	8,357
Resources received free of charge .....	-	722	722	722	722	722	-
Liabilities assumed by the Treasurer .....	-	25	25	25	25	25	25
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	-	44,920	10,149	31,532	26,437	11,416	8,382
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	-	(10,091)	(10,488)	(11,606)	(10,109)	161	1,035
Extraordinary items .....	-	-	402	-	-	-	-
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	-	(10,091)	(10,086)	(11,606)	(10,109)	161	1,035

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 0, 38 and 38 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	-	21,225	21,088	12,073	4,447	3,155	1,816
Restricted cash .....	-	3,958	3,958	-	-	-	-
Receivables .....	-	429	429	159	157	54	54
<b>Total current assets .....</b>	<b>-</b>	<b>25,612</b>	<b>25,475</b>	<b>12,232</b>	<b>4,604</b>	<b>3,209</b>	<b>1,870</b>
<b>NON-CURRENT ASSETS</b>							
Plant and equipment.....	-	17	128	111	111	111	46
Other.....	-	177	210	163	99	35	35
<b>Total non-current assets .....</b>	<b>-</b>	<b>194</b>	<b>338</b>	<b>274</b>	<b>210</b>	<b>146</b>	<b>81</b>
<b>TOTAL ASSETS.....</b>	<b>-</b>	<b>25,806</b>	<b>25,813</b>	<b>12,506</b>	<b>4,814</b>	<b>3,355</b>	<b>1,951</b>
<b>CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	-	262	262	262	262	262	262
Accrued salaries .....	-	32	18	18	18	18	18
<b>Total current liabilities.....</b>	<b>-</b>	<b>294</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	-	186	186	186	186	186	186
Other.....	-	3,958	4,371	2,670	5,087	3,467	1,028
<b>Total non-current liabilities .....</b>	<b>-</b>	<b>4,144</b>	<b>4,557</b>	<b>2,856</b>	<b>5,273</b>	<b>3,653</b>	<b>1,214</b>
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>4,438</b>	<b>4,837</b>	<b>3,136</b>	<b>5,553</b>	<b>3,933</b>	<b>1,494</b>
<b>EQUITY</b>							
Contributed equity .....	-	31,459	31,062	31,062	31,062	31,062	31,062
Accumulated surplus/(deficit) .....	-	(10,091)	(10,086)	(21,692)	(31,801)	(31,640)	(30,605)
<b>Total equity.....</b>	<b>-</b>	<b>21,368</b>	<b>20,976</b>	<b>9,370</b>	<b>(739)</b>	<b>(578)</b>	<b>457</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>-</b>	<b>25,806</b>	<b>25,813</b>	<b>12,506</b>	<b>4,814</b>	<b>3,355</b>	<b>1,951</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	-	44,173	9,402	30,799	25,704	10,669	8,357
<b>Net cash provided by State government .....</b>	<b>-</b>	<b>44,173</b>	<b>9,402</b>	<b>30,799</b>	<b>25,704</b>	<b>10,669</b>	<b>8,357</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	-	(2,508)	(2,726)	(2,917)	(2,987)	(2,578)	(2,770)
Superannuation .....	-	(162)	(226)	(238)	(245)	(170)	(228)
Grants and subsidies .....	-	(49,445)	(14,211)	(35,569)	(30,470)	(6,790)	(2,891)
Supplies and services .....	-	(1,681)	(811)	(681)	(1,137)	(2,888)	(1,761)
Accommodation.....	-	(363)	(307)	(1,123)	(332)	(363)	(332)
Capital user charge <sup>(a)</sup> .....	-	(14)	(14)	-	-	-	-
Goods and services tax .....	-	(5,149)	(5,149)	(1,911)	(1,883)	(647)	-
Other.....	-	-	(1,246)	(271)	(418)	(380)	(2,819)
<b>Receipts</b>							
Goods and services tax .....	-	4,720	4,720	2,181	1,885	750	-
Other receipts .....	-	5	7	7	5,507	1,105	1,105
<b>Net cash from operating activities.....</b>	<b>-</b>	<b>(54,597)</b>	<b>(19,963)</b>	<b>(40,522)</b>	<b>(30,080)</b>	<b>(11,961)</b>	<b>(9,696)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investments.....	-	-	-	(3,250)	(3,250)	-	-
<b>Net cash from investing activities.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,250)</b>	<b>(3,250)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	<b>-</b>	<b>(10,424)</b>	<b>(10,561)</b>	<b>(12,973)</b>	<b>(7,626)</b>	<b>(1,292)</b>	<b>(1,339)</b>
Cash assets at the beginning of the reporting period .....	-	-	-	25,046	12,073	4,447	3,155
Net cash transferred to/from other agencies.....	-	35,607	35,607	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>-</b>	<b>25,183</b>	<b>25,046</b>	<b>12,073</b>	<b>4,447</b>	<b>3,155</b>	<b>1,816</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE AND MAJOR FUNCTIONAL TRANSFERS**

	2005-06 Actual <sup>(a)</sup> \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	-	55,016	20,644	43,145	36,553	11,262	7,352
<i>Less Capital User Charge.....</i>	16	14	14	-	-	-	-
<i>Plus Transfer from Department of the Premier and Cabinet.....</i>	4,921	-	-	-	-	-	-
Adjusted Total Cost of Services .....	4,905	55,002	20,630	43,145	36,553	11,262	7,352
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	124	44,173	9,402	30,785	25,690	10,669	8,357
<i>Less Capital User Charge.....</i>	16	14	14	-	-	-	-
Adjusted net amount appropriated to deliver services.....	109	44,159	9,388	30,785	25,690	10,669	8,357

(a) Figures have been adjusted due to the transfer of the Office from the Department of the Premier and Cabinet to the Department of Treasury and Finance from 1 July 2006, and may not be directly comparable to previously published information.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Native Title Agreements.....	-	49,445	14,211	35,569	30,470	6,790	2,891
<b>TOTAL</b>	-	<b>49,445</b>	<b>14,211</b>	<b>35,569</b>	<b>30,470</b>	<b>6,790</b>	<b>2,891</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Office:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Executive Vehicle Scheme .....	-	5	7	7
GST Input Credits.....	-	4,720	4,720	2,181
<b>TOTAL</b> .....	-	<b>4,725</b>	<b>4,727</b>	<b>2,188</b>

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

## OFFICE OF THE AUDITOR GENERAL

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT

#### DIVISION 9

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 39 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	14,155	13,863	14,786	<b>14,244</b>	14,196	14,712	15,007
<b>Amount Authorised by Other Statutes</b>							
- <b>Financial Administration and Audit Act 1985</b> .....	331	249	-	-	-	-	-
- <b>Salaries and Allowances Act 1975</b> .....	-	-	438	<b>452</b>	465	479	493
Total appropriations provided to deliver services .....	14,486	14,112	15,224	<b>14,696</b>	14,661	15,191	15,500
<b>CAPITAL</b>							
<b>Item 140 Capital Contribution</b> .....	27	-	-	<b>108</b>	145	255	269
<b>GRAND TOTAL</b> .....	14,513	14,112	15,224	<b>14,804</b>	14,806	15,446	15,769

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- In 2006-07, the Office signalled that a combination of factors was placing mounting pressure on the Office's assurance audit function. The impact of revised Australian Accounting and Auditing Standards added to the complexity of the audit task, whilst new Western Australian financial management legislation reduced available time for finalisation of attest audits. This takes place in the context of a shrinking labour market of audit and finance professionals and escalating difficulty in attracting and retaining qualified assurance audit staff. In 2007 and beyond, these factors continue to impact on audit costs for agencies and dominate the business landscape of the Office.
- Whilst successfully achieving accelerated financial reporting timeframes in 2006-07, many agencies will need to better prioritise the quality of their financial statements and performance indicators in the coming year. In many instances, the lack of adequate quality assurance within agencies and the submission of incomplete or inaccurate working papers has required significant additional work by the Office and has impacted on audit costs.
- The implementation of shared corporate service centres will preclude reliance on previous audit work and require comprehensive evaluation of controls in the shared service centres and individual agencies. Substantial audit effort will be required to re-establish appropriate levels of assurance regarding the new systems and accountability relationships. However, there is potential in the longer term for audit efficiencies to be gained through the standardisation of corporate services and a reduction in the diversity and number of information systems.

- There is a changing community expectation for the Office's broader accountability role. Whilst 2006-07 has seen a decrease in formal Public Interest Disclosures (PID), there has been growth in the number and complexity of requests for advice, consultation and investigations from Parliament, public sector agencies and members of the public. This trend mirrors the rise in Parliamentary advice and quick response investigations provided in other Australian public sector audit jurisdictions.
- The *Auditor General Act 2006* and *Financial Management Act 2006* were proclaimed on 1 February 2007. This new legislation strengthens and expands the functions of audit, introducing new powers to audit public sector functions delivered by private and community bodies and increased access to information. The *Auditor General Act 2006* Act also creates new accountabilities for the Office, introducing a comprehensive external review regime, stronger involvement of key Parliamentary Committees and greater Parliamentary oversight of the Office's budget and structure.
- The increase in 'joined-up' government initiatives in Western Australia poses particular challenges and opportunities for audit. Accountability can sometimes remain unclear where cross-cutting programs range across more than one agency. This emerging risk area is driving an increase in audit work across multiple agencies. Whilst this offers the benefits of shared lessons, it can impact on audit costs and timelines.

### SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service I:</i>							
Performance Auditing.....	14,200	14,100	15,332	14,587			
<b>Total Cost of Services<sup>(a)</sup></b> .....	14,200	14,100	15,332	14,587	14,568	14,989	15,298
<i>Less Income</i> .....	100	20	20	20	20	20	70
<b>Net Cost of Services<sup>(a)</sup></b> .....	14,100	14,080	15,312	14,567	14,548	14,969	15,228
Adjustments <sup>(b)</sup> .....	386	32	(88)	129	113	222	272
<b>Appropriation provided to deliver Services<sup>(a)</sup></b> .....	14,486	14,112	15,224	14,696	14,661	15,191	15,500
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs<sup>(c)</sup></b> .....	27	-	-	108	145	255	269
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	14,513	14,112	15,224	14,804	14,806	15,446	15,769

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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.

## 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	Service
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	An informed Parliament on public sector accountability and performance.	1. Performance Auditing

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: An informed Parliament on public sector accountability and performance.</b>					
Agreement in Parliamentary Census that the Office of the Auditor General is effective in achieving its desired outcome of informing Parliament on public sector accountability and performance of the public sector .....	92%	85%	85%	85%	
Agreement in Parliamentary Census that reports dealt with matters of significance to Parliament .....	85%	90%	90%	90%	
Agreement in Parliamentary Census that services and reports of the Office of the Auditor General are useful to Parliament .....	89%	80%	80%	80%	

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

### Service 1: Performance Auditing

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	14,200	14,100	15,332	14,587	
Less Income .....	100	20	20	20	
Net Cost of Service <sup>(a)</sup> .....	14,100	14,080	15,312	14,567	
Adjustments <sup>(b)</sup> .....	386	32	(88)	129	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>14,486</b>	<b>14,112</b>	<b>15,224</b>	<b>14,696</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per matter of significance .....	\$29,600	\$33,927	\$34,298	\$32,778	
Average cost per major audit .....	\$134,979	\$140,634	\$149,379	\$142,967	
Average cost per other audit .....	\$23,192	\$20,057	\$25,467	\$25,216	
<b>Full Time Equivalents (FTEs)</b>	97	100	116	116	

- (a) The increase in average cost per other audit estimated in 2006-07 relates to earlier annual reporting and rising labour market and contract costs.  
 (b) Additional FTEs have been engaged in 2006-07 to assist in delivering on new audit timelines and to address increased assurance audit staff attrition in recent years.

**Major Achievements For 2006-07**

- Tabled in Parliament three single topic reports in the period to 16 March 2007 covering:
  - Management of the Ramsar Wetlands;
  - Improving the Cost Efficiency of Government Office Space; and
  - Public Participation in Government Decision-Making.
- Two further single topic reports are scheduled for tabling before 30 June 2007 covering:
  - Shared Services; and
  - Help at Home.
- Tabled three public sector performance reports in the period to 4 April 2007, incorporating the results of eight examinations on:
  - Western Power Senior Executive Payouts;
  - Providing Information on the Timeliness of Services;
  - Follow-Up to Setting Fees – Extent of Cost Recovery;
  - Arrangements for Managing the Performance of Chief Executive Officers;
  - Prompt Payment by Government;
  - Management of Consumer Protection Investigations;
  - Major Information and Communications Technology Projects; and
  - Security of Wireless Networks.
- One further public sector performance report is scheduled for tabling by 30 June 2007 incorporating the results of three further audits.
- It is expected that approximately 96 Matters of Significance will be reported to Parliament in 2006-07.
- Supporting the work of Parliamentary Committees through provision of advice on 27 Auditor General reports, including provision of evidence at two public hearings.
- Issued 205 audit opinions for the financial statements, controls and, where applicable, the performance indicators of:
  - 40 government departments;
  - 103 statutory authorities and 11 corporatised bodies;
  - Four universities, four of their subsidiaries and 10 TAFE colleges;
  - 10 requests, 10 subsidiaries, eight cemetery boards and four final audits; and
  - the Annual Report on State Finances for whole of government with reporting date of 30 June 2006.
- Provided qualified opinions on the financial statements, controls or performance indicators of one TAFE college and four statutory authorities, of which two were ongoing qualifications from previous years.
- Of the 158 opinions issued under the *Financial Management Act 2006* or its predecessor the *Financial Administration and Audit Act 1985*, 152 opinions were provided in time for the Minister to comply with the 90 day annual reporting requirement.

- Completed the audit of 99 per cent of public sector entities representing 90 per cent of the State's assets within three months of their year-end, increased from 56 per cent and 91 per cent in the previous year.
- Tabled a report on attest audit results on 25 October 2006, one month earlier than previous year. The report primarily summarised the results of financial statements, controls and performance indicator audits for departments, statutory authorities and other bodies under the *Financial Administration and Audit Act 1985* with 30 June 2006 and 31 July 2006 reporting dates. It highlighted 34 agencies that were examples of better practice for timeliness and quality of their financial statements and performance indicators and the supporting working papers, 10 of which continued from the previous year.
- Tabled a report on 4 April 2006 on the attest audit results for Universities and TAFE Colleges, focusing on 14 tertiary education entities with 31 December 2006 reporting dates and residual agencies with 30 June 2006 reporting dates.
- Completed all necessary work to transfer audit work to the Australian equivalent of International Financial Reporting Standards, including review of over 150 comparative financial statements.
- Continued our commitment to an international framework for auditing and accounting through coordination of the Australasian Council of Auditors General submission to the International Accounting Standards Board on fair value measurement.
- Undertook five special investigations with five more being assessed at 30 March 2007. Registered and investigated one PID.
- Responded to complaints about the public sector from 52 members of the public, referring one for investigation and 29 to other accountability authorities or appropriate complaints bodies.
- Contributed to the passage and implementation of the *Auditor General Act 2006* and *Financial Management Act 2006*, including:
  - supporting Parliament's consideration of the *Auditor General Act 2006*, including provision of evidence to the Estimates and Financial Operations Committee of the Legislative Council;
  - delivery of stakeholder communications, professional development, technical review and policy development related to the new *Auditor General Act 2006*; and
  - reviewed audit practice to accommodate key changes in the new *Financial Management Act 2006*.
- Improved and reviewed key aspects of the Office's operations and communications in response to the independent survey of all audited agencies and all Members of Western Australian Parliament. For the first time in 2006-07, results of both surveys were benchmarked with other Australian public sector audit offices.
- Introduced the first independent survey of staff satisfaction, with results benchmarked with other Australian public sector audit offices and the Australian Public Service Commission.
- Responded to increased attrition in audit staff and a highly competitive labour market in financial services by developing a range of attraction and retention measures.

#### **Major Initiatives For 2007-08**

- Table in Parliament six single topic reports on various compliance and performance examinations that have identified Matters of Significance in various areas of public sector performance and accountability.
- Table in Parliament three public sector performance reports during the year. These reports will contain the results of smaller examinations that address compliance and performance issues.
- Table in Parliament two reports on the results of financial statement, controls and performance indicator audits undertaken during the year. The first volume will focus on agencies with a 30 June reporting date, while the second will focus on agencies from the tertiary education sector, which have a 31 December reporting date.



- Maintaining shortened timeframes, audit the financial statements, controls and performance indicators of:
  - 35 government departments;
  - 103 statutory authorities and 14 corporatised bodies;
  - four Universities, their nine subsidiaries and 10 TAFE Colleges;
  - nine requests, nine subsidiaries and eight cemetery boards; and
  - the Annual Report on State Finances for whole of government with reporting date of 30 June 2007.
- Continue to work closely with agencies to enable new shortened timeframes for audit and annual reporting and a stronger focus on improving the quality of financial statements and working papers to the audit process.
- As part of a three year program, focus the 2007-08 assurance audit program on identified risk areas of:
  - corporate governance activities, including audit committee, risk management and internal audit;
  - operational activities, including financial management, information systems controls and shared services; and
  - financial reporting and contaminated sites' disclosures.
- Further address the attrition of audit staff through a sustained investment in professional development, knowledge management and more flexible employment practices.
- Continue to implement audit practice changes flowing from new Financial Management and Auditor General legislation and undertake communications and education program for key stakeholders in the sector.

### CAPITAL WORKS PROGRAM

The 2007-08 capital works program provides for the ongoing replacement and maintenance of computers and ancillary equipment, acquisition and implementation of essential information systems and ongoing enhancements to the data communications network. The Office's capital works program is serviced at a level appropriate to the technology currently in use in the public sector.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Computer Hardware and Software				
2005-06 Program .....	446	446	290	-
2006-07 Program .....	479	479	479	-
<b>NEW WORKS</b>				
Computer Hardware and Software - 2007-08 Program .....	471	-	-	471
	1,396	925	769	471

### CAPITAL CONTRIBUTION

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	369	479	769	471	497	548	519
<b>LESS</b>	369	479	769	471	497	548	519
Asset Sales .....	-	50	50	-	50	-	50
Drawdowns from the Holding Account .....	419	429	429	363	302	293	200
Internal Funds and Balances .....	(77)	-	290	-	-	-	-
<b>Capital Contribution .....</b>	27	-	-	108	145	255	269

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	6,860	7,199	7,320	7,582	7,808	7,996	8,176
Superannuation .....	735	783	795	799	813	822	843
Supplies and services .....	5,555	4,730	5,527	4,675	4,700	4,745	4,863
Accommodation .....	704	828	828	828	829	837	857
Capital user charge <sup>(b)</sup> .....	49	76	76	-	-	-	-
Depreciation and amortisation .....	338	346	496	586	293	573	543
Loss on disposal of non-current assets .....	-	198	350	101	109	-	-
Other expenses .....	8	16	16	16	16	16	16
<b>TOTAL COST OF SERVICES</b> .....	<b>14,249</b>	<b>14,176</b>	<b>15,408</b>	<b>14,587</b>	<b>14,568</b>	<b>14,989</b>	<b>15,298</b>
<b>Income</b>							
Other revenue .....	100	20	20	20	20	20	70
<b>Total Income</b> .....	<b>100</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>70</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>14,149</b>	<b>14,156</b>	<b>15,388</b>	<b>14,567</b>	<b>14,548</b>	<b>14,969</b>	<b>15,228</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	14,535	14,188	15,300	14,696	14,661	15,191	15,500
Resources received free of charge .....	12	16	16	16	16	16	16
Liabilities assumed by the Treasurer .....	84	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>14,631</b>	<b>14,204</b>	<b>15,316</b>	<b>14,712</b>	<b>14,677</b>	<b>15,207</b>	<b>15,516</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>482</b>	<b>48</b>	<b>(72)</b>	<b>145</b>	<b>129</b>	<b>238</b>	<b>288</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 97, 116 and 116 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	2,094	1,203	2,071	2,338	2,597	2,856	3,115
Restricted cash .....	25	-	25	25	25	25	25
Receivables .....	303	219	303	303	305	307	307
Amounts receivable for services.....	429	363	363	302	293	-	-
Prepayments .....	196	107	196	196	196	196	196
<b>Total current assets .....</b>	<b>3,047</b>	<b>1,892</b>	<b>2,958</b>	<b>3,164</b>	<b>3,416</b>	<b>3,384</b>	<b>3,643</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	17	-	150	434	434	1,007	1,350
Plant and equipment.....	617	714	510	314	359	334	310
Intangibles .....	62	-	62	62	62	62	62
Other.....	227	170	207	187	187	187	187
<b>Total non-current assets .....</b>	<b>923</b>	<b>884</b>	<b>929</b>	<b>997</b>	<b>1,042</b>	<b>1,590</b>	<b>1,909</b>
<b>TOTAL ASSETS.....</b>	<b>3,970</b>	<b>2,776</b>	<b>3,887</b>	<b>4,161</b>	<b>4,458</b>	<b>4,974</b>	<b>5,552</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	1,136	114	1,136	1,136	1,136	1,136	1,136
Provision for employee entitlements .....	1,308	1,236	1,308	1,308	1,308	1,326	1,326
Accrued salaries .....	110	44	99	120	143	143	164
Other.....	-	289	-	-	-	-	-
<b>Total current liabilities.....</b>	<b>2,554</b>	<b>1,683</b>	<b>2,543</b>	<b>2,564</b>	<b>2,587</b>	<b>2,605</b>	<b>2,626</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	332	387	332	332	332	337	337
<b>Total non-current liabilities .....</b>	<b>332</b>	<b>387</b>	<b>332</b>	<b>332</b>	<b>332</b>	<b>337</b>	<b>337</b>
<b>TOTAL LIABILITIES.....</b>	<b>2,886</b>	<b>2,070</b>	<b>2,875</b>	<b>2,896</b>	<b>2,919</b>	<b>2,942</b>	<b>2,963</b>
<b>EQUITY</b>							
Contributed equity .....	629	629	629	737	882	1,137	1,406
Accumulated surplus/(deficit) .....	455	77	383	528	657	895	1,183
<b>Total equity.....</b>	<b>1,084</b>	<b>706</b>	<b>1,012</b>	<b>1,265</b>	<b>1,539</b>	<b>2,032</b>	<b>2,589</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>3,970</b>	<b>2,776</b>	<b>3,887</b>	<b>4,161</b>	<b>4,458</b>	<b>4,974</b>	<b>5,552</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	14,089	13,842	14,804	14,110	14,368	14,618	14,957
Capital contribution .....	27	-	-	108	145	255	269
Holding account drawdowns .....	419	429	429	363	302	293	200
<b>Net cash provided by State government .....</b>	<b>14,535</b>	<b>14,271</b>	<b>15,233</b>	<b>14,581</b>	<b>14,815</b>	<b>15,166</b>	<b>15,426</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(6,723)	(7,176)	(7,326)	(7,559)	(7,785)	(7,973)	(8,153)
Superannuation .....	(664)	(783)	(798)	(799)	(813)	(822)	(843)
Supplies and services .....	(4,874)	(4,705)	(5,502)	(4,650)	(4,675)	(4,720)	(4,838)
Accommodation.....	(709)	(836)	(836)	(836)	(837)	(845)	(865)
Capital user charge <sup>(a)</sup> .....	-	(76)	(76)	-	-	-	-
Goods and services tax .....	(593)	(414)	(414)	(414)	(414)	(414)	(414)
Other.....	(8)	(17)	(17)	(17)	(17)	(17)	(17)
<b>Receipts</b>							
Goods and services tax .....	524	412	412	412	412	412	412
Other receipts .....	18	20	20	20	20	20	20
<b>Net cash from operating activities.....</b>	<b>(13,029)</b>	<b>(13,575)</b>	<b>(14,537)</b>	<b>(13,843)</b>	<b>(14,109)</b>	<b>(14,359)</b>	<b>(14,698)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(369)	(479)	(769)	(471)	(497)	(548)	(519)
Proceeds from sale of non-current assets .....	-	50	50	-	50	-	50
<b>Net cash from investing activities.....</b>	<b>(369)</b>	<b>(429)</b>	<b>(719)</b>	<b>(471)</b>	<b>(447)</b>	<b>(548)</b>	<b>(469)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,137</b>	<b>267</b>	<b>(23)</b>	<b>267</b>	<b>259</b>	<b>259</b>	<b>259</b>
Cash assets at the beginning of the reporting period .....	982	936	2,119	2,096	2,363	2,622	2,881
<b>Cash assets at the end of the reporting period.....</b>	<b>2,119</b>	<b>1,203</b>	<b>2,096</b>	<b>2,363</b>	<b>2,622</b>	<b>2,881</b>	<b>3,140</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

## RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	14,249	14,176	15,408	14,587	14,568	14,989	15,298
<i>Less Capital User Charge</i> .....	49	76	76	-	-	-	-
Adjusted Total Cost of Services .....	14,200	14,100	15,332	14,587	14,568	14,989	15,298
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	14,535	14,188	15,300	14,696	14,661	15,191	15,500
<i>Less Capital User Charge</i> .....	49	76	76	-	-	-	-
Adjusted net amount appropriated to deliver services.....	14,486	14,112	15,224	14,696	14,661	15,191	15,500

## SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Receipts paid into Consolidated Account.....	10,177	11,412	12,209	10,717	10,885	11,169	11,169
<b>TOTAL ADMINISTERED EXPENSES</b> <sup>(a)</sup> ..	10,177	11,412	12,209	10,717	10,885	11,169	11,169
<b>INCOME</b>							
User charges and fees.....	11,143	11,412	12,209	10,717	10,885	11,169	11,169
<b>TOTAL ADMINISTERED INCOME</b> <sup>(b)</sup> .....	11,143	11,412	12,209	10,717	10,885	11,169	11,169

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

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

## SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	147	107	147	147	147	147	147
Receivables .....	5,197	4,252	5,197	5,197	5,197	5,197	5,197
<b>Total Administered Current Assets .....</b>	<b>5,344</b>	<b>4,359</b>	<b>5,344</b>	<b>5,344</b>	<b>5,344</b>	<b>5,344</b>	<b>5,344</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>5,344</b>	<b>4,359</b>	<b>5,344</b>	<b>5,344</b>	<b>5,344</b>	<b>5,344</b>	<b>5,344</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Payables .....	145	126	145	145	145	145	145
<b>Total Administered Current Liabilities.....</b>	<b>145</b>	<b>126</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>
<b>TOTAL ADMINISTERED LIABILITIES..</b>	<b>145</b>	<b>126</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>



**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
OTHER STATE SERVICES Receipts Paid into Consolidated Account .....	10,177	11,412	12,209	10,717	10,885	11,169	11,169
<b>TOTAL</b>	<b>10,177</b>	<b>11,412</b>	<b>12,209</b>	<b>10,717</b>	<b>10,885</b>	<b>11,169</b>	<b>11,169</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
OTHER User Charges and Fees - Audit Fees.....	11,143	11,412	12,209	10,717	10,885	11,169	11,169
<b>TOTAL</b>	<b>11,143</b>	<b>11,412</b>	<b>12,209</b>	<b>10,717</b>	<b>10,885</b>	<b>11,169</b>	<b>11,169</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
GST Input Credits .....	521	110	110	110
GST Receipts on Sales.....	3	302	302	302
Other Revenue .....	18	20	20	20
<b>TOTAL .....</b>	<b>542</b>	<b>432</b>	<b>432</b>	<b>432</b>

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



## ECONOMIC REGULATION AUTHORITY

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT

#### DIVISION 10

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 40 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	6,635	5,148	5,263	<b>4,765</b>	5,080	5,059	5,194
Total appropriations provided to deliver services .....	6,635	5,148	5,263	<b>4,765</b>	5,080	5,059	5,194
<b>CAPITAL</b>							
<b>Capital Contribution</b> .....	141	-	-	-	-	-	-
<b>GRAND TOTAL</b> .....	6,776	5,148	5,263	<b>4,765</b>	5,080	5,059	5,194

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

*To promote economically efficient outcomes in Western Australia at the lowest practicable regulatory cost through efficient and effective independent regulation, independent advice to government and advancing the debate in economic regulation.*

#### SIGNIFICANT ISSUES AND TRENDS

- The principal Act under which the Authority operates, the *Economic Regulation Authority Act 2003*, is currently scheduled for review by a joint standing committee of both houses of Parliament.
- In accordance with Government's policy to achieve industry funding of the Authority's activities, the Authority is progressing a review of regulations to achieve industry funding to the extent practicable.
- The Ministerial Council on Energy is nearing completion of amendments to the national gas access law, which will see changes to the national gas access code and associated legislation. The outcome of these changes will increase the Authority's workload, including in relation to public consultation.
- The Council of Australian Governments is considering a proposal for the development of a national rail access regime. As part of this process, a committee of State representatives has been formed to consider the development of a national rail access code. The Authority advises representatives from the Department of Treasury and Finance, the Department of Planning and Infrastructure and the Office of the Premier in these negotiations. The outcomes of this review could result in changes to the Western Australian rail access regime and impact upon the Authority's economic regulatory responsibilities for rail infrastructure.
- The possible development of new iron ore mines in the Mid-West in the next few years is likely to impact on the rail access regime administered by the Authority. Such developments may require the construction of dedicated rail lines to transport large tonnages of iron ore, with such lines likely to be open access lines regulated by the Authority.
- The Western Australian Government is assessing the prospect of having the BHP Billiton and Rio Tinto rail lines in the Pilbara covered under a third party haulage regime to enable other mining companies to utilise the rail lines. If this is approved, the Authority will be responsible for regulating access to these rail facilities.

- Fortescue Metals Group is considering a new rail line in the Pilbara as part of its iron ore mine development project. Under the existing State Agreement, this will be an open access rail line regulated by the Authority.
- On 2 March 2007, the Authority issued its final decision on Western Power's proposed Access Arrangement for the South West Interconnected Network. Following receipt of Western Power's amended proposed Access Arrangement addressing issues raised in the final decision, the Authority anticipates issuing by 26 April 2007 its further final decision approving the amended Access Arrangement. The approval of Western Power's amended proposed Access Arrangement will mark the commencement of a formal regulation of access to the South West Interconnected Network and will be the beginning of several new functions for the Authority.
- The Western Australian Wholesale Electricity Market commenced operation on 21 September 2006. This has impacted on the Authority's workload, as the Authority has acquired responsibility for a number of functions in relation to that market.
- The Western Australian Government became a signatory to the National Water Agreement in April 2006. The Agreement requires signatories to report independently, publicly, and on an annual basis, benchmarking of pricing and service quality for water service providers. The Authority is a member of the National Roundtable, which is establishing industry performance indicators, and will be responsible for the collection and auditing of data from Western Australian licensees.
- The National Water Agreement requires State and Territory Governments to use an independent body to publicly review or set water prices. The Western Australian Government has subsequently appointed the Authority to review the Water Corporation's tariffs on an annual basis. The Authority will also undertake a more comprehensive review of the Water Corporation's tariffs once every three years.
- In December 2006 the Treasurer approved the Authority's forward work program for its inquiry function. The forward work program indicates a significant workload for the Authority in this area.
- The Authority has acquired responsibility for the issuing of water and electricity licences in the Christmas and Cocos Islands under a Service Delivery Arrangement signed between the State and Commonwealth Governments. The Authority is currently awaiting licence applications from the Commonwealth Department of Territories and Regional Services.

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Submissions to the Authority's Governing Body .....	7,398	6,812	6,863	6,264			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	7,398	6,812	6,863	6,264	6,969	6,957	7,101
<i>Less Income</i> .....	1,618	1,693	1,693	1,503	1,893	1,905	1,979
<b>Net Cost of Services</b> <sup>(a)</sup> .....	5,780	5,119	5,170	4,761	5,076	5,052	5,122
Adjustments <sup>(b)</sup> .....	855	29	93	4	4	7	72
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	6,635	5,148	5,263	4,765	5,080	5,059	5,194
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	141	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	6,776	5,148	5,263	4,765	5,080	5,059	5,194

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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	Service
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	The efficient, safe and equitable provision of utility services in Western Australia.	1. Submissions to the Authority's Governing Body

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The efficient, safe and equitable provision of utility services in Western Australia.</b>					
Number of submissions made to the Authority's Governing Body .....	221	150	203	210	
Rating by the Authority's Governing Body as to the content, accuracy and presentation of these submissions <sup>(b)</sup> .....	4.0	4.0	4.2	4.0	
Number (percentage) of submissions provided by the required deadline.....	57.1%	85%	95%	85%	
Rating by the Authority's Governing Body as to their perception of the timeliness of submissions <sup>(b)</sup> .....	3.9	4.2	3.9	4.2	

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

(b) Performance is rated as follows by the Governing Body: 1 = Well below expectations. 2 = Below expectations. 3 = Satisfactory. 4 = Above expectations. 5 = Well above expectations.

**Service 1: Submissions to the Authority's Governing Body**

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	7,398	6,812	6,863	6,264	
Less Income.....	1,618	1,693	1,693	1,503	
Net Cost of Service <sup>(a)</sup> .....	5,780	5,119	5,170	4,761	
Adjustments <sup>(b)</sup> .....	855	29	93	4	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,635</b>	<b>5,148</b>	<b>5,263</b>	<b>4,765</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost per submission made to the Authority's Governing Body.....	\$34,144	\$46,087	\$34,305	\$29,828	
<b>Full Time Equivalents (FTEs)</b>	30	38	38	41	

**Major Achievements For 2006-07**

- One of the Authority's principal functions is to regulate third party access to natural monopoly assets such as natural gas pipelines, electricity transmission and distribution networks and railway lines. This involves the assessment of Access Arrangements (namely terms and conditions of access, including tariffs) proposed by the owners of regulated assets. The following major achievements were accomplished in the area of third party access to industry infrastructure:
  - the final decision on the revised proposed Access Arrangement for Western Power's South West Interconnected Network was issued on 2 March 2006. The final decision of the Authority was to not approve the revised proposed Access Arrangement. An approved Access Arrangement is expected to be published by 26 April 2007;
  - approved Technical Rules for Western Power's South West Interconnected Network are expected to be published by 26 April 2007;
  - information sessions to inform interested parties of the Access Arrangement and Technical Rules approved by the Authority for Western Power's South West Interconnected Network are scheduled for the fourth quarter of the 2006-07 financial year;
  - a review of capacity rights, capital contributions and headworks charges was undertaken in January 2007 to inform the final decision on Western Power's revised proposed Access Arrangement;
  - Western Power's proposed criteria to deal with the communication links required by metering installations so as to enable meters to be read from a remote location via a telecommunication network was approved on 11 September 2006;
  - Western Power's proposed Metrology Procedures which set out network operators' obligations with regard to meters, metering installations and the provision of energy data were approved on 15 September 2006;
  - Regulatory Test Guidelines for the assessment of major augmentations to electricity networks under the Electricity Networks Access Code 2004 will be published by 30 June 2007;
  - an audit of ring fencing obligations on the owner of the Dampier to Bunbury Natural Gas Pipeline under the National Third Party Access Code for Natural Gas Pipeline Systems verified that these obligations have been met;
  - the 2005-06 annual report on the key performance indicators for WestNet Rail and the Public Transport Authority were completed and released in February 2007;
  - the determination of the Weighted Average Cost of Capital for the 2007-08 financial year for the urban passenger and freight railway infrastructure will be completed by June 2007; and
  - the review of floor and ceiling costs for the Kwinana to Bunbury, Midland to Kalgoorlie, Kalgoorlie to Esperance and Kalgoorlie to Leonora rail lines will be completed by May 2007.
- The Authority has several functions relating to the Western Australian Wholesale Electricity Market, including the monitoring of the effectiveness of the market, the determination of the allowable revenue for the Independent Market Operator and Western Power's System Management, as well as the approval of price limits for reserve capacity and energy annually. The Authority also has a role in investigating market behaviour where it considers that the behaviour has resulted in the market not functioning effectively. In addition, the Authority reports to the relevant Minister at least annually on the effectiveness of the market. The following major achievements were accomplished in this area:
  - the allowable revenue for the period 1 July 2007 to 30 June 2010 for the Independent Market Operator was approved on 31 March 2007;
  - the allowable revenue for the period 1 July 2007 to 30 June 2010 for Western Power's System Management was approved on 31 March 2007;
  - a short run marginal cost model was developed in cooperation with the Independent Market Operator. The model is necessary to verify short run marginal cost of generators in the Western Australian Wholesale Electricity Market; and
  - the reserve capacity price of \$142,200/MW recommended by the Independent Market Operator for 2009-10 was approved on 30 January 2007.

- A function of the Authority is to administer the licensing regimes for each of the electricity, gas and water industries and monitor compliance in the rail industry. The Authority is also responsible for safeguarding the interests of small use customers in the electricity and gas transmission and distribution industries. The following major achievements were accomplished in the areas of licensing, monitoring and customer protection:
  - a review of gas trading and distribution licences will be completed by 30 June 2007;
  - standard licences for electricity generation, transmission, distribution, retail and integrated regional licences were developed;
  - licence application guidelines for the three regulated utility industries were developed and published in January 2007;
  - 15 gas, electricity and water licence applications will be assessed by 30 June 2007;
  - 17 licence audit and asset management reviews will be undertaken for the period ending 30 June 2007;
  - a performance reporting manual was developed for the electricity industry;
  - a standard audit scope for water, gas and electricity licensing schemes was developed;
  - financial guidelines for asset management plans were developed and published;
  - a guideline for the review of customer charters across the water, gas and electricity industries was developed and published;
  - the review of the *Gas Marketing Code of Conduct 2004* was completed in March 2007; and
  - significant progress was made on the review of the Code of Conduct for the Supply of Electricity to Small Use Customers.
- The Authority has a function to undertake inquiries referred to it by Government. The following major achievements were accomplished in the area of references:
  - the final report on the Annual Inquiry on the Water Corporation's Tariffs is expected to be provided to the Treasurer by April 2007. The final report presents the Authority's recommendations on the most appropriate level of tariffs for the Water Corporation's customers;
  - the final report on the Inquiry on Harvey Water Bulk Water Pricing is scheduled to be delivered to the Western Australian Government by 30 March 2007. The final report presents the Authority's recommendations on the level and structure of the Water Corporation's water storage charges to the South West Irrigation Cooperative (Harvey Water); and
  - significant progress has been made toward completing the final report on the Inquiry on School Bus Operators' Charter Bus Operations. The final report is scheduled to be delivered to the Treasurer by 31 May 2007 and subsequently tabled in Parliament.
- The following achievements were also accomplished in the area of finance and administration:
  - a revised corporate structure was established to facilitate a more efficient operation;
  - a new internet website was developed to facilitate access to information by interested parties. The web site became operational in April 2007. An intranet for staff has also been created and became operational in February 2007;
  - a new Document Management System is scheduled to be implemented by 30 June 2007;
  - the consolidation and review of a number of administrative policies and procedures were undertaken including the Authority's Code of Conduct and Human Resource Management Standards;
  - financial reporting of the Authority's activities (excluding payroll services) were transferred to the Office of Shared Services commencing 21 December 2006; and
  - a new performance management system to be fully operational by 30 June 2007 has been introduced for application across the Authority.
- The Authority chaired the following committees:
  - the Authority's Consumer Consultative Committee, which was established by the Authority in 2005 to facilitate the exchange of information between the Authority and consumers on matters of relevance to the Authority's functions;
  - the Electricity Code Consultative Committee, which was established by the Authority to review the Code of Conduct for the Supply of Electricity to Small Use Customers; and
  - the Gas Marketing Code Consultative Committee, which was established by the Authority to review the Gas Marketing Code of Conduct 2004.
- The Authority provided administrative support to the Western Australian Gas Disputes Arbitrator.

**Major Initiatives For 2007-08**

- Major initiatives in the area of third party access to electricity infrastructure include the:
  - assessment of applications from Western Power for pre-approval of new facilities investment. This will involve determining whether proposed augmentations will pass the new facilities investment test as to whether the investment should be rolled into the capital base for the purpose of determining tariff revenue. The assessment process includes public consultation and the Authority is required to publish its determination;
  - assessment of major augmentation proposals (transmission projects exceeding \$15.0 million or distribution projects exceeding \$5.0 million) submitted by Western Power to determine whether the proposed augmentation maximises the net benefit to those who generate, transport and consume electricity in the network or interconnected system after considering alternative options. The assessment process includes public consultation and the Authority is required to publish its determination;
  - development of New Facilities Investment Test Guidelines to assist the Authority to effectively apply a test which prescribes the circumstances in which new facilities investment may be added to the capital base. These circumstances include a requirement that the investment is prudent in an economic sense;
  - preparation for the review of Western Power's Access Arrangement for its network in the South West Interconnected System. This includes preparation of guidelines to assist the service provider when preparing proposed Access Arrangement documentation. The process will also include consultation with relevant stakeholders;
  - monitoring of Western Power's actual service standards performance against the service standard benchmarks in its approved Access Arrangement, to ensure compliance as required under the Electricity Networks Access Code 2004. This will include the development of the criteria required to be addressed and the format for the service standard performance report;
  - development of an arbitration process for disputes which may arise between electricity network operators and retailers under the Electricity Industry Metering Code 2005 and the Electricity Industry Customer Transfer Code 2004;
  - approval of Western Power's price list (a schedule of reference tariffs) for 2008-09 which will reflect the network tariff increases which third party users will pay; and
  - development of Regulatory Accounting Guidelines for Western Power.
- Major initiatives in the area of third party access to gas infrastructure include the:
  - evaluation and implementation of new gas pipeline access legislation to be introduced on 1 July 2007;
  - assessment of the associate contract of Alinta Gas Networks Pty Ltd with Alinta Retail Pty Ltd as required under the National Third Party Access Code for Natural Gas Pipeline Systems;
  - development and issuing of guidelines to service providers in relation to data collection and submission for the assessment of proposed Access Arrangements for the Kalgoorlie to Kambalda Pipeline, the Alinta Gas Networks Distribution System, the Goldfields Gas Pipeline and the Dampier to Bunbury Natural Gas Pipeline;
  - issuing of a discussion paper on the system wide benefits test as outlined in section 8.16(a)(ii)(B) of the National Third Party Access Code for Natural Gas Pipeline Systems to aid both the Authority and the Australian Energy Regulator to better understand the operation of the test;
  - verification of ring fencing requirements being adhered to for the Dampier to Bunbury Natural Gas Pipeline under the National Third Party Access Code for Natural Gas Pipeline Systems;
  - assessment of the impact of national gas market reforms on the operation of the Retail Energy Market Company; and
  - monitoring of compliance of market participants to the Retail Energy Market Company Retail Market Scheme.
- Major initiatives in the area of third party access to rail infrastructure include the:
  - planning for the inclusion of Fortescue Metals Group's Pilbara rail line, currently under construction, into the rail access regime framework, as regulated by the Authority;
  - review of the Weighted Average Cost of Capital methodology and parameters under the Railways (Access) Code 2000;
  - annual determination of the Weighted Average Cost of Capital for the urban passenger and freight railway infrastructure;
  - comprehensive review of the monitoring arrangements in place under the rail access regime;
  - monitoring of compliance with the rail access regime by WestNet Rail and the Public Transport Authority;
  - provision of advice to the Department for Planning and Infrastructure and the Department of Treasury and Finance on the Council of Australian Governments' proposal for the development of a national rail access regime;
  - completion of the review of WestNet Rail's floor and ceiling costs for the Mullewa line; and
  - review of the Public Transport Authority's floor and ceiling costs for the urban passenger rail network.

- Major initiatives in relation to the Western Australian Wholesale Electricity Market include the:
  - ongoing monitoring of, and reporting on, the operation of the Wholesale Electricity Market which will include working with the Independent Market Operator to develop more effective surveillance systems;
  - preparation of a report to the relevant Minister regarding the effectiveness of the market which will include recommending measures to increase the effectiveness of the market in meeting the Wholesale Market Objectives. The Authority will consult with market participants and other stakeholders to develop recommendations to improve the effectiveness of the Wholesale Electricity Market. An integral part of this initiative will be the review of the effectiveness of the Independent Market Operator and System Management in carrying out their functions in the market;
  - survey of market participants to assist with the Authority's evaluation of the Wholesale Electricity Market in meeting the market objectives. This survey will include a study on the effectiveness of the market rule change process and procedure change process;
  - assessment and approval of the maximum reserve capacity price for 2010-11; and
  - assessment and approval of the proposed energy price limits.
  
- Major initiatives in the licensing, monitoring and customer protection area include the:
  - development of a post audit compliance monitoring program to investigate the proposed actions of licensees, following audits and asset management reviews;
  - development of an incident reporting monitoring program to standardise incident reporting across the regulated utility industries;
  - development of a compliance policy to outline the enforcement procedures to be used when licensees fail to comply with licence requirements;
  - organisation of a series of regulatory managers forums to foster opportunities for regulatory managers from licensed entities to share information;
  - organisation of the Authority's Consumer Consultative Committee's seminar for licensees and other key stakeholders regarding key customer protection issues;
  - completion of the review of the Code of Conduct for the Supply of Electricity to Small Use Customers;
  - review and publication of the Guide to the Code of Conduct for the Supply of Electricity to Small Use Customers;
  - development of consumer education material and a consumer web portal on the Authority's web site;
  - development of a Gas Customer Code parallel to the Code of Conduct for the Supply of Electricity to Small Use Customers; and
  - further development of the Authority's licensing database to manage all licences and monitor all licence holders in the utilities sector.
  
- Major initiatives in the references and research area include:
  - the annual review of the Water Corporation's tariff proposals in early 2008;
  - a series of other economic inquiries in accordance with the forward work program of inquiries that has been approved by the Treasurer. It is understood that three significant inquiries on the forward work program will be undertaken in the financial year ending 30 June 2008;
  - a research paper on best practice economic regulation, to ensure that the Authority's statutory functions are implemented in a way that reflects best practice, consistent with the long term interests of consumers;
  - a series of other research papers are planned to support the Authority's functions, particularly in the areas of wholesale electricity market monitoring and rail access;
  - the further and urgent development of the Authority's capacity to perform its financial modelling requirements; and
  - the ongoing use of the Authority's operational experience in regulation to further the debate on economic regulation nationally.
  
- Major initiatives in the finance and administration area include the:
  - development of management reports to suit the Authority's project management environment following the transition to the Office of Shared Services;
  - undertaking of training programs for staff following the implementation of an electronic document management system at the end of 2006-07;
  - development and implementation of accounting processes for full cost recovery, to the extent that full cost recovery is practicable;
  - review of the Authority's Risk Register;
  - external quality assurance assessment of the human resources, financial and administrative policies and procedures that have been developed by the Secretariat; and
  - undertaking of a review of the Authority's panel contract arrangement requirements and recall tenders for relevant services.



- Major initiatives in the area of strategic planning include the:
  - three year review of the Authority’s corporate and strategic plans;
  - review of the Governing Body’s governance systems including the Governance Manual, Delegations Manual and related policies; and
  - review of the Authority’s key performance indicators.

### CAPITAL WORKS PROGRAM

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Computer Hardware and Software Replacement – 2006-07 Program .....	35	35	35	-
Office Equipment Replacement.....	5	5	5	-
<b>NEW WORKS</b>				
Computer Hardware and Software Replacement – 2007-08 Program .....	71	-	-	71
	111	40	40	71

### CAPITAL CONTRIBUTION

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	171	40	40	71	81	46	127
	171	40	40	71	81	46	127
<b>LESS</b>							
Drawdowns from the Holding Account .....	19	28	28	59	69	34	115
Internal Funds and Balances.....	11	12	12	12	12	12	12
<b>Capital Contribution .....</b>	141	-	-	-	-	-	-

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	2,753	3,726	3,772	3,905	4,057	4,179	4,304
Superannuation .....	245	333	338	350	360	371	382
Consultancies expense .....	2,005	1,065	1,065	504	481	361	372
Supplies and services .....	1,723	721	721	502	998	1,003	1,024
Accommodation .....	371	362	362	373	384	384	391
Capital user charge <sup>(b)</sup> .....	98	101	101	-	-	-	-
Depreciation and amortisation .....	129	105	105	108	111	111	80
Other expenses .....	172	500	500	522	578	548	548
<b>TOTAL COST OF SERVICES</b> .....	<b>7,496</b>	<b>6,913</b>	<b>6,964</b>	<b>6,264</b>	<b>6,969</b>	<b>6,957</b>	<b>7,101</b>
<b>Income</b>							
User charges and fees .....	1,532	1,590	1,590	1,400	1,790	1,802	1,856
Interest revenue .....	65	36	36	36	36	36	36
Other revenue .....	21	67	67	67	67	67	87
<b>Total Income</b> .....	<b>1,618</b>	<b>1,693</b>	<b>1,693</b>	<b>1,503</b>	<b>1,893</b>	<b>1,905</b>	<b>1,979</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>5,878</b>	<b>5,220</b>	<b>5,271</b>	<b>4,761</b>	<b>5,076</b>	<b>5,052</b>	<b>5,122</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	6,733	5,249	5,364	4,765	5,080	5,059	5,194
Resources received free of charge .....	1	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>6,734</b>	<b>5,249</b>	<b>5,364</b>	<b>4,765</b>	<b>5,080</b>	<b>5,059</b>	<b>5,194</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>856</b>	<b>29</b>	<b>93</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>72</b>
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>856</b>	<b>29</b>	<b>93</b>	<b>4</b>	<b>4</b>	<b>7</b>	<b>72</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Budget Estimate are 30, 38 and 41 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	2,072	1,089	2,022	2,044	2,081	2,091	2,250
Restricted cash .....	11	-	11	11	11	11	11
Receivables .....	478	983	557	554	553	552	551
Amounts receivable for services.....	-	59	59	97	90	199	112
Prepayments.....	19	8	19	19	19	19	19
<b>Total current assets .....</b>	<b>2,580</b>	<b>2,139</b>	<b>2,668</b>	<b>2,725</b>	<b>2,754</b>	<b>2,872</b>	<b>2,943</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	102	108	108	107	144	100	72
Plant and equipment.....	193	129	153	116	32	(44)	(46)
Other.....	469	536	444	444	498	509	558
<b>Total non-current assets .....</b>	<b>764</b>	<b>773</b>	<b>705</b>	<b>667</b>	<b>674</b>	<b>565</b>	<b>584</b>
<b>TOTAL ASSETS.....</b>	<b>3,344</b>	<b>2,912</b>	<b>3,373</b>	<b>3,392</b>	<b>3,428</b>	<b>3,437</b>	<b>3,527</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	87	574	87	102	132	132	132
Provision for employee entitlements .....	551	354	551	551	551	551	567
Accrued salaries .....	54	36	40	40	42	44	46
Other.....	21	-	21	21	21	21	21
<b>Total current liabilities.....</b>	<b>713</b>	<b>964</b>	<b>699</b>	<b>714</b>	<b>746</b>	<b>748</b>	<b>766</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	151	249	151	151	151	151	151
Other.....	1	-	1	1	1	1	1
<b>Total non-current liabilities .....</b>	<b>152</b>	<b>249</b>	<b>152</b>	<b>152</b>	<b>152</b>	<b>152</b>	<b>152</b>
<b>TOTAL LIABILITIES.....</b>	<b>865</b>	<b>1,213</b>	<b>851</b>	<b>866</b>	<b>898</b>	<b>900</b>	<b>918</b>
<b>EQUITY</b>							
Contributed equity .....	773	773	773	773	773	773	773
Accumulated surplus/(deficit) .....	1,706	926	1,749	1,753	1,757	1,764	1,836
<b>Total equity.....</b>	<b>2,479</b>	<b>1,699</b>	<b>2,522</b>	<b>2,526</b>	<b>2,530</b>	<b>2,537</b>	<b>2,609</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>3,344</b>	<b>2,912</b>	<b>3,373</b>	<b>3,392</b>	<b>3,428</b>	<b>3,437</b>	<b>3,527</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	6,643	5,156	5,221	4,669	4,981	4,960	5,194
Holding account drawdowns .....	19	28	28	59	69	34	115
Equity contribution receipts.....	141	-	-	-	-	-	-
<b>Net cash provided by State government .....</b>	<b>6,803</b>	<b>5,184</b>	<b>5,249</b>	<b>4,728</b>	<b>5,050</b>	<b>4,994</b>	<b>5,309</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(2,615)	(3,724)	(3,784)	(3,903)	(4,055)	(4,177)	(4,286)
Superannuation .....	(250)	(332)	(337)	(349)	(359)	(370)	(382)
Consultancies payments.....	(2,169)	(1,065)	(1,065)	(504)	(481)	(361)	(372)
Supplies and services .....	(1,916)	(818)	(818)	(519)	(1,015)	(1,020)	(1,024)
Accommodation.....	(390)	(362)	(362)	(373)	(384)	(384)	(391)
Capital user charge <sup>(a)</sup> .....	(98)	(101)	(101)	-	-	-	-
Goods and services tax .....	(505)	(254)	(254)	(252)	(252)	(252)	(252)
Other.....	(196)	(484)	(484)	(491)	(532)	(532)	(548)
<b>Receipts</b>							
User charges and fees.....	1,758	1,284	1,284	1,284	1,284	1,296	1,356
Regulatory fees and fines.....	-	300	300	110	500	500	500
Interest received.....	60	37	37	37	37	37	36
Goods and services tax .....	591	253	253	253	253	253	253
Other receipts .....	21	72	72	72	72	72	87
<b>Net cash from operating activities.....</b>	<b>(5,709)</b>	<b>(5,194)</b>	<b>(5,259)</b>	<b>(4,635)</b>	<b>(4,932)</b>	<b>(4,938)</b>	<b>(5,023)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(173)	(40)	(40)	(71)	(81)	(46)	(127)
<b>Net cash from investing activities.....</b>	<b>(173)</b>	<b>(40)</b>	<b>(40)</b>	<b>(71)</b>	<b>(81)</b>	<b>(46)</b>	<b>(127)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
Cash assets at the beginning of the reporting period .....	1,162	1,139	2,083	2,033	2,055	2,092	2,102
<b>Cash assets at the end of the reporting period.....</b>	<b>2,083</b>	<b>1,089</b>	<b>2,033</b>	<b>2,055</b>	<b>2,092</b>	<b>2,102</b>	<b>2,261</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	7,496	6,913	6,964	6,264	6,969	6,957	7,101
<i>Less Capital User Charge</i> .....	98	101	101	-	-	-	-
Adjusted Total Cost of Services .....	7,398	6,812	6,863	6,264	6,969	6,957	7,101
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	6,733	5,249	5,364	4,765	5,080	5,059	5,194
<i>Less Capital User Charge</i> .....	98	101	101	-	-	-	-
Adjusted net amount appropriated to deliver services.....	6,635	5,148	5,263	4,765	5,080	5,059	5,194

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Authority:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Recoups from industry.....	1,758	1,584	1,584	1,394
Goods and Services Tax .....	591	253	253	253
Revenue from the Executive Vehicle Scheme .....	12	13	24	25
Other revenue.....	69	96	85	84
<b>TOTAL .....</b>	<b>2,430</b>	<b>1,946</b>	<b>1,946</b>	<b>1,756</b>

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





## STATE SUPPLY COMMISSION

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT

#### DIVISION 11

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 41 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	1,535	1,613	1,634	<b>1,670</b>	1,709	1,735	1,781
Total appropriations provided to deliver services.....	1,535	1,613	1,634	<b>1,670</b>	1,709	1,735	1,781
<b>CAPITAL</b>							
<b>Capital Contribution</b> .....	42	-	-	-	-	-	-
<b>GRAND TOTAL</b> .....	1,577	1,613	1,634	<b>1,670</b>	1,709	1,735	1,781

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- The Government spent approximately \$9.2 billion on goods and services, construction and related services in 2005-06.
- The Commission is undergoing a restructure to ensure resources are being directed to areas of greatest priority, specifically policy development and agency procurement reviews, in achieving the aim of integrity in public sector procurement.
- The Commission expects to undertake more than 30 agency procurement reviews and investigations in 2007-08.
- Results from procurement reviews and investigations undertaken in 2006-07 show that, amongst other things, agencies need to be more aware of and place greater emphasis on compliance with the Commission's supply policies.
- State Fleet's financial performance delivers returns to the Government through the implementation of an improved leasing model.



**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Administration of Goods and Services Procurement Policies for Public Authorities .	1,936	1,622	1,677	1,709			
<i>Service 2:</i>							
Management of the Funding and Leasing of the State's Vehicle Fleet.....	60,798	60,518	72,441	74,774			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	62,734	62,140	74,118	76,483	79,115	81,736	84,487
<i>Less Income</i> .....	67,944	66,947	75,787	80,257	84,999	90,028	95,364
<b>Net Cost of Services</b> <sup>(a)</sup> .....	(5,210)	(4,807)	(1,669)	(3,774)	(5,884)	(8,292)	(10,877)
Adjustments <sup>(b)</sup> .....	6,745	6,420	3,303	5,444	4,175	6,557	9,096
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	1,535	1,613	1,634	1,670	1,709	1,735	1,781
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	42	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,577	1,613	1,634	1,670	1,709	1,735	1,781

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	All public authorities use the Commission procurement and disposal processes.	1. Administration of Goods and Services Procurement Policies for Public Authorities
	Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.	2. Management of the Funding and Leasing of the State's Vehicle Fleet

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: All public authorities use State Supply Commission procurement and disposal processes.</b>					
All public authorities use the Commission procurement and disposal processes.....	96%	96%	85%	90%	
<b>Outcome: Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.</b>					
Extent to which State fleet operations are economically sustainable (surplus in \$,000)....	6,849	6,426	3,344	5,480	

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,936	1,622	1,677	1,709	
Less Income.....	297	3	3	3	
Net Cost of Service <sup>(a)</sup> .....	1,639	1,619	1,674	1,706	
Adjustments <sup>(b)</sup> .....	(104)	(6)	(40)	(36)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,535</b>	<b>1,613</b>	<b>1,634</b>	<b>1,670</b>	

(a) Following the enactment of the *Financial Management Act*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Public Authorities' satisfaction with the Commission's timeliness in responding to their requests <sup>(a)</sup> .....	80%	80%	85%	90%	
<b>Full Time Equivalents (FTEs)</b>	13	13	13	13	

(a) Public Authority defined in Section 3 of the *State Supply Commission Act 1991* is defined as a department of the Public Service established or deemed to have been established under the *Public Services Management Act 1994*, and an agency, authority or instrumentality of the Crown in right of State.

**Major Achievements For 2006-07**

- Gazettal and implementation of the Commission's revised supply policies, including delivery of awareness sessions across agencies.
- Commenced a restructure to direct resources to areas of greatest priority, specifically policy development and agency procurement reviews.
- The development and implementation of a new procurement review program, enabling a comprehensive assessment of agencies in order to improve their procurement practices and compliance with the Commission's supply policies, which ensure integrity in procurement.
- Provided executive support to the State Tenders Committee, which ensured that the Commission considered the 114 procurement plans and 152 tender submissions received from agencies in a timely manner.
- Considered, in a timely manner, 298 public authorities requests for exemption from supply policy.
- For a more appropriate function location, transferred Who Buys What and Buy Local reporting, and the approval of public benevolent institutions' access to Common Use Contracting Arrangements to the DTF.

**Major Initiatives For 2007-08**

- Develop a program of working with agencies to ensure that the Commission's supply policies remain relevant and understood, and to guide ongoing policy reviews.
- Continue to monitor the development of Free Trade Agreement government procurement chapters in order to develop appropriate policy responses.
- Undertake procurement reviews to determine the integrity of agencies' procurement processes and to increase awareness of the Commission's supply policies.
- Report on information from procurement reviews that identify opportunities for policy and process improvements and procurement trends.
- Continue to provide executive support to the State Tenders Committee, to ensure that submissions received are considered in an appropriate and timely manner.

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

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

	2005-06 Actual <sup>(c)</sup> \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	60,798	60,518	72,441	74,774	
Less Income.....	67,647	66,944	75,784	80,254	
Net Cost of Service <sup>(a)</sup> .....	(6,849)	(6,426)	(3,343)	(5,480)	
Adjustments <sup>(b)</sup> .....	6,849	6,426	3,343	5,480	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	-	-	-	-	

- (a) Following the enactment of the *Financial Management Act*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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) In compliance with IFRS the 2005-06 budget estimate, revenues and expenses arising from the sale of vehicles are reported on a net basis. On a gross basis the 2005-06 target revenue is \$140.4 million and the expenditure \$138.5 million.

**Key Efficiency Indicators**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of leased vehicle <sup>(a)</sup> .....	\$6,259	\$6,304	\$6,927	\$7,151	
<b>Full Time Equivalents (FTEs)</b>	5	8	4	8	

- (a) The 2005-06 target estimated average cost of a leased vehicle is reported on a net basis. On a gross basis, the 2005-06 target estimated average cost of a leased vehicle is \$15,054.

**Major Achievements For 2006-07**

- The establishment of a new Vehicle Acquisition Contract and a Carbon Offset Panel Contract.

**Major Initiatives For 2007-08**

- The restructure of the outsourced vehicle facility management arrangement and further streamlining of State Fleet operations to reduce administration costs.

**CAPITAL WORKS PROGRAM**

State Fleet will continue with the ongoing vehicle purchase in accordance with its client's needs.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
State Fleet - Vehicle Acquisition - 2006-07 Program .....	144,223	144,223	144,223	-
<b>NEW WORKS</b>				
Office Equipment - 2007-08 Program .....	18	-	-	18
State Fleet - Vehicle Acquisition - 2007-08 Program .....	146,789	-	-	146,789
	291,030	144,223	144,223	146,807

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	144,301	121,907	144,223	146,807	149,460	152,066	154,795
	144,301	121,907	144,223	146,807	149,460	152,066	154,795
<b>LESS</b>							
Drawdowns from the Holding Account	10	-	-	18	57	-	16
Asset Sales	76,059	75,467	87,300	85,388	85,059	84,635	84,108
Internal Funds and Balances	68,190	46,440	56,923	61,401	64,344	67,431	70,671
<b>Capital Contribution .....</b>	42	-	-	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	1,045	954	1,069	1,090	1,115	1,120	1,206
Superannuation .....	78	93	99	99	100	100	105
Consultancies expense .....	72	69	69	69	70	70	80
Supplies and services .....	2,339	1,623	1,589	1,392	1,394	1,394	1,370
Accommodation .....	135	135	139	139	139	139	143
Finance Costs .....	12,309	11,800	15,600	15,405	15,094	14,658	14186
Capital user charge <sup>(b)</sup> .....	27	29	29	-	-	-	-
Depreciation and amortisation .....	44,655	45,107	5,5035	57,760	60,660	63,691	66,875
Loss on disposal of non-current assets .....	1,685	2,213					
Other expenses .....	416	146	518	529	543	564	522
<b>TOTAL COST OF SERVICES</b> .....	<b>62,761</b>	<b>62,169</b>	<b>74,147</b>	<b>76,483</b>	<b>79,115</b>	<b>81,736</b>	<b>84,487</b>
<b>Income</b>							
User charges and fees .....	67,439	66,607	75,044	79,514	84,256	89,285	94,621
Interest revenue .....	383	300	300	300	300	300	300
Other revenue .....	122	40	443	443	443	443	443
<b>Total Income</b> .....	<b>67,944</b>	<b>66,947</b>	<b>75,787</b>	<b>80,257</b>	<b>84,999</b>	<b>90,028</b>	<b>95,364</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>-5,183</b>	<b>-4,778</b>	<b>-1,640</b>	<b>-3,774</b>	<b>-5,884</b>	<b>-8,292</b>	<b>-10,877</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	1,562	1,642	1,663	1,670	1,709	1,735	1,781
Resources received free of charge .....	48	6	48	48	50	51	45
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>1,610</b>	<b>1,648</b>	<b>1,711</b>	<b>1,718</b>	<b>1,759</b>	<b>1,786</b>	<b>1,826</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>-6,793</b>	<b>-6,426</b>	<b>-3,351</b>	<b>-5,492</b>	<b>-7,643</b>	<b>-10,078</b>	<b>-12,703</b>
<b>SURPLUS (DEFICIENCY) FOR THE PERIOD</b> .....	<b>6,793</b>	<b>6,426</b>	<b>3,351</b>	<b>5,492</b>	<b>7,643</b>	<b>10,078</b>	<b>12,703</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 18, 17 and 21 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	10,111	8,577	10,106	10,101	10,101	10,101	10,101
Receivables .....	4,009	3,291	2,789	2,789	2,764	2,764	2,764
Interest receivable .....	90	26	26	26	26	26	26
GST receivable.....					25	25	25
Amounts receivable for services.....	42	18	60	68	2	18	2
Prepayments .....	16	24	21	26	26	26	26
<b>Total current assets .....</b>	<b>14,268</b>	<b>11,936</b>	<b>13,002</b>	<b>13,010</b>	<b>12,944</b>	<b>12,960</b>	<b>12,944</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	-	46	4	-	31	37	59
Intangible assets.....	14						
Plant and equipment.....	240,212	218,853	243,421	247,080	250,839	254,601	258,413
<b>Total non-current assets.....</b>	<b>240,226</b>	<b>218,899</b>	<b>243,425</b>	<b>247,080</b>	<b>250,870</b>	<b>254,638</b>	<b>258,472</b>
<b>TOTAL ASSETS.....</b>	<b>254,494</b>	<b>230,835</b>	<b>256,427</b>	<b>260,090</b>	<b>263,814</b>	<b>267,598</b>	<b>271,416</b>
<b>CURRENT LIABILITIES</b>							
Interest Payable.....	436	527	436	436	436	436	436
Borrowings.....	82,833	88,874	100,199	99,376	97,604	94,762	90,764
Payables <sup>(a)</sup> .....	1,362	1,849	1,387	1,315	1,333	1,355	1,355
Other.....	2,918	2,583	2,918	2,990	2,990	2,990	2,990
Provision for employee entitlements .....	259	226	259	259	259	259	259
<b>Total current liabilities.....</b>	<b>87,808</b>	<b>94,059</b>	<b>105,199</b>	<b>104,376</b>	<b>102,622</b>	<b>99,802</b>	<b>95,804</b>
<b>NON-CURRENT LIABILITIES</b>							
Borrowings.....	141,272	108,624	122,465	121,459	119,294	115,820	110,933
Provision for employee entitlements .....	56	56	56	56	56	56	56
<b>Total non-current liabilities .....</b>	<b>141,328</b>	<b>108,680</b>	<b>122,521</b>	<b>121,515</b>	<b>119,350</b>	<b>115,876</b>	<b>110,989</b>
<b>TOTAL LIABILITIES.....</b>	<b>229,136</b>	<b>202,739</b>	<b>227,720</b>	<b>225,891</b>	<b>221,972</b>	<b>215,678</b>	<b>206,793</b>
<b>EQUITY</b>							
Contributed equity .....	20,130	20,129	20,130	20,130	20,130	20,130	20,130
Accumulated surplus/(deficit) .....	5,228	7,967	8,577	14,069	21,712	31,790	44,493
<b>Total equity.....</b>	<b>25,358</b>	<b>28,096</b>	<b>28,707</b>	<b>34,199</b>	<b>41,842</b>	<b>51,920</b>	<b>64,623</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>254,494</b>	<b>230,835</b>	<b>256,427</b>	<b>260,090</b>	<b>263,814</b>	<b>267,598</b>	<b>271,416</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	1,540	1,620	1,641	1,648	1,687	1,713	1,759
Capital contribution .....	42	-	-	-	-	-	-
Holding account drawdowns .....	10	-	-	18	57	-	16
<b>Net cash provided by State government .....</b>	<b>1,592</b>	<b>1,620</b>	<b>1,641</b>	<b>1,666</b>	<b>1,744</b>	<b>1,713</b>	<b>1,775</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,012)	(954)	(1,069)	(1,090)	(1,115)	(1,120)	(1,206)
Superannuation .....	(79)	(99)	(105)	(105)	(106)	(106)	(111)
Consultancies payments.....	(72)	(69)	(69)	(69)	(70)	(70)	(80)
Supplies and services .....	(1,991)	(1,626)	(1,988)	(1,795)	(1,797)	(1,797)	(1,764)
Finance costs .....	(12,401)	(11,800)	(15,600)	(15,405)	(15,094)	(14,658)	(14,186)
Accommodation .....	(135)	(135)	(139)	(139)	(139)	(139)	(143)
Capital user charge <sup>(a)</sup> .....	(27)	(29)	(29)	-	-	-	-
Goods and services tax .....	(14,888)	(12,212)	(12,064)	(12,064)	(12,064)	(12,064)	(12,064)
Other.....	(1,092)	(136)	(70)	(78)	(83)	(104)	(78)
<b>Receipts</b>							
User charges and fees.....	66,720	66,607	75,047	79,517	84,259	89,288	94,624
Interest received .....	319	300	300	300	300	300	300
Other receipts .....	97	40	440	440	440	440	440
Goods and services tax .....	15,047	12,212	12,064	12,064	12,064	12,064	12,064
<b>Net cash from operating activities .....</b>	<b>50,486</b>	<b>52,099</b>	<b>56,718</b>	<b>61,576</b>	<b>66,595</b>	<b>72,034</b>	<b>77,796</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase from sale of non-current assets .....	76,059	75,467	87,300	85,388	85,059	84,635	84,108
Proceeds from sale of investments .....	699	-	-	-	-	-	-
Purchase of non-current assets.....	(144,262)	(121,907)	(144,223)	(146,807)	(149,460)	(152,066)	(154,795)
<b>Net cash from investing activities.....</b>	<b>(67,504)</b>	<b>(46,440)</b>	<b>(56,923)</b>	<b>(61,419)</b>	<b>(64,401)</b>	<b>(67,431)</b>	<b>(70,687)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(2,691)	(7,284)	(1,441)	(1,828)	(3,938)	(6,316)	(8,884)
Proceeds from borrowings .....	19,624	-	-	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>(16,933)</b>	<b>(7,284)</b>	<b>(1,441)</b>	<b>(1,828)</b>	<b>(3,938)</b>	<b>(6,316)</b>	<b>(8,884)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,507</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	8,604	8,582	10,111	10,106	10,101	10,101	10,101
<b>Cash assets at the end of the reporting period.....</b>	<b>10,111</b>	<b>8,577</b>	<b>10,106</b>	<b>10,101</b>	<b>10,101</b>	<b>10,101</b>	<b>10,101</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



### RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost Of Services as per Income Statement.....	62,761	62,169	74,147	76,483	79,115	81,736	84,487
<i>Less Capital User Charge.....</i>	27	29	29	-	-	-	-
Adjusted Total Cost of Services .....	62,734	62,140	74,118	76,483	79,115	81,736	84,487
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	1,562	1,642	1,663	1,670	1,709	1,735	1,781
<i>Less Capital User Charge.....</i>	27	29	29	-	-	-	-
Net amount appropriated to deliver services ....	1,535	1,613	1,634	1,670	1,709	1,735	1,781

### NET APPROPRIATION DETERMINATION

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Common Use Arrangements fees <sup>(a)</sup> .....	291	-	-	-
GST Input Credits.....	130	212	64	64
GST Receipts on Sales.....	110	-	-	-
<b>TOTAL .....</b>	<b>531</b>	<b>212</b>	<b>64</b>	<b>64</b>

(a) Common User Arrangement fee ceased as from 1 July 2005. Residual fees from prior years were collected in 2005-06.

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

## INDUSTRY AND RESOURCES

### PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT

#### DIVISION 12

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual <sup>(c)</sup>	2006-07 Budget	2006-07 Estimated Actual	2007-08 Budget Estimate	2008-09 Forward Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 42 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	127,767	168,571	138,379	<b>168,013</b>	144,444	135,253	135,507
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	557	560	634	<b>653</b>	673	693	716
Total appropriations provided to deliver services .....	128,324	169,131	139,013	<b>168,666</b>	145,117	135,946	136,223
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 43 Amount provided for Administered Grants, Subsidies and Other Transfer Payments .....</b>	41,677	49,120	46,735	<b>54,929</b>	34,752	22,087	22,843
<b>Amount Authorised by Other Statutes - Petroleum (Submerged Lands) Act 1982 ...</b>	18,497	21,498	12,094	<b>12,645</b>	8,876	4,932	3,792
<b>CAPITAL</b>							
<b>Item 141 Capital Contribution .....</b>	6,770	5,584	1,945	<b>15,313</b>	1,200	205	210
<b>Item 142 Administered Capital Contribution .....</b>	2,100	1,000	2,080	<b>2,700</b>	1,400	-	-
<b>GRAND TOTAL .....</b>	197,368	246,333	201,867	<b>254,253</b>	191,345	163,170	163,068

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.
- (c) Figures have been adjusted due to the transfer in of the Office of Science and Innovation from the Department of the Premier and Cabinet from 1 April 2006, and may not be directly comparable to previously published information.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- The Western Australian economy has continued to grow strongly on the back of a robust resources sector buoyed by strong commodity prices. During 2006, world economic growth became less dependent on United States (US) prosperity as growth improved in both Japan and Western Europe. The world economy has shown resilience and is still driving manufacturing growth in China, which has resulted in a strong demand for Western Australia's resource commodities. In addition, the massive push to urbanise the Chinese populace is likely to result in high levels of infrastructure spending that would offset any decrease in demand from the US economy.

- China has overtaken Japan as Western Australia's leading export destination. In 2006 Western Australia exported \$11.8 billion to China and \$11.6 billion to Japan, compared to \$8.6 billion and \$10.0 billion in 2005 respectively. Western Australia's total exports also grew significantly from \$43.6 billion in 2005 to \$54.8 billion in 2006. Over the same period imports grew from \$15.2 billion to \$21.7 billion, resulting in an improved balance of trade for Western Australia.
- The resources sector recorded another record year, growing to \$48.4 billion in 2006, up 22.7 per cent from 2005. Petroleum and iron ore were the major contributors with industry output values of \$15.6 billion and \$14.6 billion respectively, making up 62 per cent of the total resources sector value. Other major contributors were nickel (\$5.6 billion), alumina (\$4.6 billion) and gold (\$4.2 billion).
- While the total tonnage of iron ore production did not increase greatly in 2006 relative to 2005, price negotiations resulted in a revenue increase of almost 30 per cent from \$11.3 billion to \$14.6 billion. Much of the increased revenue reflects the 19 per cent price increase received in 2006. Notably, the latest round of iron ore contract negotiations were led by the Chinese steel producers for the first time. Other mineral prices also increased in 2006. Metals such as aluminium, copper, zinc and gold saw a speculative peak but have resumed their price growth at levels in excess of earlier years. Nickel continues to march ahead from one record price to the next.
- To date, Western Australia has benefited economically from the strength in demand-induced commodity price increases. Efforts to expand capacity to meet the increased demand for raw materials have encountered significant challenges in relation to procuring the necessary skilled labour and materials. Despite Government training and immigration initiatives these challenges have resulted in cost escalation of projects and delays in completion deadlines. These factors are indicators of an economy operating at full capacity.
- A significant issue that the Department is confronting is how to facilitate capacity expansion and ensure sustainability. Accelerated economic growth poses significant challenges with respect to access to land, labour, water, and energy. Increased uncertainty associated with climate change and infrastructure inputs might impact on investment decisions.
- Western Australia's share of the nation's exploration expenditure has declined from 65 per cent in 1998 to 48 per cent in 2006. This has occurred at a time when the costs of exploration have increased rapidly in recent years and there has been an increase in the number of metres drilled. The focus of exploration has greater emphasis on iron ore.
- It is crucial that economic interests are balanced with the need, where appropriate, to protect areas nominated for National Heritage listing such as the Dampier Archipelago, Barrow Island, Ningaloo/Cape Range, Mitchell Plateau and some Kimberley Islands. The Department is coordinating the State's response to the Commonwealth, regarding these nominations.
- The expanding resource sector workforce increases pressure to invest in social infrastructure in towns that are about to support the emergence of major projects. In the case of Ravensthorpe, Hopetoun and Boddington, this expansion has involved efforts to support the Shire Councils in coping with such profound changes, as well as funding the necessary upgrades to roads, education, health, and utilities.
- To meet the demand for infrastructure, the State is actively encouraging access to infrastructure through facilitating the development of a State haulage regime in the Mid-West and rail haulage agreements in the Pilbara, multi-user port facilities and common user infrastructure such as the \$174.0 million upgrade of Australian Marine Complex and floating dock proposal.
- To improve the State's capacity to budget for economic infrastructure to support industrial expansion, the Department has been collaborating with the Department of Treasury and Finance in developing the State Infrastructure Strategy which is due for release by the middle of the year.
- The expanding State economy, coupled with unseasonably dry conditions in several of the State's regions, means that sustainable water planning and management has become an important strategic and economic issue. The Department will continue to liaise with industry and work with relevant State agencies, especially the Department of Water, to ensure that the State's Blueprint for water reforms fully considers all aspects of sustainability and recognises that water availability is a catalyst for resource, agricultural and industrial and regional development.
- The challenge of providing modern infrastructure for Western Australia in the form of high-speed broadband telecommunications across Western Australia is being addressed in the State-wide Broadband Network (SBN) strategy to be implemented by the Department. The SBN will be a high-speed, competitively priced integrated telecommunications service that supports the widespread delivery of fixed voice, data, video, mobile, internet, satellite and other converged and emerging services.

- With respect to climate change, the Department is working with government agencies, both at the State and Federal level to carefully plan carbon dioxide remediation strategies whilst maintaining a sustainable economic future. In this context, energy is an important component with the State's abundant supply of natural gas representing a crucial element in the sustainable pathway to the future. The Department is taking a leading role in implementing the Domgas policy and, with the Ministerial Council for Mineral and Petroleum Resources and Ministerial Council on Energy Joint Working Group on Natural Gas Supply, to identify impediments to the timely supply of competitively priced domestic gas as well as fostering a thriving export industry.
- While climate change presents a range of policy challenges, it also provides opportunities to foster innovation to provide international markets with greenhouse gas abatement and renewable energy technologies and products, including gas sequestration initiatives and sites for geothermal power.
- Challenges to maintain competitive advantage through innovation during a time of high economic growth are being encouraged by initiatives such as the sponsorship of the inaugural Western Australian Inventor of the Year Award. In 2006, 157 applications were received, demonstrating the State's innovative capacity across a range of industry and research sectors including Information Communications Technology (ICT), biotechnology, engineering, environment and community services products.
- The Square Kilometre Array radio astronomy project is being pursued to boost and give prominence to Western Australia's science industry and as an opportunity for further development of the ICT industry.
- Efforts to encourage research-based science careers are supported through a range of initiatives including the Premier's Science Awards, the Science and Innovation Studentship Awards and the inaugural Western Australian Inventor of the Year Schools Competition.
- To support new trade and investment markets arising out of the US Free Trade Agreement (such as defence, shipbuilding, liquefied natural gas, biotechnology, ICT, food and agricultural products) the Department recently opened a US office to complement the Western Australian Government Overseas Network (WAGON), which now comprises 15 overseas offices.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Burrup Dampier Archipelago Bilateral .....	600	600	600	-
Boddington Gold Mine expansion- Social Infrastructure Package.....	4,480	2,520	-	-
Mirambeena Timber Processing Precinct - Common User Infrastructure.....	4,200	1,100	-	-

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual <sup>(d)</sup>	2006-07 Budget	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Resource Services .....	46,803	48,928	50,078	49,606			
<i>Service 2:</i>							
Industry Development Services .....	24,123	18,117	18,473	17,522			
<i>Service 3:</i>							
Investment and Trade Services .....	19,301	22,692	25,292	25,570			
<i>Service 4:</i>							
Geological Services .....	24,580	20,707	20,913	20,635			
<i>Service 5:</i>							
Science and Innovation Promotion and Support .....	26,566	71,341	40,215	72,611			
<i>Service 6:</i>							
Scientific Services .....	11,357	9,324	9,382	15,926			
<b>Total Cost of Services <sup>(a)</sup></b> .....	152,730	191,109	164,353	201,870	176,595	164,398	165,170
<i>Less Income</i> .....	23,618	20,452	23,603	24,296	25,281	25,671	26,216
<b>Net Cost of Services <sup>(a)</sup></b> .....	129,112	170,657	140,750	177,574	151,314	138,727	138,954
Adjustments <sup>(b)</sup> .....	(788)	(1,526)	(1,737)	(8,908)	(6,197)	(2,781)	(2,731)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	128,324	169,131	139,013	168,666	145,117	135,946	136,223
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	60,174	70,618	58,829	67,574	43,628	27,019	26,635
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Administered Capital Contribution</b> .....	2,100	1,000	2,080	2,700	1,400	-	-
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	6,770	5,584	1,945	15,313	1,200	205	210
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	197,368	246,333	201,867	254,253	191,345	163,170	163,068

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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.
- (d) Figures have been adjusted due to the transfer in of the Office of Science and Innovation from the Department of the Premier and Cabinet from 1 April 2006, and may not be directly comparable to previously published information.

**RESOURCE AGREEMENT**

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Ministers, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

The Department assists the Minister for Resources; Industry and Enterprise, the Minister for State Development and the Minister for Trade; Innovation; Science in the administration of various statutes and related service provision. The service structure of the Department and the Minister responsible is identified in the following table.

Service		Minister Responsible
1. Resource Services	- Mineral and Title Services - Petroleum and Royalties - Environment	Minister for Resources; Industry and Enterprise
	- Aboriginal Economic Development - Infrastructure Development	Minister for State Development
2. Industry Development Services	- Innovative Industries - Technology Parks - Technology and Industry Advisory Council (TIAC) - Research and Commercialisation	Minister for Resources; Industry and Enterprise
	- State Development Strategies	Minister for State Development
3. Investment and Trade Services	- International Market Development - Western Australian Government Overseas Office Network - Investment Attraction	Minister for Trade; Innovation; Science
	- Major Projects Agreements Administration - Major Projects Development	Minister for State Development
4. Geological Services	- Geological Survey	Minister for Resources; Industry and Enterprise
5. Science and Innovation, Promotion and Support	- Science Promotion - Science Funding Programs	Minister for Trade; Innovation; Science
6. Scientific Services	- Western Australian Chemistry Centre	Minister for Resources; Industry and Enterprise

**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
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Responsible development of the State's industry and resources for the benefit of Western Australia.	1. Resource Services 2. Industry Development Services 3. Investment and Trade Services 4. Geological Services 5. Science and Innovation Promotion and Support 6. Scientific Services

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Responsible development of the State's industry and resources for the benefit of Western Australia.</b>					
<b>KEY STAKEHOLDER/CUSTOMER SATISFACTION RATINGS</b>					
Minister's satisfaction with the quality of the Department's policy and planning advice regarding 'Responsible development of the State's industry and resources for the benefit of Western Australians' .....	72%	86%	86%	86%	
Readers' satisfaction with the quality of resource sector information .....	90%	90%	90%	90%	
Measure of key stakeholders' satisfaction that the Department encourages a climate conducive to ongoing resources development in Western Australia .....	63%	63%	63%	63%	
Measure of investor's satisfaction with the Department's resource development facilitation services, including infrastructure planning, project coordination and assistance with approvals .....	67%	67%	67%	67%	
Extent to which clients agree that the Department contributes to business development within Western Australia. ....	92%	86%	86%	86%	
Satisfaction from Scientific Services client surveys. ....	77%	77%	77%	77%	
Rating of geoscience information services.....	4.25	4.2	3.8	4.1	Improved processes.
Rating of geological exploration information products.....	4.25	3.9	4.1	4	
<b>CONFORMANCE WITH REGULATION AND GOVERNMENT POLICY</b>					
Level of compliance with expenditure conditions (Form 5) in mineral titles .....	97%	97%	93%	93%	
Percentage of total royalties collected during the period as compared to the total proportion of royalties due according to government policy.....	100%	100%	100%	100%	
Minerals Industry Environmental Management assessment scores - Environmental compliance index (Base year: 1998-99 = 100) .....	106	107	105	105	
Petroleum Industry Environmental Management - the performance of the industry as the percentage of audited projects which had zero major corrective actions reports. ....	100%	95%	95%	95%	
<b>STATE DEVELOPMENT PERFORMANCE</b>					
Percentage of international non-ferrous mineral exploration expenditure expended in Western Australia. ....	5%	6%	6%	6%	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Western Australia's rating on the Fraser Institute Investment Attractiveness index (composite policy and mineral potential rating) .....	3rd	3rd	10th	10th	Modified ranking method, results not comparable.
Level of Australian mineral exploration expenditure in Western Australia .....	51%	54%	47%	47%	
Level of Australian petroleum exploration expenditure in Western Australia .....	48%	53%	56%	56%	
Area of Western Australia under mineral exploration title (km <sup>2</sup> ) .....	314,806	320,000	387,717	395,000	
Area of Western Australia under petroleum exploration title (km <sup>2</sup> ) .....	436,074	500,000	540,000	560,000	
Index of funding leverage obtained for Western Australia from 'Centres of Excellence' grants .....	6.1:1	5:1	6.1:1	6.1:1	
Change in level of total investment in scientific research and development in Western Australia	+3.6	n/a	n/a	n/a	

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

### Service 1: Resource Services

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

Products and services include:

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	46,803	48,928	50,078	49,606	
Less Income .....	13,406	12,162	14,077	14,006	
Net Cost of Service <sup>(a)</sup> .....	33,397	36,766	36,001	35,600	
Adjustments <sup>(b)</sup> .....	507	(1,036)	(1,036)	(1,350)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>33,904</b>	<b>35,730</b>	<b>34,965</b>	<b>34,250</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per mineral title service <sup>(b)</sup> .....	\$468	\$489	\$501	\$568	Less titles expected to be issued in 2007-08 <sup>(a)</sup>
Average cost per petroleum title operation and resource service <sup>(b)</sup> .....	\$658	\$688	\$704	\$684	
Average cost per royalty returns verified and audited <sup>(b)</sup> .....	\$2,285	\$2,389	\$2,445	\$2,403	
Average cost per environmental regulatory weighted service provided to the minerals industry <sup>(b)</sup> .....	\$1,326	\$1,386	\$1,419	\$1,405	
Average cost per petroleum environmental audit and assessment <sup>(b)</sup> .....	\$1,137	\$1,188	\$1,216	\$1,205	
Average cost of Aboriginal Economic Development projects facilitated <sup>(c)</sup> .....	\$704,484	\$736,470	\$753,765	\$746,660	
Average cost of established industry projects <sup>(c)</sup> .....	\$156,010	\$163,093	\$166,923	\$170,000	
Average cost of industry infrastructure projects <sup>(c)</sup> .....	\$169,037	\$176,711	\$180,861	\$181,238	
Average cost of resource development projects <sup>(c)</sup> .....	\$32,956	\$34,452	\$35,261	\$34,929	
<b>Full Time Equivalents (FTEs)</b>	393	369	408	408	

- (a) A large increase in prospecting and exploration licences resulted from the expiry of the one year 'reversion' period on 9 February 2007 which allowed applicants of mining leases to apply for replacement exploration titles. This increase is seen as a temporary spike and the elevated rate of applications is not expected to continue through the next year.
- (b) Denotes responsibility of Minister for Resources; Industry and Enterprise.
- (c) Denotes responsibility of Minister for State Development.

**Major Achievements For 2006-07**

- The expiry of the one year 'reversion' period, provided by the *2006 Mining Act 1978* Amendments, on 9 February 2007, allowing holders of the existing 8,000 mining lease applications to re-apply for the area as exploration titles, has resulted in the lodgement of 4,700 prospecting licences and 2,000 exploration licences by the due date.
- National Offshore Petroleum Safety Authority legislation and Resource Management Regulations were finalised.
- 334 wells and \$3.2 billion of work committed over the next six years from granted petroleum exploration titles.
- Native Title backlog has been cleared for petroleum exploration titles.
- Phase Three of the Carbon Dioxide and Gas Supply Studies has been finalised.
- Commonwealth agreement to assist with the establishment of a national Petroleum Data Centre has been achieved.
- Implementation of a consolidated Royalty Schedule for the North West Shelf Project.
- A quality management system has been implemented for environmental regulatory approval processes. ISO 9001 certification was achieved for mineral environmental approval processes in February 2007 and re-certification for petroleum environmental approval processes in October 2006.
- Phase One of the development and implementation of the Environmental Approval Regulatory System (EARS) Database was completed. This included scoping the functional requirements of the EARS system based on an evaluation of existing departmental information technology systems. The EARS system will help streamline the data management of mineral, petroleum and native vegetation approvals.

- Changes to the Argyle Diamonds State Agreement were progressed to reflect the State's support for the underground mining project.
- The Bilateral Agreement on Indigenous Affairs 2006-2010 between the Australian Government and the State has included the Indigenous Economic Development Framework (IEDF) as the basis for joint endeavours toward building prosperity for Indigenous Western Australians. The IEDF has three priority outcome areas: growing sustainable employment opportunities, building investment and asset ownership and fostering opportunities for innovative and sustainable Indigenous business development.
- Increased Indigenous employment was secured in Local Governments that have hosted Aboriginal Economic Development's pilot Local Government Indigenous Employment Strategy.
- Assistance was provided with the development and expansion of the Pilbara Meta Maya Aboriginal Corporation, which has created Indigenous traineeships and apprenticeships in the building industry and associated trades.
- The successful promotion and amalgamation of Indigenous art in the Ngaanyatjarra Lands achieved increased sales and opportunities for emerging artists.
- The Project Ready Industrial Land program was initiated.
- The global Expression of Interest process for the proposed expansion of the Ord River irrigation area was successfully ran.

#### ***Major Initiatives For 2007-08***

- The expiry of the one year 'reversion' period on 9 February 2007 provided holders of the 8,000 mining lease applications with an opportunity to re-apply for the area as exploration titles resulting in some 7,000 new applications. A major program will be implemented in 2007-08 to reduce the backlog of 18,700 mining title applications by 25 per cent.
- Changes associated with the finalisation of petroleum legislation/regulations will be implemented. These legislative packages include the Petroleum Legislation Amendment Bill 2007, Geothermal Energy Bill and the Onshore Safety Regulations; Petroleum Pipelines and Occupational Safety and Health.
- Reduce the overall Native Title negotiation timeframe for petroleum title applications.
- Strategies to be developed to maintain and maximise oil and gas production and encourage onshore exploration and replace the Electronic Petroleum Register with the Upstream Petroleum Titles system. The profile of alternate energy resources such as hot rocks, shale, tight gas and coal seam methane as part of our energy strategy will be increased. An overall energy security framework for Western Australia will be developed.
- Policies regarding royalty relief and protection of royalty payments from company insolvency will be developed and implemented. Royalty revenue forecasting processes and arrangements with the Department of Treasury and Finance will be developed and implemented.
- The Native Vegetation Clearing Reforms will be implemented. This includes fostering the continuous improvement of the clearing permit approval process through improved efficiencies, clarity of process and reduced timelines.
- The Review of Environmental Bonds to examine a range of financial instruments that offer flexibility for industry will be completed and policies that better align financial liability with environmental risk will be developed.
- Mineral environmental approval processes to better deliver services to industry will be streamlined.
- Changes to iron ore State Agreements in the Pilbara to achieve better integration of operations and provide greater security for future resources to be negotiated.
- The Cockburn Cement State Agreement to be varied to reflect the current environmental approvals and to secure access to future resources presently outside the Agreement area.

- Plant operator training to be supported at Yandeyarra (Pilbara) for 100 Indigenous employment placements. Employment has been identified, and partners to include industry, Commonwealth, State and community.
- Assistance will be provided in establishing a 'Pathway to Employment' project with Bloodwood Tree Association Inc. for 125 Indigenous employment placements for 2007-08, which will include the Hedland Regional Partnership Agreement and partners from industry, Commonwealth, State and community.
- Branding and promotion of Kimberley arts to increase sales and opportunities for emerging Indigenous artists will be undertaken.
- Plant operator training to be supported in the Mid-West at Oxiana and Central Earthmoving for 24 Indigenous employment placements and job opportunities to be identified.
- Support to be provided for fly-in, fly-out of Kimberley Aboriginal workforce to the Pilbara involving up to 200 positions.
- Coordination of the State's response to proposed National Heritage Listing of areas of key economic interest in Western Australia to be undertaken.
- A bilateral agreement with the Commonwealth regarding the proposed National Heritage Listing of the Dampier Archipelago to be completed.
- Remaining issues regarding the Ravensthorpe and Mirambeena infrastructure packages to be resolved.
- Government agreement to the Project Ready Industrial Land initiative to be obtained and work to commence on required approvals.

## Service 2: Industry Development Services

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

Products and services include:

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	24,123	18,117	18,473	17,522	Cessation of financial assistance obligations paid in 2006-07
Less Income.....	1,022	210	911	1,105	
Net Cost of Service <sup>(a)</sup> .....	23,101	17,907	17,562	16,417	
Adjustments <sup>(b)</sup> .....	(4,571)	(386)	(597)	(602)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>18,530</b>	<b>17,521</b>	<b>16,965</b>	<b>15,815</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of industry projects facilitated <sup>(a)</sup>	\$1,430,149	\$1,074,079	\$1,095,185	\$1,105,234	
Average cost of technology infrastructure projects facilitated <sup>(b)</sup> .....	\$1,025,228	\$769,973	\$785,103	\$788,490	
<b>Full Time Equivalents (FTEs)</b>	121	112	119	119	

(a) Denotes responsibility of Minister for Resources; Industry and Enterprise.

(b) Denotes responsibility of Minister for Trade; Innovation; Science.

**Major Achievements For 2006-07**

- Premier Alan Carpenter and Industry and Enterprise Minister Francis Logan announced (20 April 2007) funding of \$10.0 million to the Western Australian Institute for Medical Research to establish a new clinical trials facility at the Sir Charles Gairdner Hospital site in Nedlands. The facility will raise the profile of Western Australia's exciting biotechnology and health and medical research industry and allow local and international biotechnology and pharmaceutical companies and the Western Australian public to take part in world-class early phase clinical research.
- In August 2006 the Government launched the Biotechnology Industry Strategy, which identifies the opportunities relating to Western Australia's international competitiveness advantage in this area. The Strategy focuses on commercialisation, investment attraction and infrastructure.
- The ICT industry audit and review of the ICT industry development strategy were completed. The aim of the audit was to delineate the composition of the Western Australian ICT industry, confirm the capability of the Western Australian ICT industry, identify market imperfections hindering the development of the Western Australian ICT industry, and outline the opportunities available to the Western Australian ICT industry.
- The Government initiated the Logical Choice campaign designed to attract substantial contracts to Western Australia arising from Royal Australian Navy amphibious ship project. Linked to this was the approval of \$175.0 million to further upgrade at the Australian Marine Complex's infrastructure facilities including a floating dry-dock.
- In December 2006 the Government launched the State Broadband Strategy which is designed to utilise the State Government purchasing of telecommunications services to attract increase level of broadband services to Western Australian industry and community.
- In November 2006 Western Australia along with South Africa were announced as the short listed contenders for the Square Kilometre Radio Astronomy project. The State is currently working with the Commonwealth Government to refine Australia's bid with the site for the project being in the State's Midwest region.
- The Technology and Industry Advisory Council (TIAC) held two 2020 Breakfast seminars during 2006-07 at which the following three TIAC reports were launched for public comment by the Minister for Energy; Science and Innovation: 'A Snapshot of Successful Western Australian SME Exporters', 'Building on the Western Australian Boom: The Drivers and Shapers of China's Economic Development in the 21st Century' and 'Building on the Western Australian Boom: The Drivers and Shapers of India's Economic Development in the 21st Century'.
- The Australian Marine Complex (AMC) Technology Precinct structure plan was approved.
- Construction of the AMC Technology Precinct central service facilities commenced.

### Major Initiatives For 2007-08

- An audit of ICT industry has been completed. Arising from this audit will be initiatives to assist the expansion of this important sector and could include issues such as skills, infrastructure, business performance, industry promotion, global markets and clustering.
- It is intended that the 'Protecting Our Old Growth Forest' policy will be finalised during 2007-08. This policy was introduced in May 2001 to implement the restructuring of the native hardwood timber industry and to respond to the implications of this restructuring.
- The Coal Futures Group will continue to work on the four pronged strategy for Collie and the coal industry. Further engineering design of the infrastructure requirements for the export of coal through the port of Bunbury will be undertaken. Clean coal technologies will be advanced through additional work on Carbon Capture and Storage and coal gasification with a major trial program due for completion in December 2007. Industrial land issues will remain a major focus through the work of the Collie Basin Management and Planning Group with a noise study due for completion in December 2007 and a new entrance to the Light Industrial Area being investigated. Funding will be available for new industries under the Collie region and Coal Industry Infrastructure Fund.
- Through a Departmental contract with the Commonwealth Government, the Department will commence a three year project to promote the export of the State's expertise in providing services and equipment to mining and energy projects.
- The Department will develop and implement a marketing strategy to increase awareness and attract investment to the State's technology parks.
- During 2007-08 it is intended to introduce a more cohesive approach to the management, promotion and development of technology parks in Western Australia. This will encompass the AMC at Henderson, Technology Precinct at Bentley, potential facilities attached to the new hospitals and radio astronomy in the Mid-West.
- An operational plan for central services facilities at the AMC Technology Precinct will be implemented.
- The Bentley Technology Precinct Master Plan is to be implemented.

### Service 3: Investment and Trade Services

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

Products and services include:

- delivering resource sector investment attraction programs;
- facilitating major resource projects; and
- facilitating major trade programs.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	19,301	22,692	25,292	25,570	
Less Income .....	1,998	263	580	487	
Net Cost of Service <sup>(a)</sup> .....	17,303	22,429	24,712	25,083	
Adjustments <sup>(b)</sup> .....	2,727	(483)	(483)	(682)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>20,030</b>	<b>21,946</b>	<b>24,229</b>	<b>24,401</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per resource sector investment attraction program delivered <sup>(a)</sup> .....	\$30,222	\$35,532	\$39,603	\$38,841	
Average cost per major resource project facilitated <sup>(b)</sup> .....	\$94,649	\$111,278	\$124,028	\$120,474	
Average cost per major trade program facilitated <sup>(a)</sup> .....	\$749,361	\$881,017	\$981,962	\$955,115	
<b>Full Time Equivalents (FTEs)</b>	106	113	101	101	

(a) Denotes responsibility of Minister for Trade; Innovation; Science.

(b) Denotes responsibility of Minister for State Development.

**Major Achievements For 2006-07**

- A \$350.0 million ethanol plant at Kwinana was established using wheat as the feedstock.
- Perth has been selected as the site for a centre (Interzone Games Development Centre) to develop a series of Massively Multiplayer Online computer-based games.
- Steelpipe Manufacturing established a \$15.0 million facility to manufacture steel piping for the resources industry.
- The establishment of four Liquefied Petroleum Gas conversion plants in Perth at a capital cost of \$12.0 million employing 200 people.
- Assistance was secured to obtain approval of a major expansion of the Wagerup alumina refinery and a Deed of Undertaking was negotiated with Alcoa to address socio-economic issues in the region.
- Major expansions of Rio Tinto and BHP Billiton iron ore mines and associated infrastructure were facilitated in the Pilbara.
- Variations to the Rio Tinto and BHP Billiton State Agreements to reflect phase-out of concessional iron ore royalties were finalised.
- Assistance was provided to assign the Poseidon Nickel Agreement to Niagara Mining to facilitate a recommencement of mining and processing.
- The Kimberley Marine Support Facility study was initiated and supervised.
- Fortescue Metals Group Chichester State Agreement was ratified.
- Assistance was provided to the Gorgon Joint Venturers for submission of their final environmental documentation and environmental approval from the Minister for the Environment was received.
- Facilitation was provided to the Pluto project to resolve heritage issues and commence bulk earthworks for the tank farm on Site B and the submission of the final environmental document for the LNG plant on Site A.
- Approvals for the Dampier to Bunbury Natural Gas Pipeline Stage Five Expansion were facilitated and construction activities were commenced.

- Coordination was provided for the WAGON conference, which involved Directors General of the major economic development agencies with international interests to ensure a whole-of-government approach to the overseas office network. Western Australia industry and exporters keen to expand their business opportunities to global markets were also involved.
- Industry consultation was carried out in relation to bilateral and multilateral trade agreements with the Australia-United States Free Trade Agreement; Thailand; Singapore and the Australia-New Zealand Closer Economic Relations Trade Agreement.
- The facilitation of the 25th Anniversary ceremony of the Western Australian Hyogo Prefecture Government sister state relationship in November 2006, demonstrated Western Australian Government's continued commitment to the relationship with Hyogo to develop strong economic ties.

### ***Major Initiatives For 2007-08***

- Opportunities for Technology Metals in high tech applications to be sought. This initiative will focus on the production of titanium, silicon and aluminium metal for industry.
- Review opportunities for developments which would provide competitively costed energy to enable Western Australian industry to add value to its natural endowments.
- Identification and establishment to be carried out of relevant biotechnology investment platforms for the creation of areas of competitive excellence over the next five to 10 years.
- Perth is now recognised as the third world hub for sub-sea excellence complementing existing centres of Houston and the North Sea. The Department will continue to facilitate the strengthening of Western Australia's capability and influence regarding sub-sea servicing, field development and product supply.
- Western Australia to be established as a relevant centre for radio astronomy, games technology and areas of digital content
- Assistance to achieve the commitments by Alcoa and Worsley Alumina to major expansions of capacity.
- The Iron Ore Processing (Mineralogy Pty Ltd) State Agreement to be renegotiated so that it accommodates revised projects within the agreement.
- Assistance to be provided to the Gorgon Joint Venture in obtaining approval to inject carbon dioxide beneath Barrow Island.
- Facilitation to be provided to the Gorgon Joint Venture in the submission of detailed proposals for the Gorgon Project.
- The inter-departmental strategic review of the Mid-West iron ore industry to be completed.
- The State's trade and investment opportunities by the State's overseas office network to be promoted.
- In conjunction with industry, strategic export plans for target stakeholders to be developed.
- Western Australia to be promoted in export markets to support commercial activity exporting Western Australia's lifestyle, culture, goods and services.
- A coordinated program promoting Western Australia capabilities to priority markets to be provided.

- Activities to enhance sister state relationship with Zhejiang province in China to be conducted.
- The State's capabilities to be continually promoted through major trade exhibitions, conferences and industry specific forums.
- Management and supervision of the Cape Preston structure planning study to be provided.

#### Service 4: Geological Services

Benefits the Western Australian community by encouraging exploration and hence the discovery of mineral and petroleum deposits through maintaining an up-to-date geological framework and archive of the State and its mineral and petroleum resources.

Products and services include:

- publishing maps, reports and data sets; and
- providing access to a developing archive of geoscientific and resource exploration documents, samples and data.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	24,580	20,707	20,913	20,635	
Less Income .....	787	380	598	930	
Net Cost of Service <sup>(a)</sup> .....	23,793	20,327	20,315	19,705	
Adjustments <sup>(b)</sup> .....	(4,690)	(441)	(441)	(564)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>19,103</b>	<b>19,886</b>	<b>19,874</b>	<b>19,141</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per weighted total published product <sup>(a)</sup> .....	\$249,618	\$210,286	\$212,378	\$219,274	
Average cost per weighted data transaction unit <sup>(a)</sup> .....	\$30	\$25	\$26	\$25	
<b>Full Time Equivalents (FTEs)</b>	<b>192</b>	<b>185</b>	<b>192</b>	<b>192</b>	

- (a) Denotes responsibility of Minister for Resources; Industry and Enterprise.

#### Major Achievements For 2006-07

- Mineral exploration throughout Western Australia was encouraged by the publication of over 100 geological products for the State and the continued development of online information delivery services.
- A commitment (third year) to double the area of the State covered by high-tech aerial geophysical surveys continued. In 2006-07 data were collected and released over the Ashburton, Musgrave and Officer Basin regions, and data were collected and released from the Webb and Murchison gravity surveys.



- To encourage greenfields exploration, continued the three year commitment to accelerate the release of geoscience information contained in 20,000 previously confidential geoscience reports from exploration companies. During 2006-07, 11,000 reports were released.
- Advice on mineralization potential was provided on over 1,050 proposals for a change in the land use of Crown land, leasehold and private land in Western Australia, including on new areas proposed to be included in the conservation estate.

#### Major Initiatives For 2007-08

- The collection and release of data from high-tech aerial geophysical surveys over the southern Kimberley region, and, subject to consultation with traditional owners, ground gravity over the Tanami region and a geochemical survey over the Western Arunta area to be continued.
- Major programs of geoscience field mapping and corresponding data releases in the Musgrave, Murchison, Tanami, Bangemall and Gascoyne regions to be continued.
- A further 9,000 previously confidential geoscience reports from exploration companies to be released.
- The major upgrade to the Mines and Mineral Deposits (MINEDEX) database and implementation of the Internet front-end application to access the database to be completed.

#### Service 5: Science and innovation promotion and support

Promotes Science and Innovation by:

- supporting the Premier's Science and Innovation Council with science policy development and advice;
- administering research capability and infrastructure grants; and
- administering science and innovation programs and projects.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	26,566	71,341	40,215	72,611	Reposition of Grants from 2006-07 to 2007-08 and forward estimates.
Less Income .....	-	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	26,566	71,341	40,215	72,611	
Adjustments <sup>(b)</sup> .....	7,529	(71)	(71)	(200)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>34,095</b>	<b>71,270</b>	<b>40,144</b>	<b>72,411</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per FTE for support provided to the Science Council, science policy development and advice <sup>(a)</sup> .....	\$35,610	\$127,803	\$134,050	\$133,120	
Average cost per research capability and infrastructure grant administered <sup>(a)</sup> .....	\$17,805	\$63,902	\$67,025	\$66,297	
Average cost per science and innovation program and project managed <sup>(a)</sup> .....	\$13,785	\$49,472	\$51,890	\$51,255	
<b>Full Time Equivalents (FTEs)</b>	25	19	25	25	

(a) Denotes responsibility of Minister for Trade; Innovation; Science.

**Major Achievements For 2006-07**

- In September 2006 the inaugural Inventor of the Year awards were held. These awards are designed to support and promote innovation in the Western Australian economy. The second round of the awards was launched by the Premier in March 2007.
- The Department awarded 18 Studentships through the Science and Innovation Studentship Awards program.
- Six prizes, totalling \$35,000 were awarded via the Premier's Science Awards (categories include: \$10,000 Career achievement, \$5,000 early career achievement, \$5,000 science communication (new category), \$5,000 science education: tertiary, \$5,000 science education: secondary, \$5,000 science education: primary).
- \$26,950 was given to the Western Australian division of Engineers Australia as major sponsorship for the Science and Engineering Challenge 2006. This was the first year that the Challenge had come to Western Australia.
- \$92,000 in sponsorship was given to the Science Teachers' Association of Western Australia to host the World Conference on Science and Technology Education 2007.
- Continued support was provided in the form of Higher Education Contribution Scheme reimbursement and scholarships for new science teachers/graduates.
- Continued support was provided for four public universities (University of Western Australia, Curtin University, Murdoch University and Edith Cowan University) for the Peer Tutoring program.
- The Department provided new funding for nine new Centres of Excellence through the Centres of Excellence in Science and Innovation Program, including an Australian Research Council (ARC) Centre of Excellence, two ARC Federation Fellows, and three Cooperative Research Centres.
- Signing of Major National Research Facilities grant agreements for the Western Australian Marine Science Institution and the Centre for Genomic Medicine detailing the terms and conditions of the, respectively, \$21.0 million and \$4.5 million grants.
- The agreement for the continuation of the State funding to iVEC, the Western Australian hub of advanced computing was signed. The agreement details the terms and conditions of the \$7.8 million grant.
- Professor Lyn Beazley was appointed as Western Australia's Chief Scientist. Professor Beazley was also appointed Chairperson of the Premier's new Science and Innovation Council.
- The Premier's new Science and Innovation Council was established with 12 members appointed a period of two years. The membership covers the areas of health and medical, resources, environment, biology and education.

**Major Initiatives For 2007-08**

- The Department will provide \$3.8 million to facilitate access by Western Australian researchers and industry to the Australian Synchrotron facility, with Western Australian universities committing an additional \$1.3 million.
- Funding Agreements will be negotiated with the two successful Western Australian Round 10 Cooperative Research Centres applicants, at least one of which will be headquartered in Western Australia.

**Service 6: Scientific Services**

Benefits the Western Australian community through the provision of high quality independent chemical information, advice and analytical services to government agencies, industry and research groups.

Products and services include:

- scientific and research support in the areas of public and occupational health, conservation and the environment, industrial development, food and agriculture;
- emergency and crises response services to government agencies and industry for chemical spills and related incidents and crisis situations;
- contributing to the development of national chemical conformance standards and guidelines; and
- forensic scientific services support to the Western Australia Police, State Coroner and the racing industry.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	11,357	9,324	9,382	15,926	\$5.8 million payment to Consolidated Account in 2007-08 to return proceeds from the sale of Chemistry Centre land.
Less Income.....	6,405	7,437	7,437	7,768	
Net Cost of Service <sup>(a)</sup> .....	4,952	1,887	1,945	8,158	
Adjustments <sup>(b)</sup> .....	(2,290)	891	891	(5,510)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,662</b>	<b>2,778</b>	<b>2,836</b>	<b>2,648</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per chargeable hour of providing service <sup>(a)</sup> .....	\$133	\$130	\$130	\$134	
<b>Full Time Equivalents (FTEs)</b>	<b>96</b>	<b>87</b>	<b>87</b>	<b>87</b>	

(a) Denotes responsibility of Minister for Resources; Industry and Enterprise.

**Major Achievements For 2006-07**

- The Chemistry Centre (WA) Bill 2006 has been drafted and is making its way through the State Parliament with passage expected to be complete before the end of the financial year. Running in parallel, there has been substantial administrative and operational work to establish the necessary operational framework for the statutory authority which is currently planned to commence operation on 1 July 2007.
- A small marketing campaign has focused on a number of specific market sectors, increasing the Chemistry Centre's public profile and producing new inquiries and work.
- The Forensics group have directed considerable resources to assisting the Western Australia Police in various cold case reviews, achieving a considerable number of positive outcomes, the most notable of which related to the Pamela Lawrence murder.
- The work load (commercial) for the assessment of acid sulphate soils has grown considerably through the year, making 'new business' a sizeable portion of the revenue for Natural Resource and generating two related research projects in collaboration with several of the universities.
- National recognition of the Chemistry Centre's Chemical, Biological and Radiological (CBR) response capabilities has escalated rapidly through the year, leading in recent months to the funding from Prime Minister and Cabinet for two projects and Emergency Management Australia for a third, the participation in bilateral (Australia/US) discussions in CBR response and an invitation to develop national sampling protocols for CBR incidents, based on the protocols developed for our own Western Australian use.

**Major Initiatives For 2007-08**

- The major initiative for the coming year will be the transition to a statutory authority, moving to new governance, administrative and support procedures.
- Marketing initiatives will be increased and directed towards new market sectors, particularly the Mineral and Resources sector and the emerging biotechnology sector.
- Additional capacity must be developed to meet demand created by new police initiatives for roadside saliva drug testing and blood testing for all hospitalised traffic accident casualties.
- In collaboration with Curtin University pursue a national centre for water quality and re-use, building on the technological lead already developed in the State.
- Major involvement in the Seafood Cooperative Research Centre and in the development of a clinical testing capability in the state to be pursued.

**CAPITAL WORKS PROGRAM**

The Department's planned capital works program for 2007-08 is \$28.4 million, comprising \$24.9 million for works in progress and \$3.5 million for new works.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Australian Marine Complex				
Marine Industry Technology Park .....	25,350	19,891	4,300	5,459
Southern Precinct .....	127,300	126,800	2,153	100
Integrated Customer E-Commerce Infrastructure .....	3,200	2,320	1,572	880
Kalgoorlie Complex Stage 2 - Planning and Construction .....	6,225	622	500	5,603
Maintenance of Chemistry Centre .....	1,500	1,200	300	300
Office of Science and Innovation - Innovate Western Australia .....	12,012	4,182	4,182	2,930
Ord River Irrigation - Stage 2 .....	17,138	10,276	1,160	2,939
Technology Precinct Bentley - Stage 1 Implementation .....	8,550	1,000	900	6,650
<b>COMPLETED WORKS</b>				
Asset Replacement Program - Computer Hardware and Software				
2006-07 Program .....	1,346	1,346	1,346	-
Furniture and Equipment - 2006-07 Program .....	100	100	100	-
Scientific Equipment - 2006-07 Program .....	405	405	405	-
Australian Marine Complex				
Marine Industry Technology Park - Additional Land Acquisition and Environmental Costs .....	3,400	3,400	1,000	-
Mineral House Air Conditioning .....	2,020	2,020	364	-
Native Vegetation Clearing Regulations – IT Systems Land Clearing Permit System .....				
	1,500	1,500	994	-
New Computer and Office Equipment 2006-07 Program .....	212	212	212	-
New Scientific Equipment 2006-07 Program .....	195	195	195	-
<b>NEW WORKS</b>				
Asset Replacement Program				
Computer Hardware and Software - 2007-08 Program .....	1,346	-	-	1,346
Furniture and Equipment - 2007-08 Program .....	100	-	-	100
Scientific Equipment 2007-08 Program .....	405	-	-	405
Electronic Records Archive .....	1,264	-	-	1,264
New Computer and Office Equipment 2007-08 Program .....	212	-	-	212
New Scientific Equipment 2007-08 Program .....	195	-	-	195
	213,975	175,469	19,683	28,383

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	8,333	32,767	19,683	28,383	12,140	2,480	2,541
<b>Working capital requirement</b>							
Loan and Other Repayments .....	550	550	550	4,204	100	-	-
	8,883	33,317	20,233	32,587	12,240	2,480	2,541
<b>LESS</b>							
Drawdowns from the Holding Account .....	1,501	1,851	1,851	1,851	1,900	1,952	2,002
Funding Included in Service Appropriations <sup>(a)</sup> .....	3,659	2,811	1,372	3,151	217	223	229
Administered Funds .....	2,100	13,012	5,182	3,730	4,900	-	-
Internal Funds and Balances .....	(5,147)	10,059	8,983	8,542	4,023	100	100
Other .....	-	-	900	-	-	-	-
<b>Capital Contribution .....</b>	6,770	5,584	1,945	15,313	1,200	205	210

(a) Capital works expensed through the Income Statement.

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	58,725	54,704	61,071	59,879	61,049	62,046	62,069
Superannuation .....	7,213	6,057	6,131	6,181	6,186	6,406	6,406
Cost of goods sold.....	1,088	200	200	200	200	200	200
Grants and subsidies <sup>(b)</sup> .....	18,447	75,488	43,566	67,402	41,376	31,696	31,696
Consultancies expense .....	1,823	1,674	874	808	808	808	808
Supplies and services.....	37,060	41,101	40,332	51,248	52,609	48,835	49,584
Accommodation.....	5,783	6,051	6,051	6,150	10,142	10,142	10,142
Finance costs .....	421	421	297	76	114	179	179
Capital user charge <sup>(c)</sup> .....	6,384	7,308	7,308	-	-	-	-
Depreciation and amortisation.....	3,347	2,665	2,621	2,621	2,621	2,621	2,621
Loss on disposal of non-current assets .....	77	-	-	-	-	-	-
Other expenses .....	2,863	2,748	3,210	1,495	1,490	1,465	1,465
Receipts paid into consolidated account.....	-	-	-	5,810	-	-	-
<b>TOTAL COST OF SERVICES.....</b>	<b>143,231</b>	<b>198,417</b>	<b>171,661</b>	<b>201,870</b>	<b>176,595</b>	<b>164,398</b>	<b>165,170</b>
<b>Income</b>							
User charges and fees.....	10,733	8,662	8,662	10,443	10,719	10,922	11,320
Regulatory fees and fines.....	11,949	11,527	11,527	12,407	12,741	12,885	13,032
Gain on disposal of non-current assets .....	-	68	68	-	-	-	-
Grants and subsidies .....	200	-	3,275	1,375	1,750	1,750	1,750
Interest revenue.....	122	124	-	-	-	43	43
Other revenue.....	614	71	71	71	71	71	71
<b>Total Income.....</b>	<b>23,618</b>	<b>20,452</b>	<b>23,603</b>	<b>24,296</b>	<b>25,281</b>	<b>25,671</b>	<b>26,216</b>
<b>NET COST OF SERVICES <sup>(c)</sup>.....</b>	<b>119,613</b>	<b>177,965</b>	<b>148,058</b>	<b>177,574</b>	<b>151,314</b>	<b>138,727</b>	<b>138,954</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	109,096	176,439	146,321	168,666	145,117	135,946	136,223
Resources received free of charge .....	1,562	1,819	1,819	1,817	1,817	1,817	1,817
Liabilities assumed by the Treasurer .....	1,651	914	914	914	914	914	914
<b>TOTAL INCOME FROM STATE GOVERNMENT.....</b>	<b>112,309</b>	<b>179,172</b>	<b>149,054</b>	<b>171,397</b>	<b>147,848</b>	<b>138,677</b>	<b>138,954</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD.....</b>	<b>(7,304)</b>	<b>1,207</b>	<b>996</b>	<b>(6,177)</b>	<b>(3,466)</b>	<b>(50)</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 933, 932 and 932 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	15,260	2,108	9,657	5,123	1,750	1,693	1,693
Investments .....	182	-	182	182	182	182	182
Receivables .....	4,505	3,095	4,505	4,480	4,487	4,494	4,494
Inventories.....	72	459	72	72	72	72	72
Amounts receivable for services.....	1,851	1,851	1,851	1,900	1,952	2,002	-
Prepayments .....	822	1,918	822	822	822	822	822
Non current assets held for sale .....	-	1,408	-	-	-	-	-
Other.....	283	97	151	151	151	151	151
<b>Total current assets .....</b>	<b>22,975</b>	<b>10,936</b>	<b>17,240</b>	<b>12,730</b>	<b>9,416</b>	<b>9,416</b>	<b>7,414</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	7,391	8,722	8,161	8,882	9,551	10,170	12,791
Land and buildings.....	71,185	67,399	71,234	72,487	73,387	73,387	72,729
Receivables .....	-	-	-	-	-	-	-
Plant and equipment.....	2,438	10,602	4,284	4,487	3,773	2,860	3,109
Intangibles.....	127	332	155	186	230	230	230
Loans and advances .....	12,325	21,337	12,325	12,325	12,325	12,325	12,325
Restricted cash .....	250	-	250	250	250	250	250
Other.....	4,660	8,160	8,148	14,968	15,117	15,566	15,566
<b>Total non-current assets.....</b>	<b>98,376</b>	<b>116,552</b>	<b>104,557</b>	<b>113,585</b>	<b>114,633</b>	<b>114,788</b>	<b>117,000</b>
<b>TOTAL ASSETS.....</b>	<b>121,351</b>	<b>127,488</b>	<b>121,797</b>	<b>126,315</b>	<b>124,049</b>	<b>124,204</b>	<b>124,414</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	5,855	9,856	5,855	5,830	5,830	5,830	5,830
Provision for employee entitlements .....	11,079	9,965	11,106	11,106	11,106	11,106	11,106
Borrowings.....	1,366	771	1,366	771	771	771	771
Monies in trust .....	-	435	-	-	-	-	-
Interest payable .....	70	316	70	70	70	70	70
Accrued salaries .....	1,077	66	818	879	879	879	879
Amounts due to the Treasurer.....	1,200	-	-	-	-	-	-
Other.....	1,145	29	1,145	1,145	1,145	1,145	1,145
<b>Total current liabilities.....</b>	<b>21,792</b>	<b>21,438</b>	<b>20,360</b>	<b>19,801</b>	<b>19,801</b>	<b>19,801</b>	<b>19,801</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	4,976	4,460	4,957	4,920	4,920	4,920	4,920
Borrowings.....	4,203	4,910	3,609	-	-	-	-
Accrued salaries .....	91	-	91	91	91	91	91
Other.....	42	-	42	42	42	42	42
<b>Total non-current liabilities .....</b>	<b>9,312</b>	<b>9,370</b>	<b>8,699</b>	<b>5,053</b>	<b>5,053</b>	<b>5,053</b>	<b>5,053</b>
<b>TOTAL LIABILITIES.....</b>	<b>31,104</b>	<b>30,808</b>	<b>29,059</b>	<b>24,854</b>	<b>24,854</b>	<b>24,854</b>	<b>24,854</b>
<b>EQUITY</b>							
Contributed equity .....	60,752	57,813	62,247	77,147	78,347	78,552	78,762
Accumulated surplus/(deficit) .....	(15,043)	(927)	(14,047)	(20,224)	(23,690)	(23,740)	(23,740)
Reserves .....	44,538	39,794	44,538	44,538	44,538	44,538	44,538
<b>Total equity.....</b>	<b>90,247</b>	<b>96,680</b>	<b>92,738</b>	<b>101,461</b>	<b>99,195</b>	<b>99,350</b>	<b>99,560</b>
<b>TOTAL LIABILITIES AND EQUITY.....</b>	<b>121,351</b>	<b>127,488</b>	<b>121,797</b>	<b>126,315</b>	<b>124,049</b>	<b>124,204</b>	<b>124,414</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	105,960	173,818	143,700	166,045	142,496	133,325	133,602
Capital contribution .....	6,770	5,584	1,945	15,313	1,200	205	210
Holding account drawdowns .....	1,501	1,851	1,851	1,851	1,900	1,952	2,002
<b>Net cash provided by State government .....</b>	<b>114,231</b>	<b>181,253</b>	<b>147,496</b>	<b>183,209</b>	<b>145,596</b>	<b>135,482</b>	<b>135,814</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(56,862)	(54,553)	(61,208)	(59,756)	(60,987)	(61,984)	(62,007)
Superannuation .....	(5,562)	(5,475)	(5,581)	(5,579)	(5,334)	(5,554)	(5,554)
Grants and subsidies .....	(22,462)	(74,874)	(42,952)	(66,788)	(41,376)	(31,696)	(31,696)
Consultancies payments.....	(1,823)	(1,674)	(874)	(808)	(808)	(808)	(808)
Supplies and services .....	(34,191)	(39,259)	(38,490)	(49,408)	(51,032)	(47,258)	(48,000)
Accommodation.....	(5,783)	(6,011)	(6,011)	(6,110)	(10,102)	(10,102)	(10,102)
Finance costs.....	(667)	(421)	(297)	(76)	(114)	(179)	(179)
Capital user charge <sup>(a)</sup> .....	(6,384)	(7,308)	(7,308)	-	-	-	-
Goods and services tax .....	(6,267)	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Other.....	(2,204)	(2,748)	(3,166)	(1,490)	(1,490)	(1,465)	(1,465)
Receipts paid into Consolidated account.....	-	-	-	(5,810)	-	-	-
<b>Receipts</b>							
User charges and fees.....	9,623	8,655	8,655	10,436	10,712	10,915	11,313
Regulatory fees and fines.....	12,188	11,527	11,527	12,407	12,741	12,885	13,032
Grants and subsidies .....	200	-	3,275	1,375	1,750	1,750	1,750
Interest received.....	122	124	-	-	-	43	43
Goods and services tax .....	6,002	10,317	10,317	10,317	10,323	10,323	10,323
Other receipts .....	611	71	71	71	71	71	71
<b>Net cash from operating activities.....</b>	<b>(113,459)</b>	<b>(171,952)</b>	<b>(142,365)</b>	<b>(171,542)</b>	<b>(145,969)</b>	<b>(133,382)</b>	<b>(133,602)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(3,988)	(8,285)	(8,076)	(16,743)	(3,000)	(2,157)	(2,212)
Proceeds from sale of non-current assets .....	30	200	200	5,810	-	-	-
<b>Net cash from investing activities.....</b>	<b>(3,958)</b>	<b>(8,085)</b>	<b>(7,876)</b>	<b>(10,933)</b>	<b>(3,000)</b>	<b>(2,157)</b>	<b>(2,212)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(487)	(3,083)	(1,794)	(4,204)	-	-	-
Other payments for financing activities.....	-	(1,064)	(1,064)	(1,064)	-	-	-
Other proceeds from financing activities.....	-	1,289	-	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>(487)</b>	<b>(2,858)</b>	<b>(2,858)</b>	<b>(5,268)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(3,673)</b>	<b>(1,642)</b>	<b>(5,603)</b>	<b>(4,534)</b>	<b>(3,373)</b>	<b>(57)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	10,087	3,750	15,510	9,907	5,373	2,000	1,943
Net cash transferred to/from other agencies.....	9,096	-	-	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>15,510</b>	<b>2,108</b>	<b>9,907</b>	<b>5,373</b>	<b>2,000</b>	<b>1,943</b>	<b>1,943</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE  
AND MAJOR FUNCTIONAL TRANSFERS**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	143,231	198,417	171,661	201,870	176,595	164,398	165,170
Less Capital User Charge.....	6,384	7,308	7,308	-	-	-	-
Add Office of Science and Innovation	15,883	-	-	-	-	-	-
Adjusted Total Cost of Services .....	152,730	191,109	164,353	201,870	176,595	164,398	165,170
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	109,096	176,439	146,321	168,666	145,117	135,946	136,223
Less Capital User Charge.....	6,384	7,308	7,308	-	-	-	-
Add Office of Science and Innovation	25,612	-	-	-	-	-	-
Adjusted net amount appropriated to deliver services.....	128,324	169,131	139,013	168,666	145,117	135,946	136,223

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Grants and subsidies .....	62,617	70,018	63,601	56,195	42,428	27,019	26,623
Consultancies expense .....	141	100	-	-	-	-	-
Supplies and services .....	1,023	1,100	2,528	7,689	1,800	-	-
Finance costs .....	88	-	124	47	43	-	-
Depreciation and amortisation .....	861	-	-	-	-	-	-
Receipts paid into consolidated account.....	1,815,423	2,344,716	2,143,014	2,515,216	2,718,516	2,653,816	2,453,238
<b>TOTAL ADMINISTERED EXPENSES <sup>(a)</sup> ..</b>	1,880,153	2,415,934	2,209,267	2,579,147	2,762,787	2,680,835	2,479,861
<b>INCOME</b>							
Regulatory fees and fines.....	14,695	-	7,356	-	-	-	-
Mining royalties .....	1,877,805	2,290,499	2,280,700	2,571,500	2,763,000	2,609,200	2,405,400
Grants and subsidies .....	-	7,600	10,248	790	600	-	486
Interest revenue .....	304	140	264	187	183	140	140
Other revenue .....	338	-	-	-	-	-	-
Administered appropriations.....	60,174	70,618	58,829	67,574	43,628	27,019	26,635
<b>TOTAL ADMINISTERED INCOME <sup>(b)</sup> .....</b>	1,953,316	2,368,857	2,357,397	2,640,051	2,807,411	2,636,359	2,432,661

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

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

## SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	22,302	16,834	16,079	15,900	15,900	15,900	15,900
Restricted cash .....	5,044	5,044	5,044	5,044	5,044	5,044	5,044
Investments .....	2,347	-	2,347	2,347	2,347	2,347	2,347
Receivables .....	383,844	393,089	534,144	591,644	637,344	593,944	546,744
Interest receivable .....	34	-	34	34	34	34	34
<b>Total Administered Current Assets .....</b>	<b>413,571</b>	<b>414,967</b>	<b>557,648</b>	<b>614,969</b>	<b>660,669</b>	<b>617,269</b>	<b>570,069</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Plant and equipment.....	13	13	13	13	13	13	13
Loans and advances .....	20,736	19,808	19,660	18,584	17,508	16,432	16,432
Other.....	693	13,799	6,646	12,105	12,105	12,105	12,105
<b>Total Administered Non-Current Assets .....</b>	<b>21,442</b>	<b>33,620</b>	<b>26,319</b>	<b>30,702</b>	<b>29,626</b>	<b>28,550</b>	<b>28,550</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>435,013</b>	<b>448,587</b>	<b>583,967</b>	<b>645,671</b>	<b>690,295</b>	<b>645,819</b>	<b>598,619</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Payables .....	6,966	5,531	6,966	6,966	6,966	6,966	6,966
Monies in trust .....	8,630	11,291	8,630	8,630	8,630	8,630	8,630
Interest payable .....	88	-	88	88	88	88	88
<b>Total Administered Current Liabilities.....</b>	<b>15,684</b>	<b>16,822</b>	<b>15,684</b>	<b>15,684</b>	<b>15,684</b>	<b>15,684</b>	<b>15,684</b>
<b>ADMINISTERED NON-CURRENT LIABILITIES</b>							
Borrowings.....	2,089	-	2,089	2,089	2,089	2,089	2,089
<b>Total Administered Non-Current Liabilities</b>	<b>2,089</b>	<b>-</b>	<b>2,089</b>	<b>2,089</b>	<b>2,089</b>	<b>2,089</b>	<b>2,089</b>
<b>TOTAL ADMINISTERED LIABILITIES..</b>	<b>17,773</b>	<b>16,822</b>	<b>17,773</b>	<b>17,773</b>	<b>17,773</b>	<b>17,773</b>	<b>17,773</b>

## SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(63,362)	(70,018)	(63,601)	(56,195)	(42,428)	(27,019)	(26,623)
Consultancies payments.....	(141)	(100)	-	-	-	-	-
Supplies and services .....	(900)	(1,100)	(2,528)	(7,689)	(1,800)	-	-
Finance costs .....	-	-	(124)	(47)	(43)	-	-
Goods and services tax .....	(4,897)	-	-	-	-	-	-
Other.....	(48,884)	-	-	-	-	-	-
Receipts paid into Consolidated account.....	(1,815,423)	(2,344,716)	(2,143,014)	(2,515,216)	(2,718,516)	(2,653,816)	(2,454,314)
Transfer of Assets/Liabilities.....	(144)	-	(176)	-	-	-	-
<b>Financing Activities</b>							
<b>Investing Activities</b>							
Purchase of non-current assets.....	(672)	(9,559)	(5,953)	(5,459)	-	-	-
Purchase of investments.....	(1,136)	-	(1,080)	(1,900)	(1,400)	-	-
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(1,935,559)</b>	<b>(2,425,493)</b>	<b>(2,216,476)</b>	<b>(2,586,506)</b>	<b>(2,764,187)</b>	<b>(2,680,835)</b>	<b>(2,480,937)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Regulatory fees and fines.....	14,695	-	7,356	-	-	-	-
Mining royalties .....	1,800,041	2,340,500	2,130,400	2,514,000	2,717,300	2,652,600	2,452,600
Grants and subsidies .....	-	7,600	10,248	790	600	-	486
Interest received.....	270	140	264	187	183	140	140
Goods and services tax .....	4,245	-	-	-	-	-	-
Other receipts .....	51,611	-	-	-	-	-	-
Service appropriations .....	18,497	21,498	12,094	12,645	8,876	4,932	3,792
Administered appropriations.....	41,677	49,120	46,735	54,929	34,752	22,087	22,843
Capital contribution .....	-	1,000	-	-	-	-	-
<b>Financing Activities</b>							
Other proceeds from financing activities.....	-	1,076	1,076	1,076	1,076	1,076	1,076
<b>Investing Activities</b>							
Proceeds from sale of investments .....	2,089	-	-	-	-	-	-
Capital contribution receipts.....	2,100	-	2,080	2,700	1,400	-	-
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>1,935,225</b>	<b>2,420,934</b>	<b>2,210,253</b>	<b>2,586,327</b>	<b>2,764,187</b>	<b>2,680,835</b>	<b>2,480,937</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>(334)</b>	<b>(4,559)</b>	<b>(6,223)</b>	<b>(179)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Industry Development Financial Assistance ....	9,771	7,590	7,834	4,862	4,189	4,020	5,270
School of Mines Scholarships .....	72	56	56	56	56	56	56
Resource Projects.....	147	150	150	150	150	150	150
Science and Innovation.....	8,457	67,692	35,526	62,334	36,981	27,470	26,220
<b>TOTAL</b>	<b>18,447</b>	<b>75,488</b>	<b>43,566</b>	<b>67,402</b>	<b>41,376</b>	<b>31,696</b>	<b>31,696</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>STATUTORY AUTHORITIES</b>							
Bunbury Port Authority - Casting Basin							
Interest Costs.....	82	95	95	95	95	95	95
Western Power - Gas Lateral Line to the							
Murchison Area - Interest Costs .....	624	832	1,040	832	832	832	832
Western Power - Onslow Gas Fired Power							
Station - Interest Costs .....	136	183	230	183	183	183	183
Western Australian Land Authority - Oakajee							
Industrial Estate Buffer Expansion .....	2,870	-	802	-	-	-	-
Western Australian Land Authority - Burrup							
Service Corridor - Subsidy .....	1,768	2,130	2,130	2,592	2,130	2,130	2,130
Water Corporation - Burrup Water System -							
Subsidy .....	7,300	7,400	8,217	7,876	8,073	8,275	8,482
Dampier Port Authority - Burrup Port							
Infrastructure - Subsidy.....	7,767	9,100	7,005	7,715	10,196	7,811	8,353
<b>OTHER STATE SERVICES</b>							
Receipts paid into Consolidated Account.....	1,815,423	2,344,716	2,143,014	2,515,216	2,718,516	2,653,816	2,453,238
Petroleum (Submerged Lands) Act 1982 .....	18,497	21,498	12,094	12,645	8,876	4,932	3,792
Refunds of Previous Years' Revenues .....	4,510	1,960	1,960	1,960	1,960	1,960	1,960
Mining tenement refunds .....	-	6,000	7,500	2,000	1,950	-	-
Aboriginal Lands Trust - Remuneration for							
mining on Indigenous lands.....	-	155	155	155	155	155	155
Minerals and Energy Research Institute of							
Western Australia.....	649	657	657	630	633	641	641
Marine Industry Technology Park.....	2,197	-	-	-	-	-	-
Jervoise Bay Infrastructure Southern Precinct .	229	-	-	-	-	-	-
Wittenoom Clean-up.....	257	-	-	-	-	-	-
Protecting Our Old Growth Forests Policy .....	9,180	-	5,317	-	-	-	-
Hearson Cove Road upgrade .....	70	-	150	1,968	-	-	-
Ravensthorpe Nickel Project .....	7,490	3,800	7,061	2,432	-	-	-
Ngaanyatajarra Telecommunications .....	143	-	1,580	2,169	-	-	-
Kimberley Broadband Solutions .....	69	1,100	610	1,020	600	-	-
Burrup Fertilisers - Temporary Pipeline							
Facility.....	381	-	447	-	-	-	-
Coal Industry Development.....	-	4,100	2,243	7,957	-	-	-
Science and Innovation - Innovate Western							
Australia <sup>(a)</sup> .....	-	12,012	4,182	2,930	4,900	-	-
Protecting Our Old Growth Forests - Blue							
Leaf Whittakers Financial Assistance .....	-	196	66	45	25	5	-
Boddington Goldmine Expansion .....	-	-	2,550	4,480	2,520	-	-
Mirambeena Timber Precinct .....	-	-	-	4,200	1,100	-	-
Other Administered Expenses .....	511	-	162	47	43	-	-
<b>TOTAL</b>	<b>1,880,153</b>	<b>2,415,934</b>	<b>2,209,267</b>	<b>2,579,147</b>	<b>2,762,787</b>	<b>2,680,835</b>	<b>2,479,861</b>

(a) Expenses relate to the Office of Science and Innovation which was transferred in from the Department of the Premier and Cabinet from 1 April 2006.

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COMMONWEALTH GRANTS</b>							
Commonwealth Contribution - Jervoise Bay Infrastructure .....	-	7,000	8,358	-	-	-	-
Commonwealth Contribution - Ngaanyatjarra Lands .....	-	-	700	200	-	-	-
Commonwealth Contribution - Kimberley Broadband Solution .....	-	600	110	590	600	-	-
<b>ROYALTIES</b>							
Petroleum - Commonwealth .....	609,803	720,500	668,700	699,200	727,000	766,500	743,600
Petroleum - State .....	71,422	81,999	55,800	59,300	43,700	33,100	28,900
Iron Ore .....	721,808	1,000,000	944,900	1,144,000	1,345,500	1,267,400	1,161,000
Alumina .....	69,960	63,500	84,700	72,900	71,700	69,000	67,600
Diamonds .....	43,500	57,500	21,100	26,500	31,300	24,100	30,700
Mineral Sands .....	29,301	24,500	28,300	29,400	32,100	30,200	30,600
Nickel .....	93,029	99,500	213,200	262,500	234,000	155,000	87,100
Gold .....	91,622	125,000	117,800	123,700	122,400	121,300	116,800
Other .....	83,905	75,500	102,800	111,500	112,300	99,600	96,100
Lease Rentals .....	63,455	42,500	43,400	42,500	43,000	43,000	43,000
<b>OTHER</b>							
Regulatory Fees .....	14,695	-	7,356	-	-	-	-
Appropriations .....	60,174	70,618	58,829	67,574	43,628	27,019	26,635
Other Revenue .....	642	140	1,344	187	183	140	626
<b>TOTAL</b>	<b>1,953,316</b>	<b>2,368,857</b>	<b>2,357,397</b>	<b>2,640,051</b>	<b>2,807,411</b>	<b>2,636,359</b>	<b>2,432,661</b>

**AGENCY SPECIAL PURPOSE ACCOUNT DETAILS****Forest Residue Utilisation Levy Special Purpose Account**

The Forest Residue Utilisation Levy Special Purpose Account is controlled through Investment Services. It is utilised for the purpose of funding studies and programs which add value to forest residues. Funding is provided from monies received under the *Wood Chipping Industry Agreement Act*.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	61	61	61	61
Receipts:				
Appropriations .....	-	-	-	-
Other .....	-	-	-	-
	61	61	61	61
Payments .....	-	-	-	-
<b>CLOSING BALANCE</b> .....	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Proceeds from Petroleum Permits and Licences .....	5,809	5,832	5,832	7,000
Proceeds from Prospecting, Exploration and Other Mining Licences.....	6,140	5,695	5,695	5,407
Proceeds from Departmental Fees and Charges.....	778	1,245	1,245	1,245
Proceeds from the Provision of Chemical, Mineralogical, Metallurgical and Related Scientific Investigative and Advisory Services.....	6,405	6,864	6,864	7,768
Interest.....	122	124	-	-
Goods and Services Tax .....	6,002	10,317	10,317	10,317
<b>TOTAL .....</b>	<b>25,256</b>	<b>30,077</b>	<b>29,953</b>	<b>31,737</b>

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

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**Part 4**  
**Minister for Agriculture and Food; Forestry;**  
**the Mid West and Wheatbelt; Great Southern**

**SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
253	Agriculture and Food			
	– Delivery of Services .....	149,320	149,580	<b>174,906</b>
	– Capital Contribution .....	5,200	4,050	<b>560</b>
	Total .....	154,520	153,630	<b>175,466</b>
285	Agriculture Protection Board of Western Australia			
	– Delivery of Services .....	1,756	1,756	<b>1,330</b>
	Total .....	1,756	1,756	<b>1,330</b>
294	Western Australian Meat Industry Authority	-	-	-
295	Perth Market Authority	-	-	-
296	Rural Business Development Corporation			
	– Delivery of Services .....	1,687	4,262	<b>2,940</b>
	Total .....	1,687	4,262	<b>2,940</b>
303	Forest Products Commission	-	-	-
304	Mid West Development Commission			
	– Delivery of Services .....	3,501	3,522	<b>3,452</b>
	– Capital Contribution .....	229	229	-
	Total .....	3,730	3,751	<b>3,452</b>
319	Wheatbelt Development Commission			
	– Delivery of Services .....	1,417	1,461	<b>1,582</b>
	Total .....	1,417	1,461	<b>1,582</b>



Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
329	Great Southern Development Commission			
	– Delivery of Services .....	3,021	944	<b>1,574</b>
	– Capital Contribution .....	23	223	<b>2,679</b>
	Total .....	3,044	1,167	<b>4,253</b>
	GRAND TOTAL .....			
	– Delivery of Services .....	160,702	161,525	<b>185,784</b>
	– Capital Contribution .....	5,452	4,502	<b>3,239</b>
	Total .....	166,154	166,027	<b>192,262</b>

## AGRICULTURE AND FOOD

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

#### DIVISION 13

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 44 Net amount appropriated to deliver services</b> <sup>(a)</sup> .....	145,083	149,161	149,317	<b>174,638</b>	127,059	117,199	119,415
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975</b> <sup>(b)</sup> .....	155	159	263	<b>268</b>	273	278	286
Total appropriations provided to deliver services .....	145,238	149,320	149,580	<b>174,906</b>	127,332	117,477	119,701
<b>CAPITAL</b>							
<b>Item 143 Capital Contribution</b> .....	3,531	5,200	4,050	<b>560</b>	4,980	21,939	64,540
<b>GRAND TOTAL</b> .....	148,769	154,520	153,630	<b>175,466</b>	132,312	139,416	184,241

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

##### Food and Fibre Industry Development

- Agricultural production represents the largest renewable resource-based industry in Western Australia. The agri-food industries, including retailing and food service sector, represent more than nine per cent of the state's economy. The sector creates employment for more than 11 per cent of the state's workforce and is the largest employer in the rural regions.
- **Gross State Product (GSP) contribution 2001-06**

	2001-02	2002-03	2003-04	2004-05	2005-06
Proportion of GSP attributed to agriculture (%) <sup>(a)</sup>	9.2%	8.8%	9.0%	8.9%	8.9%

- (a) The direct contribution of the agriculture, forestry and fishing sector to the state's GSP in 2005-06 was 3.9 per cent. The indirect contribution to GSP of related industries within other sectors is estimated to be an additional 5.0 per cent.

- The Western Australian food-processing sector has an annual turnover of approximately \$4.7 billion and has grown at an average of 5.6 per cent per annum over the last ten years. Much of the growth is directed to exports and local processors supply a decreasing percentage of the national food intake. A study indicated an economic multiplier of 6:1 for every dollar created by the food sector and an employment multiplier of 12:1 for every person employed. The agri-food industry represents the second largest export sector.
- The agri-food industry has undergone many changes in recent years that need to be considered when planning policy intervention and government services:
  - the industry has shifted towards being more market-driven and very conscious of consumer needs;
  - healthy food is now the new paradigm in many of our export markets;
  - there has been a radical shift in the supply chain from manufacturers to major retailer and food service;
  - companies dictating trends for products and innovation;
  - increasing demand for intellectual property protection, management and commercialisation; and
  - increasing awareness of the need for environmentally friendly production methods.
- World food industry trends predict increased growth in three major areas:
  - health and wellbeing foods;
  - convenience foods; and
  - luxury foods.
- In general, Western Australian companies do not have the economies of scale to enable them to compete globally in food processing, and therefore need support to focus on these more technologically complex product areas.
- Western Australia currently exports \$4.2 billion of agricultural production representing approximately 75 per cent of production (\$5.6 billion) and represents:
  - 40 per cent of Australia's grain exports;
  - 25 per cent of Australia's wool clip and supplies;
  - 14 per cent of the world's fine apparel wool;
  - 31 per cent of Australia's vegetable exports; and
  - 60 per cent of Australia's live animal exports.
- Of the \$4.2 billion in Western Australia's agricultural and food exports, only 19 per cent represents processed food exports.
- The application of modern information management, communication, global positioning, remote sensing, auto-detection, identification and tracing technology will be increasingly important to productivity improvement, the assurance of product quality and safety, maintenance of animal and plant health and protection of the natural environment.
- Adoption of new food and fibre production technologies, including the use of biotechnology coupled with more intensive production techniques, will continue as a major driver for change.
- Labour supply is an increasing issue in agricultural-related areas, with availability of both seasonal and permanent labour a major constraint. There will be continued drive towards more labour efficient and flexible farm operations, placing further downward pressure on rural communities.
- Supermarket penetration and consolidation into Western Australia's traditional markets in Asia is continuing. At the same time, disaggregation of food retailing is becoming evident in mature markets like the United States of America, particularly in areas of higher incomes, where retailers offer an up-market shopping experience. These contrasting trends may offer new opportunities for high quality Western Australian produce.
- There has been a trend towards the intensification of animal industries in Western Australia with increases in lot-feeding within the beef and lamb industries, development of intensive feeding systems in the dairy industry and the concentration of sheep on fewer pasture hectares as a result of the expansion of the cropping area. This has increased the demand for better fodder and feeding systems, improved management of the fertilisers and the development of new production systems.

- The recognition by governments and the wider community of the links between diet and undesirable health outcomes will result in an increased focus on healthy eating with a particular emphasis on fresh locally produced foods. This will strengthen consumer support for retention of strong viable fresh food industries in Western Australia and create new opportunities for the sector. Examples include the development of new varieties of fresh fruit and vegetables with enhanced health characteristics and 'niche' products.
- The use of Waterwise plants in metropolitan gardens to reduce water consumption will be a key priority in the overall strategy to reduce water use in Perth. These plants are likely to be sourced from the wide range of native plants that exist in the Western Australian landscape.
- Increasing diversity in product type will lead to an increased need to manage on-farm storage and handling, an increased requirement to segregate material based on crop variety, development of improved crop production techniques and an ability to track Quality Assured (QA) grain. On-farm changes will be complemented by changes in bulk storage and the ability to segregate grain without contamination, develop a QA supply chain and to deliver grain to the market with the best quality.
- Pressure is building within rangeland industries as a result of increasing production costs and a declining human resource base. Traditional grazing systems are replaced by more sustainable management systems that are predicated on control of total grazing pressure, decision point management; pasture rest; and strategic utilisation, which more adequately reflect Western Australia's arid pastoral lands.
- Western Australian producers have a high reliance on export markets and are affected significantly by changes to World Trade Organisation agreements, regional free trade agreements (FTA) and subsidisation regimes of the European Union and United States of America. The introduction of FTAs will provide opportunities and challenges to Western Australian agriculture.
- The horticulture industries are facing increasing competition. Carrots and cauliflowers are major Western Australian vegetable export industries facing strong competition from China while the export plum industry is facing increased competition from other southern hemisphere producers including Chile and South Africa.
- Growing brand awareness and increasing demand for higher quality commodities among Chinese consumers provide increasing opportunities for Western Australian agri-food exporters to increase market share in China. However, discussions with exporters reveal that issues such as tariff, quarantine and market access and lack of transparency can potentially hinder trade. China has recently granted market access for Australian mangoes and citrus.
- Sheep numbers have declined as a result of low returns for wool as compared to crops and the recent dry season in 2006. However, it is anticipated that there will be some rebound in coming years in response to improved prospects for wool and sustained demand for sheep meat.
- The sustained demand for lamb has in part been driven by widespread adoption by producers and processors in Western Australia of the Sheep Meat Eating Quality guidelines, developed by the Sheep Cooperative Research Centre in which the Department is a partner. The trend towards increased use of 'feedlotting' to finish lambs is expected to continue.
- Western Australia produces approximately 14% of the world's fine apparel wool. The next-to-skin comfort continues to be a key issue in women's knitwear. Reversing the long term trend for decreased consumption of Western Australian wool in this sector is a key factor in increasing wool demand and returns to Western Australian wool producers.
- A mismatch between the seasonality of cattle turn-off and abattoir capacity continues to create a shortage of killing capacity at peak periods of supply. Current investment in the processing sector will assist the industry in maintaining exports and developing new opportunities.
- Growing export demand for Western Australian dairy products combined with a scarcity of milk for production of high value products has resulted in an increase in prices paid to Western Australian dairy farmers, with this trend expected to continue.

### **Agriculture Resource Management**

- The effects of a drought year in 2006 and ongoing uncertainties around climate variability have emerged as a major concern for the future management of land degradation issues in the agricultural region. It is expected that the worst affected areas will take many years to recover.

- Managing salinity in the agricultural region and maintaining or improving rangeland condition in the pastoral areas continues to be a high priority.
- Coordinating the significant joint State and Commonwealth Government \$316 million investment in salinity through the National Action Plan for Salinity and Water Quality over four years to 2008. The \$25 million per year Natural Heritage Trust continues to be a major focus while the Regional Natural Resource Management (NRM) continues to be a major focus of the state's NRM in partnership with regional groups.
- Climate change has emerged as an issue with long-term implications for the agricultural and pastoral industry. The need to plan so that industries and farming systems can adapt to adverse changes in rainfall and temperature over the longer term has substantially increased. The agricultural industry will also need to prepare for and implement Greenhouse gas emissions reductions with abatement targets set for the industry.
- The possible introduction of carbon trading schemes will provide opportunities for the agricultural sector. However, issues around accounting and auditing of carbon sequestration in agricultural systems will need to be resolved and the form, function and application of a national emissions trading system is still unclear. In Australia, a national emissions trading system will need to be linked to international carbon markets.
- There is increased pressure on the issue of water consumption by agricultural activities as a result of significant reductions in rainfall in the south of the state. There is significant reform in water law and management of water resources in Western Australia, which reinforce the need for agricultural industries to improve the efficiency of water use and reduce wastage and improve the accounting of water use, through measures such as Water Conservation Plans and metering.
- Growth in the agricultural industries will be highly dependent on access to water resources. The reforms to water resource management include statutory plans for water resource systems and the opportunity for new agricultural development requiring significant effort to ensure a balanced economic and environmental outcome.
- Herbicide resistance in weeds and land degradation including wind and water erosion, soil acidification, soil compaction, water repellence and waterlogging are land management issues impacting on agricultural production. Stubble burning to control herbicide resistant weeds is estimated to have increased to 50 per cent in some districts and this has contributed to increased erosion risks.
- Drainage remains a key option in salinity management and advice on policy development, assessment and governance will continue to be a focus.
- Increased community expectations regarding environmental impacts underpin the national trend, with increasing calls for Government policy and regulation in relation to sustainable development. Legislation is increasingly being tightened and framed to require compliance with the Codes of Practice. There is a stronger push by stakeholders for land retirement/structural adjustment to meet sustainability outcomes.
- Offsite impacts from inappropriate use of fertilisers will drive more formal restrictions on the use of fertilisers and require the development of more sustainable management options for farmers. An example is the Government's initiative in 2006 to phase out water soluble phosphorus fertilisers on parts of the Swan coastal plain.
- Farmers, industry and community are becoming more aware of the need to demonstrate good agricultural practice in farm and food production systems. Farmers will need clear advice on environmental standards that need to be met in their production systems.
- Competition for the agricultural land arises from urbanisation and other development pressures. Planning to deal with these issues creates a requirement for resource data, spatial data analysis, Codes of Practice and effective relationships with land use planners.

### **Biosecurity**

- Changes in the global trading environment and technological progress in the transport of people and cargo has greatly reduced the effectiveness of Western Australia's natural geographical advantage in protection against the entry of pests.

- Interstate border quarantine operations are under increasing pressures from marked increases in travel and trade. Last year, over 115,000 vehicles were searched at road checkpoints (at Eucla and Kununurra) with 30,000kg of seizures, passengers from 12,500 flights were inspected at airports with 3,000kg of seizures and 98 passenger trains inspected with 690kg of seizures. Over the last four years, there has been:
  - 25 per cent increase in flights into Western Australia (Perth 25 per cent, Kununurra four per cent, Broome 59 per cent);
  - 53 per cent increase in passengers on flights (Perth 52 per cent, Kununurra 23 per cent, Broome 172 per cent);
  - 32 per cent increase in freight trains and 34 per cent increase of rail containers;
  - 95 per cent increase in items imported (currently 7.2 million) from 30 per cent increase in imported consignments (currently 32,000) that must be inspected; and
  - three per cent increase in the number of vehicles entering the state through road checkpoints (currently 102,000 vehicles per year). Checkpoints currently operate 24 hours per day seven days per week.
- The national Emergency Plant Pest Response Deed and the Emergency Animal Diseases Response Deed Agreement to which all Australian governments have committed, establishes binding government-industry cost-sharing arrangements for major pests and diseases. The Deeds require each jurisdiction to have in place an appropriate capacity to respond to emergency pest and disease incidents. The Deeds also require each state to have the capacity to assist other states should an exotic disease outbreak occur, requiring the Department to enhance its overall capacity to respond to emergencies.
- Climatic influences and changing farming practices such as no-till may encourage conditions that favour more frequent outbreaks of Australian Plague Locust in the South-West land division. The frequency of these outbreaks has increased significantly in the last ten years.
- There is an increasing number of small rural landholders as a result of new subdivisions and these properties are impacting on the management of biosecurity risks in the state.
- It is likely that chemicals (e.g. fenthion and dimethoate) commonly used for post harvest fruit treatment would not be available for use in the future because of toxicological, occupational health and safety or residue and trade concerns. Fenthion and dimethoate are extensively used for insect control on several agricultural crops including as a post-harvest treatment for the control of fruit fly in fruit and vegetable commodities destined for sale in Australia and in overseas markets. New pest disinfection options will need to be developed to maintain and gain interstate and international market access for produce that requires post-harvest treatments to ensure freedom from fruit fly infestation.
- The detection of exotic pests such as European House Borer, regarded as one of the most important insect pests of softwood, highlights the need for regular review of measures on importation of items at risk of carrying cryptic pests and emphasises the need for 'shared responsibility' between industry and government on the issue of quarantine and biosecurity generally.
- Pests that impact on environmental and social values will be increasingly important and this will require increased collaboration between the biosecurity programs from all government agencies and other authorities and stakeholders if cost-effective prevention and control is to be achieved.
- Overseas markets require Australia to provide evidence of its high animal health status and ensure that its produce is free from specific diseases and chemical residues. This will require an increased level of our disease surveillance strategies, with reliance on effective livestock traceability to provide this assurance.
- Increasingly, animal biosecurity issues are national issues that relate to trade and market access, food safety and public health. Dealing with these matters will involve partnerships between national and state governments and industry, including the establishment of national performance standards and nationally agreed animal disease programs.
- Livestock industries are facing increasing pressure from the community and markets to adopt and demonstrate the use of best practice in relation to animal welfare.
- There is a need for a continued strengthening in partnerships between the livestock industries and biosecurity agencies and for greater industry involvement in funding and delivering key biosecurity outcomes. On a beneficiary pays basis, there is an increasing need for industry commitment to part-fund, or wholly fund animal biosecurity activities.

- Animal biosecurity status is compromised when producers do not accept responsibility for implementing biosecurity practices aimed at protecting their own enterprises. A future challenge will be getting individual livestock owners and managers to assume greater responsibility for the biosecurity of their own livestock enterprises.
- Biosecurity on peri-urban landholdings is regarded as a threat to biosecurity on commercial farms. An assessment of the significance of this threat and engagement of peri-urban landholders is needed to underpin appropriate improvements in the biosecurity practices.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Assistance for Regional Saleyards .....	-	8,500	-	-
Biosecurity (European House Borer) .....	208	74	-	-
Biosecurity (Red Imported Fire Ants) .....	695	534	366	225
European Starlings .....	2,450	2,450	-	-

## SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Food and Fibre Industry Development .....	80,380	84,616	94,787	86,490			
<i>Service 2:</i>							
Agricultural Resource Management .....	129,065	140,715	148,082	162,016			
<i>Service 3:</i>							
Biosecurity .....	65,978	57,530	79,128	62,235			
<i>Service 4:</i>							
Services Provided to Rural Business Development Corporation .....	16,733	3,123	9,193	12,888			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	292,156	285,984	331,190	323,629	209,794	180,175	182,406
<i>Less Income</i> .....	151,149	133,612	159,612	150,918	63,374	59,350	59,357
<b>Net Cost of Services</b> <sup>(a)</sup> .....	141,007	152,372	171,578	172,711	146,420	120,825	123,049
Adjustments <sup>(b)</sup> .....	4,231	(3,052)	(21,998)	2,195	(19,088)	(3,348)	(3,348)
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	145,238	149,320	149,580	174,906	127,332	117,477	119,701
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	3,531	5,200	4,050	560	4,980	21,939	64,540
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	148,769	154,520	153,630	175,466	132,312	139,416	184,241

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Increased competitiveness and profitability of agriculture, food and fibre industries.	1. Food and Fibre Industry Development 4. Services provided to Rural Business Development Corporation
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Improved ecological sustainable development of agri-industry.	2. Agricultural Resource Management
Ensuring that regional Western Australia is strong and vibrant.	Effective management of biosecurity.	3. Biosecurity

**Outcome 1: Increased Competitiveness and Profitability of Agriculture, Food and Fibre Industries****Effectiveness Indicator – Uptake of Department Varieties**

The Department is the main provider of new varieties of dominant export crops grown in Western Australia such as wheat, lupins and barley. The market share of the Department's developed varieties highlights the effectiveness of the breeding programs for Western Australian conditions. The table below indicates that the Department expects the uptake of its varieties to remain at high levels with most varieties having a greater than 75 per cent level of market utilisation.

Variety	2005		2006		2007
	Percentage of Western Australian crop area sown to crop varieties developed by the Department	Season hectares planted	Percentage of Western Australian crop area sown to crop varieties developed by the Department	Season hectares planted	Target percentage of total take up of Western Australian crop area sown to crop varieties developed by the Department
Wheat	80.7	3,931,167	76.4	3,166,540	75.0
Barley	95.4	874,423	95.4	869,097	95.0
Oats	97.1	75,859	94.5	178,897	94.5
Lupins	100.0	399,195	99.8	360,480	99.8
Field Peas	8.4	58,155	1.9	64,515	1.5
Chickpeas	83.9	2,056	58.0	1,077	58.0
<b>Total</b>	<b>84.0</b>	<b>5,340,855</b>	<b>81.4</b>	<b>4,640,606</b>	<b>79.4</b>



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

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

Commodity	Destination	2005-06 (\$'000)	2006-07 Target (\$'000)	2006-07 Estimated (\$'000)	2007-08 Target (\$'000)	Reason for Significant variation between 2006-07 Estimated and 2007-08 Target
Pork	Total exports	32,287	32,500	31,671	31,100	
	Singapore	28,629	30,000	30,372	29,000	
Beef	Japan	42,260	35,000	29,667	27,000	Harvey Beef is now exporting the majority of its meat production to South Korea. In the past Japan was the primary export market.
	Taiwan	5,868	8,000	5,464	5,200	
	South Korea	29,466	32,000	42,365	53,000	
	Kuwait	3,821	3,500	3,057	2,500	
Lamb	Japan	9,788	16,000	10,129	8,000	Japan is a high quality market for lamb. Due to the lack of quality lamb (dry conditions) and a lack of labour to further process high value products estimates suggest lamb exports to Japan could be half of last year
Milk	Singapore	12,345	12,000	12,356	13,800	
	Taiwan	2,489	3,200	2,628	2,800	
	Malaysia	2,328	4,000	2,984	3,200	
	Hong Kong	8,663	3,000	8,173	8,500	
Hay	Japan	80,603	86,000	99,634	92,000	
	South Korea	6,861	3,800	7,479	7,200	
Cereal Straw	Japan	3,372	3,600	1,915	1,900	

### Effectiveness Indicator –The Department’s Contribution to Increasing Producer’s Profitability

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

#### - Select horticulture exports

Product	2005-06	2006-07 Target	2006-07 Estimated	2007-08 Target
Carrot Exports (volume) Tonnes.....	52,831	52,000	62,439	64,000
Carrot Exports (value).....	\$33,454,000	\$34,000,000	\$40,228,000	\$41,200,000
Potato Exports (volume) Tonnes.....	992	2,000	1,538	1,700
Potato Exports (value).....	\$884,000	\$1,400,000	\$1,319,000	\$1,459,000
Strawberry Exports (volume) Tonnes.....	1,780	1,900	1,252	1,200 (a)
Strawberry Exports (value).....	\$8,458,000	\$9,500,000	\$6,291,000	\$6,000,000 (a)

- (a) The sustained high value for the Australian dollar versus the United States of America dollar has led to a steady erosion of our international competitiveness. As a result of this, prices offered by exporters to their growers in Western Australia were considered by some to be below the cost of production and they chose not to supply. Also exports were significantly down in July and August 2006 to the United Arab Emirates because the Australian Quarantine and Inspection Service imposed more stringent inspection procedures than in previous years in relation to the presence of live insects, leading to consignments being rejected for export in these months

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

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

In recent times, fibre diameter appears to have stabilised at around 20.8 micron. This has been achieved through a combination of improved selection of fine wool and the adoption of prime lamb production, which has driven the merino flock to be ewe-dominant. This change in diameter equates to an eight per cent increase in price at March 2007 prices. Seasonal variation, both within and between years, exerts considerable short-term influence on fibre diameter. This is clearly shown by a large spike in diameter in early 2006, caused by the exceptionally good growing season experienced in 2005, followed by a rapid drop caused by very tough seasonal conditions in 2006.

Details of the trends in wool diameter can be found in the Department's Annual Report.

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

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

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

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

	2005-06 Actual %	2006-07 Target %	2006-07 Estimated %	2007-08 Target %
<b>Agronomy practices</b>				
Planted non-irrigated perennial pasture species .....	40	40	35	40
Planted saltland pasture species .....	32	30	20	28
Planted trees for commercial production (e.g. pines and blue gums) .....	20	N/A	10	16
Stubble retention or mulching practices .....	64	65	65	65
Farmed to soil type .....	72	75	70	70
<b>Land Conservation Management</b>				
Tree/shrub planting .....	69	65	50	65
Preserve or enhanced areas of conservation value .....	80	70	65	70
Excluded stock from areas impacted by land degradation .....	69	75	65	75
Protected river or creek frontages from grazing animals .....	49	55	48	52
<b>Resource Monitoring</b>				
Regular soil testing for nutrient levels .....	74	75	74	76
Regular soil testing for pH .....	76	75	70	70
Regular monitoring of pasture/vegetation cover on sandy/light soils .....	58	55	60	58
<b>Surface water management</b>				
Water on sloping land (e.g. grade banks) .....	73	55	60	60
Water on the valley floors using surface drains .....	49	30	45	45
Water on the valley floors using deep drains .....	27	15	25	20

### Outcome 3: Effective Management of Biosecurity

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

Service Measures	2005-06	2006-07 Target	2006-07 Estimate	2007-08 Target
1 Identifications of notifiable animal diseases .....	3	23	4 <sup>(a)</sup>	5
2 Number of animal diseases.....	3	6	4	3
3 Interceptions of significant pests, diseases and weeds.....	192	305	280	265
4 Number of pests, diseases and weeds .....	59	72	65	62
5 Removal of properties from quarantine .....	101	103	105	109

(a) The estimated identification of notifiable animal diseases for 2006-07 differs from the target for 2006-07 due to the fact that a number of diseases were removed from the notifiable stock diseases list after the target was set, and this is likely to result in fewer identifications in 2006-07 than anticipated.

#### Animal Diseases

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

#### Interception of Significant Pests, Diseases and Weeds

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

#### Quarantine

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

#### Service 1: Food and Fibre Industry Development

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	80,380	84,616	94,787	86,490	
Less Income .....	29,912	30,841	35,025	30,143	
Net Cost of Service <sup>(a)</sup> .....	50,468	53,775	59,762	56,347	
Adjustments <sup>(b)</sup> .....	(4,665)	1,028	(3,172)	(111)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>45,803</b>	<b>54,803</b>	<b>56,590</b>	<b>56,236</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

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

Units of knowledge include outputs of new varieties, books, journal articles and information kits. They are weighted to reflect the different levels of difficulty and time involved in their preparation.

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Total number of units of knowledge.....	3,150	3,100	3,125	3,050	
Total cost.....	\$93,027,000	\$88,375,000	\$95,127,000	\$86,490,000	
Average cost per unit of knowledge.....	\$29,532	\$28,508	\$30,441	\$28,357	

### Full Time Equivalents for Service 1

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Full Time Equivalents (FTEs)</b>	<b>711</b>	<b>640</b>	<b>751</b>	<b>717</b>	

### Major Achievements For 2006-07

- A range of markets were targeted to promote and develop market opportunities for Western Australian agriculture and food including India, Europe, Thailand, China, Malaysia, Taiwan, South Korea, Japan and countries in the Middle East region. These markets were engaged through the Western Australian Overseas Office Network, which partnered Austrade offices and through targeted business liaison programs, brought buyers to Western Australia and supported trade missions to the markets.
- An innovation strategy was implemented to assist local food producers to differentiate their product offers by providing access to a combination of grant funds through the Western Australian Food Industry Development Fund program. Guidance was also provided, through in-house skills and a membership alliance with Leatherhead Food International, in relation to technology transfer.
- The Department assisted the industry and the Department of Health in food regulatory matters, including the fortification of food and country of origin labelling.

- Initiatives were developed to enhance the capacity of the local industry to attract and apply investment. These include the aggregation of capital across the sector (through assistance and guidance for the formation to cooperative businesses) and the attraction of capital from outside the sector (through major food processing investment attraction projects).
- A review of Grain Licensing Authority (GLA) operations was undertaken and recommendations were made to the Authority. This resulted in a number of changes including an amendment to the legislation. Grain sampling and quality testing procedures were also implemented on behalf of the GLA. Expertise in market research and analysis was provided to aid the GLA in its assessment of applications for special export licences.
- The Biofuels Taskforce established by the Minister for Agriculture and Food in January 2006 undertook a public consultation process and received 49 written submissions. Four public consultation meetings were held with selected respondents.
- The udon noodle wheat variety 'Binnu' was released in 2006. Binnu has a wide adaptation to much of the central and northern wheatbelt and its improved yield, resistance to diseases and enhanced quality for noodle manufacture will make it a suitable replacement for existing varieties.
- Barley Breeding Australia (West) was established as the western node of the national barley breeding program and is responsible for the development of barley varieties for Western Australia and requires 'neutral to acid' soils of the higher rainfall regions of southern New South Wales and the north eastern and south western part of Victoria and Tasmania. The breeding targets include 80 per cent malting and 20 per cent feed, with a strong emphasis on acid soil/aluminium tolerance and resistance to major leaf diseases.
- The Department's involvement in the new Western Australia Centre for Food and Genomic Medicine contributed to a significant medical publication in 2006, demonstrating that the consumption of lupin-enriched bread increased satiety and reduced energy intake in humans. The publication has stimulated commercial interest in lupin flour from a major United States of America food company, which has requested samples for pilot evaluation.
- The Department has worked with the Department of Fisheries on a project, demonstrating the benefit of lupins as a substitute for soybean in aquaculture feeds. The project has identified a range of market opportunities where lupin has a competitive advantage over soybean and significant quantities of lupins have already been shipped to premium paying markets.
- A directory 'Tools to Assist Decision Making' was established on the Department's website, providing farmers and advisors with over 40 tools to assist with decision-making on various aspects of farming. The website caters for 'what if' questions and allows the evaluation of different production, economic and natural resource management scenarios.
- Considerable progress has been made in relation to blackleg epidemiology in canola to offer a better explanation of the regional variability in blackleg stem canker expression in Western Australia. The prediction using Blackleg Sporacle and SporacleEzy models for location and seasonal variability of the onset of seasonal ascospore release in relation to blackleg in canola is being tested in New South Wales, Victoria and South Australia. It is expected that by 2008, blackleg forecasting will be done nationally using the models developed in Western Australia.
- In anticipation that weeds would develop higher levels of herbicide resistance the 'Integrated Weed Management in Australian cropping systems: A training resource for farm advisors', was published in February 2007. This manual was originally initiated by officers in the Department's Weeds Group in 1998 and has subsequently been further developed by the Cooperative Research Centre for Australian Weed Management and given a national focus to meet the needs of all farmers. The Department's officers have been actively involved in presenting and designing a series of training courses for farm advisers, based on the information in the manual.
- In response to animal welfare concerns, investigations into the breeding of sheep that do not require mulesing have been established at the Mt Barker Research Centre.
- Western Australian 'fine ends' wool fabric was released in Italy in July 2006. If this new product is supported by industry, it will have the potential to lift the demand for Western Australian wool at auction. A similar approach has been used to develop a 'non-allergenic' wool fabric that was released in Europe in September 2006.

- Completed a major upgrade to the dairy facilities at the Vasse Research Centre to support research and development for the dairy industry.
- Due to the driest growing season on record for many agricultural areas, the Rural Business Development Corporation successfully administered the 2006 Dry Season Assistance Scheme to provide direct grants of up to \$7,500 to farmers as well as providing community grants of up to \$5,000 to affected shires to conduct community events. Funding was also provided to community groups to conduct community events and for counselling services in the affected areas.
- During 2006-07, grants totalling \$2 million were paid to 280 farm and pastoral businesses under both the 2006 Dry Season Assistance Scheme and Nullarbor Dry Seasons Assistance Scheme 2006, which were administered through the Rural Business Development Corporation using departmental staff and resources.
- The Kimberley and Pilbara Indigenous Support Service continued the support and development of selected Indigenous pastoral leases in the Kimberley. Additional State, Commonwealth and industry support was secured for enhanced development of the Indigenous Support Service.

### ***Major Initiatives For 2007-08***

- To enhance the local research and development (R&D) capacity, a major food R&D alliance program will be initiated with Food Science Australia to connect local R&D capacity and to deliver technology transfer services to Western Australian food producers.
- To enhance the coordination and representation of the food industry, assistance will be provided for the formation of a Western Australian food industry association. This will increase the flow of information and industry development services to the local industry.
- To enhance the presence of local product on supermarket shelves, a state of origin branding scheme will be created and implemented. This will allow local food businesses to differentiate the imported product to the Western Australian consumer.
- To increase the flow of investment capital into the Western Australian food industry, an investment attraction program will be created and implemented. Local businesses with investment needs will be provided the opportunity to connect to potential investors. New world scale Western Australian food production opportunities will also be provided to potential investors.
- A corporate entity will be established for wheat breeding, owned by the Department and the Grains Research and Development Corporation. The Department will provide the delivery of wheat breeding services to the company under a transition program to full commercial operation.
- The Department will progress three new wheat lines for release in 2007. They include two hard types and an udon noodle type with excellent quality.
- The Department will release an advanced narrow-leafed lupin line (WALAN 2224) with better adaptation to southern high rainfall lupin growing areas of Western Australia. It has substantial yield advantages and improved tolerance to black pod syndrome and brown spot disease.
- The Department will release a Brassica juncea variety suited for bio-diesel production in low rainfall environments. The development of such crops will allow the assessment of the oilseed rotations with improved resilience to disease threats such as blackleg.
- Life cycle assessment (LCA) of bio-fuel production systems will be undertaken in order to establish sustainability credentials for the systems. These LCAs are likely to be essential as world markets demand information on the manner the fuels derived from agriculture or forestry are grown before they can be traded at premiums in the international marketplace.

- The Department will work with the Western Australian Herbicide Resistance Initiative, the chemical industry and Pulse Australia to develop a registration package for the new use of an existing herbicide to assist with wild radish control in lupins and other pulses in Western Australia. This herbicide has the ability to control radish that has developed resistance to Group B herbicides.
- A Best Practice Handling Information Package will be developed for export seed potatoes to assist industry improve out-turns of export shipments and support growth in this developing export sector.
- The potential for enhancing fresh vegetable exports to the United Arab Emirates by sea freight will be studied and a business plan developed in collaboration with industry to show that at least one new vegetable product can be supplied to that market at a world competitive price by exploiting mechanical harvesting, optimum agronomic practices and bulk shipping technologies.
- Two new white, seedless table grape hybrids from the Commonwealth Scientific and Industrial Research Organisation breeding program will be fast tracked for rapid adoption by the table grape industry in Western Australia. Industry has identified these hybrids as having outstanding potential for filling a market niche. Source blocks will be established to satisfy industry demand for propagation material and a research program initiated to ensure that viable crops can be produced in regions from Carnarvon to Margaret River.
- Post harvest disinfestation research to enable market access for key horticulture products to export markets will continue as a priority. New trials will be conducted on cherries, plums, peaches and nectarines using methyl bromide fumigation for export to Taiwan. Cold treatment research for cherries, plums, peaches and nectarines will also be conducted for control of fruit flies for export to Taiwan. Cold treatment research for table grapes will be conducted against fruit flies for export to China and Korea.
- Research will be conducted on screening of native plant material selected from the floriculture breeding program and from the wild in terms of their Waterwise characteristics. It is expected a wide range of material will become available through this activity, such as dwarf wax and carpet wax, for use as amenity plants. The Department will also commence work on producing best practice Waterwise fact sheets for use by the nursery industry.
- The start of the Cooperative Research Centre for Sheep Industry Innovation in 2007 will result in new investment in Western Australia in post-farm gate R&D into whole-garment comfort, research into increased yield of meat from lambs while retaining eating quality and value-adding to health aspects such as 'omega 3 fatty acids' and expansion of R&D activities to provide sheep producers with alternatives to the chemical management of stomach worms.
- In collaboration with the Beef Cooperative Research Centre, a report will be prepared which addresses the identification of genes that have the potential to influence the tenderness and marbling qualities of beef. In addition, a beef supply chain project will be established to increase profitability in all sectors of the supply chain.
- The Greener Pastures project will produce recommendations on strategies to increase the profitability of fertiliser use for the dairy industry while reducing the risk of environmental damage, particularly on the environmentally sensitive Swan coastal plain.
- AGWEST International, the Department's overseas consultancy arm, will complete phase one of a major Abu Dhabi soil survey under contract to the Abu Dhabi Environment Agency. It will further develop international consultancy services in agri-industry delivered from Western Australia into the Middle East, China, South East Asia and South America.
- The Department will encourage expansion of the cooperatives industry in the state by taking advantage of the income tax benefits under section 117 of the *Commonwealth Income Tax Assessment Act 1936* and promoting further loans made by the Western Australian State Government under the *Loans (Cooperative Companies) Act 2004*.
- The FarmBis 3 program which is planned to cease at 30 June 2008 will continue to provide grants to reimburse up to 65 per cent of the cost of eligible learning activities, focusing on enhancing the capability and skills of eligible primary producers/rural land managers to manage their business, natural and human resources.

- Support will be provided for the Australian Government's 'Growing the North' Strategy which aims to increase the gross value of agriculture above the 26th parallel with the goal of increasing/enhancing jobs, developing the regional areas and engaging aboriginal participation in the real economy. The Department will build on the Carnarvon 2020 model of developing horticulture precincts and will replicate this small-scale mosaic approach to developing and commercialising irrigated agriculture across the north under the auspices of the Growing the North strategy.
- The New Opportunities in Tropical and Pastoral Agriculture project will continue to consider and develop proposals to assist in the diversification of pastoral businesses in Western Australia.

## Service 2: Agricultural Resource Management

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

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	129,065	140,715	148,082	162,016	
Less Income.....	83,784	80,808	87,789	87,093	
Net Cost of Service <sup>(a)</sup> .....	45,281	59,907	60,293	74,923	
Adjustments <sup>(b)</sup> .....	(5,485)	(4,440)	(17,334)	2,669	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>39,796</b>	<b>55,467</b>	<b>42,959</b>	<b>77,592</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

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

## Efficiency Indicator – Average Cost per Information Product

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

	2005-06 Actual	2006-07 Target	2006-07 Estimated	2007-08 Target	Reasons for Significant variation between 2006-07 Estimated and 2007-08 Target
Total number of information products .....	696	720	730	715	
Total cost .....	\$19,631,064	\$17,429,528	\$11,703,941	\$13,412,677	
Average cost per information product.....	\$28,206	\$24,208	\$16,032	\$18,758	



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

Under the Western Australian Government's 2000 State Salinity Strategy, the Department is obliged to provide all landholders in the agricultural areas with an assessment of current salinity, options for managing those risks and their likely impacts.

	2005-06 Actual	2006-07 Target	2006-07 Estimated	2007-08 Target	Reason for Significant variation between 2006-07 Estimated and 2007-08 Target
Total number of hectares assessed for risks, options and impacts .....	7,600,000	5,000,000	3,730,300	2,587,000	Planned catchments to be assessed in 2007-08 cover a reduced area. The Rapid Catchment Appraisal was completed in December 2006. A new catchment water planning approach for 2007-08 has an emphasis on water balance in smaller priority catchment areas at risk of salinity. Given the change in approach, this measure will begin a new trend line.
Total cost .....	\$7,679,355	\$6,034,796	\$6,933,167	\$8,000,235	
Average cost per hectare assessed for risks, options and impacts .....	\$1.01	\$1.21	\$1.86	\$3.09	

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

The Department manages the regulatory process under the *Soil and Land Conservation Act 1995*. This involves processing a number of regulatory instruments including Notice of Intent to drain and requests for land degradation advice and compliance. In addition, under the *Environmental Protection Act 1986*, land degradation advice is provided to the Department of Environment on clearing permit applications.

	2005-06 Actual	2006-07 Target	2006-07 Estimated	2007-08 Target	Reason for Significant variation between 2006-07 Estimated and 2007-08 Target
Total number of regulatory actions processed .....	268	300	290	295	
Total cost.....	\$7,479,234	\$6,827,419	\$5,812,037	\$6,707,435	
Average cost per regulatory action processed .....	\$27,908	\$22,758	\$20,442	\$22,737	

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

Even though the management of the FarmBis 3 Program was devolved to the Rural Business Development Corporation in 2005-06, the Department still plays an important role in respect to the administration of the NRM program. Therefore, the 'average administration cost per participant' is a more appropriate measure of the Department's performance in the provision of this service.

	2005-06 Actual	2006-07 Target	2006-07 Estimated	2007-08 Target	Reason for Significant variation between 2006-07 Estimated and 2007-08 Target
Total number of participants in Farm Business Development and Rural Community development activities .....	3,097	4,000	3100	4000	As a result of dry seasons across Western Australia, there was reduced participation within the FarmBis 3 program during 2006-07. The full complement of networkers was not employed until February 2007. The promotion of FarmBis 3 should see increased involvement within the program in 2007-08.
Total cost.....	\$1,861,130	\$1,155,193	\$1,312,914	\$1,677,235	
Average administration cost per participant in Farm Business Development and Rural Community development activities <sup>(a)</sup> .....	\$601	\$289	\$424	\$419	

### **Full Time Equivalent for Service 2**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Full Time Equivalents (FTEs)</b>	337	303	359	343	

### **Major Achievements For 2006-07**

- Finalised Phase One report on the South-West region of Western Australia in terms of its vulnerability and adaptation to past climate change. The Department managed this whole-of-government project by reviewing sectoral responses to climate change including health, water, biodiversity, agriculture, forestry, fishing, tourism, sport and recreation and housing and infrastructure. A final report has been provided to the Australian Greenhouse Office, which forms the basis for Western Australia's future work towards the development of adaptation responses to climate change.
- Partnered the Department of Water in developing policy and planning for wheatbelt drainage. The Wheatbelt Drainage Council has been established with the aim of developing policy to guide governance arrangements in order to facilitate the construction of large-scale drainage projects in the state.
- A survey was conducted in the Lake Grace area to assess impediments to enable the adoption of surface water management structures and a state-wide assessment has been undertaken with regards the water management tool kits. The Department's officers are being trained in the proper assessment of landscape water management options to assist in the development of catchment water plans, to follow-on from the Rapid Catchment Appraisal.
- The water from the desalination plant installed and commissioned at Merredin, as part of the Rural Towns Liquid Assets project, is being used for road construction. This will continue until June 2007, as part of the initiative to find alternate uses for saline water sourced from townsite dewatering.
- The Rural Towns Liquid Assets Program has completed groundwater and surface water investigations for the Dowerin, Wongan Hills, Pingelly and Moora townsites. Social analyses have also been completed for all towns in the program.
- Projects under the Coastal Catchment Initiative for sensitive Western Australian estuarine regions, including Geographe, Vasse-Wonnerup, and Swan-Canning have commenced. The work will provide significant input as to the nature, extent, spatial distribution and cost of agricultural Best Management Practices required to progress towards nutrient water quality targets for these catchments.

- Through the South Coast Healthy Catchment Initiative, the Department has teamed with communities to develop 25 year catchment plans with intergenerational goals to contain NRM risks such as salinity, nutrient eutrophication and soil loss resulting in sedimentation. The catchment implementation plans were accredited in 2006 and co-investment on-the-ground action is underway by landholders.
- The Department is providing ongoing technical support for project planning, implementation of on-ground works and groundwater monitoring for the Catchment Demonstration Initiative (CDI) in the Fitzgerald, Wallatin, O'Brien, Gillingarra and Cobline CDI catchments.
- The Farming for the Future sustainability management initiative developed a management baseline for broad use across agriculture that identifies current recommended practices for agricultural sustainability. This information was used to develop a self-assessment tool that is available to farmers and industry to demonstrate and plan for sustainable agriculture at the farm level.
- The Sustainable Grazing of Saline Land project was successfully completed and has increased awareness and confidence in profitably managing saltland pastures. Around 56 per cent of participating farmers, with trial sites planned for the adoption of some or all components of their trial sites in the future.
- The Office of the Commissioner carried out 183 comprehensive assessments of land degradation to support regulatory processes under the *Soil and Land Conservation Act 1945* and the *Environmental Protection Act 1986*. Land clearing for agricultural purposes, resource development projects and drainage for salinity management were the main focus of this activity.
- A draft State NRM Strategy has been developed in accordance with recommendations of the recent Hicks Review on the delivery of NRM in Western Australia. It highlights the future arrangements and frameworks for delivering the State's NRM programs, including joint funding programs with the Commonwealth Government. Consultation with key NRM agencies and other stakeholders, such as Regional NRM Groups, is ongoing and this will be required in 2007-08 to complete the strategy.
- The Department has continued its lead role in assisting regional NRM groups with management and implementation of the National Action Plan for Salinity and Water Quality program and the Natural Heritage Trust.
- Implementation of all key components of the Carnarvon 2020 projects continues to progress. Key developments include the:
  - finalisation of the water allocation 'reserved' for the Brickhouse and Meedo Horticulture Precincts and land matters, with the intent that an Expression of Interest package for both will be offered by late-June 2007;
  - finalisation of an implementation agreement (and transfer of funds) to the Shire of Carnarvon to complete the Quobba Coast 'Blowholes' capital works program;
  - establishment of a taskforce, as approved by the Regional Development Cabinet Standing Committee, to oversee the development of the Mt Augustus Precinct; and
  - completion of the Carnarvon Artesian Basin Rehabilitation Program tenders for drilling and consumables, with drilling to commence by mid-May 2007.

#### ***Major Initiatives For 2007-08***

- Continue to achieve the State's NRM outcomes through community partnerships as part of the regional NRM delivery model.
- Research and develop carbon emissions issues and opportunities for the rangelands and investigate the use of remote sensing for monitoring and assessment, as part of the carbon sequestration project.
- Develop methodologies for addressing greenhouse gas emissions intensity benchmarks and abatement targets, in consultation with agricultural industries.
- Support drainage reform through the Technical Advisory Group to the newly appointed Wheatbelt Drainage Council to develop the policy, legislative and operating frameworks for saline drainage in the inland agricultural regions and urban and coastal drainage through the Department of Water's cross agency coordinating group on drainage.

- Apply risk assessment methodology for catchment water planning in at least four priority catchments. Align the development of catchment water plans in priority catchments in the Central, South-West and Southern Agricultural regions with regional NRM initiatives.
- Complete the installation of infrastructure for the salinity Resource Condition Monitoring project to fill gaps in regional groundwater data and initiate monitoring and assessment of groundwater trends and salinity.
- Develop assessment tools and products, in conjunction with the Department of Industry and Resources, to assist the mining and petroleum industries
- Increase their capacity to better assess the land degradation risks associated with their operations and streamline development approval applications.
- Deliver 'Best Management Practice for Nitrogen and Phosphorus Use' by farmers under the Coastal Catchment Initiative (CCI) to the Peel-Harvey region, and continue support for CCI assessment of Swan Canning, Geographe and Vasse-Wonnerup catchments to address the environmental harm caused by inappropriate use of fertilisers. This includes support for the Minister for Environment's initiative to phase out the use of water-soluble phosphate fertiliser on parts of the Swan coastal plain.
- Refine the 'Farming for the Future' management baseline to meet specific industry needs and to further develop accreditation processes to meet market needs. Key indicators for sustainability in broadacre agricultural systems will also be developed.
- Pilot a methodology for the evaluation of sustainability and resilience in agricultural environments and integrate these findings with catchment management plans and rural shire strategies. The methodology will support local governments in the assessment and identification of priority agricultural land for inclusion in shire planning strategies.
- Continue to develop 'technical' resource condition targets for land salinity in catchment areas in the medium and low rainfall zones of the South-West and northern agricultural regions and revise and improve the regional scale land salinity targets for use in investment planning for NRM.

### **Service 3: Biosecurity**

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

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

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	65,978	57,530	79,128	62,235	
Less Income .....	20,720	18,840	27,605	20,794	
Net Cost of Service <sup>(a)</sup> .....	45,258	38,690	51,523	41,441	
Adjustments <sup>(b)</sup> .....	14,381	360	(1,492)	(363)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>59,639</b>	<b>39,050</b>	<b>50,031</b>	<b>41,078</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost per freight consignment cleared or certified .....	\$349	\$635	\$640	\$650	
Passenger quarantine checking cost (per passenger) .....	\$5.52	\$6.29	\$6.22	\$6.30	
Cost per property management plan for animal disease .....	\$12,166	\$10,426	\$10,475	\$10,500	
Cost per diagnostic sample processed .....	\$390	\$503	\$509	\$520	
<b>Full Time Equivalents (FTEs)</b>	<b>493</b>	<b>444</b>	<b>543</b>	<b>538</b>	

### Full Time Equivalent for Service 3

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Full Time Equivalents (FTEs)</b>	<b>493</b>	<b>444</b>	<b>543</b>	<b>538</b>	

### Major Achievements For 2006-07

- The Biosecurity and Agriculture Management (BAM) Bill 2006 and the two associated Bills were passed by the Legislative Assembly, and introduced in the Legislative Council of Parliament. The Legislative Council's Standing Committee for Legislation have considered the Bills.
- A whole-of-government review of biosecurity in Western Australia was completed and will form the basis for a Biosecurity Strategy to be developed in partnership with the proposed Biosecurity Council.
- Enhancements were made to the Pest and Disease Information Service (PaDIS) customer service charter, client database and telephone technology, allowing effective and efficient response to 20,368 enquiries on animal and plant pests, diseases and weeds. Of these enquiries, 16 were positively identified as pests of biosecurity concern. PaDIS identified 1,608 pest specimens with 15 referred to AGWEST Plant Laboratories for further analysis.
- The number of skeleton weed infested properties and the total area infested by skeleton weed has been reduced.

- The limits of the starling infestation on the south coast were defined and approximately 600 starlings have since been removed. In addition, the starling program engaged the local Indigenous community in the region and promoted awareness about starlings throughout the local and broader community.
- An \$11 million program to control Australian plague locusts was undertaken. 5,200 properties were surveyed and 562,000 hectares of high-density locust populations were treated on a total of 1,150 properties.
- Progress has been made in negotiations with the nursery industry, in relation to the trade in weedy plant species and the interest in establishing a registry of nursery businesses.
- Freedom from key exotic pests of the grains industry (e.g. stored grain insects) and horticulture industry (e.g. Codling moth, Queensland fruit fly, Oriental fruit moth) was successfully maintained and demonstrated to assist with market access for plants and plant products from Western Australia.
- A new world-first bulk seed test to detect wheat streak mosaic virus was developed and made available to the industry. The test was developed in less than 12 months by the Department, in conjunction with the Grains Research and Development Corporation.
- The European House Borer submission for national cost sharing was endorsed by the Primary Industries Ministerial Council. The \$9.4 million, two year phase of the response program will focus on continued surveillance to verify the current localised distribution of the pest as well as a containment program to minimise further spread.
- A Mediterranean fruit fly (Medfly) outbreak in South Australia was eradicated using sterile male Medfly that were mass-produced and supplied by the Department.
- The present regulations governing the importation of nursery stock were reviewed to more comprehensively control the interstate entry pathways for new pests, including large numbers of plants produced interstate for sale in Western Australia, which are potential vectors for the introduction of new pests and diseases. A stringent checking and treatment system was developed to minimise the introduction of exotic pests via this pathway.
- The summer of 2006-07 marked the 30th successful year of the European wasp program in preventing the establishment of European wasps in Western Australia. Consistent and active community engagement in surveillance for this pest has been a crucial factor.
- Bioassays were conducted to confirm the absence of genetically modified canola seed in Western Australia in 2006 and the Department developed a molecular testing capability to detect genetically modified canola.
- A large number of incidents were successfully handled through the structured Generic Incident Management Protocols. Incident management responses were implemented for a number of incursions of regional pests including potato virus Y, lettuce aphid, olive lace bug, cherry aphid, peacock spot disease, sweet potato virus, wheat streak mosaic virus and potato spindle tuber viroid.
- Significant contributions were made to the development of national strategies for animal health surveillance and animal health laboratory services, which will enhance the national delivery of animal disease surveillance and laboratory services.
- Legislation was developed and implemented for the controlled use of registered veterinary preparations and animal feed and the identification of sheep under National Livestock Identification System. The Veterinary Chemical Control and Animal Feeding Stuffs Regulations 2006 were gazetted in December 2006 bringing into effect regulations to control the use of veterinary drugs, in addition to the existing feedstuffs regulations. Amendments to the Veterinary Surgeons' Regulations were made and published.
- The Department undertook the first external review of its Animal Ethics Committee (AEC). The review was complimentary of the Department's commitment to animal ethics and the processes involved in the AEC.
- Market access maintained and enhanced for livestock and livestock products. New Zealand recognised Western Australia as the only state to be free of European Foul Brood disease in bees, which enabled Western Australian bee industry products to be exported to that country without testing.

- Johne's disease was detected in a beef cattle herd, which was subsequently destocked, with further surveillance conducted to maintain Western Australia's Free Zone status for bovine Johne's disease.
- The Department initiated and contributed to the work of Western Australian Livestock Welfare Reference Group aimed at addressing livestock welfare issues in partnership with industry and government stakeholders.
- Inputs were made to the development of national policy for the welfare of farmed animals, including replacement of high priority National Codes of Practice with Animal Welfare Standards and Guidelines.
- Prompt and accurate diagnostic testing was conducted at the Animal Health Laboratories (AHL) to resolve disease investigations and/or exclude exotic diseases. Testing capacity was available for key endemic diseases.
- The AHL conducted a large volume of testing to facilitate the export of live animals from all states of Australia and hay from Western Australia. The AHL also provided the diagnostic services confirming lead poisoning in a major incident of wild bird mortality on the south coast of Western Australia.
- Effective quarantine measures were implemented at interstate entry points including Eucla and Kununurra road checkpoints, Perth domestic and regional airports, disembarkation points for interstate rail and shipping, freight surveillance program at road, rail and sea cargo depots, development of freight declaration system, surveillance of import of personal effects, surveillance of freight and cargo depots, including postal and parcel freight.

#### ***Major Initiatives For 2007-08***

- The state's border biosecurity services will be improved via:
  - more effective road checkpoints by strengthening the shift coverage;
  - better use of detector dog services and increased public awareness from better flight coverage at the Perth Domestic Airport; and
  - more efficient processing of commercial vehicles at the Kununurra Checkpoint through the implementation of the freight declaration system that has already been successfully implemented at Eucla.
- Drafting of the regulations to be established under the proposed Biosecurity and Agriculture Management Bill will be completed and will develop lists of declared pests, prohibited organisms and permitted organisms to be established upon commencement of the Act.
- A biosecurity training project will unify training across operational regulatory areas and ensure that authorised officers are fully trained under the proposed Biosecurity and Agriculture Management Bill and its regulations. It will also ensure that the Department is able to satisfy commitments documented in national emergency response deeds.
- Animal disease surveillance capacity will be enhanced through the appointment of new District Veterinary Officers, improved liaison with private veterinary practices in regions and training for rural veterinary practitioners and veterinary students.
- The Department will continue to partner with Murdoch University toward development of a world-class biosecurity centre of excellence based at the university campus.
- Continue to consult widely with scientific, industry and community stakeholders to manage resources to effectively address biosecurity issues according to the level of threat to economic, environmental and community values.
- Leadership, technical advice, research and regulatory support will be provided for important coordinated pest management programs of exotic pest incursions e.g. starlings, locusts, wild dogs, camels, donkeys, feral pigs, feral goats, rainbow lorikeets, skeleton weed, bedstraw, rubbervine, prickly acacia, blackberry, Paterson's curse, cotton bush, noogoora burr, Bathurst burr and others.
- The current starling control program will be extended. Over the next two years, increased resources will be applied in an attempt to eradicate the current starling populations in the south coast region and strengthen border protection activities.
- The Department and the Department of Environment and Conservation will develop a joint animal bait production unit and work towards more efficient and effective manufacturing processes.

- Collaborative arrangements with Biosecurity Australia will be strengthened to ensure that regional differences in pest status and risks are satisfactorily addressed on an ongoing basis within national biosecurity risk analysis and quarantine policy decision-making.
- There will be an increased focus on pest surveillance in the urban and peri-urban environments in Western Australia, to minimise their potential to harbour introduced pests, which allows their establishment and spread to agricultural and environmentally sensitive areas.
- Research will refine surveillance techniques for European House Borer, including the use of detector dogs and acoustic detection techniques.
- A molecular diagnostic laboratory capacity will be established to assist in diagnosis of arthropod pests and diseases. Develop a rapid quantitative test to detect virus in potato tubers to ensure export and domestic customer requirements are met.
- Enhance disease surveillance capacity through the appointment of new District Veterinary Officers, increased coordination of field activities, improved liaison with private veterinary practices in regions, and training for rural veterinary practitioners and veterinary students.
- Progress a biosecurity initiative with livestock agent networks to have a veterinary consultant employed in each major company to promote improved animal biosecurity and animal welfare practices.
- Strategies to produce better welfare outcomes for livestock will be pursued, including taking the lead role in the Western Australian Livestock Welfare Reference Group.
- Further develop animal welfare extension and training opportunities with key partners such as livestock agents, livestock export industry and Western Australian Meat Industry Authority.
- Enhance biosecurity awareness and practice of farmers through agricultural education to commercial livestock producers, peri-urban landholders and future farmers (students).
- The Animal Health Laboratories will continue to provide a prompt and accurate diagnostic testing service to resolve disease investigations and/or exclude exotic diseases.
- Consultation with industry organisations will be completed to establish a Footrot Eradication Program with majority funding by the sheep industry.
- As part of the State's focus on emergency response capability, the Department will develop WESTPLAN – Animal and Plant Biosecurity which will document response and recovery arrangements for an animal and plant pest or disease emergency.

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

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

This service contributes to the ecological sustainable development of agri-industry in a number of ways, but essentially the Department aims to manage the risks to production by preventing the decline in the natural resources and minimising offsite impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables. This can only be achieved if industry profitability is maintained.

Therefore, a key focus is to assist farmers significantly impacted by exceptional seasonal events, which are outside the normal capacity of farmers to control. Another key focus is to enhance their skills through training, which will lead to their ability to sustain long-term profitability and better deal with risks.



	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	16,733	3,123	9,193	12,888	
Less Income.....	16,733	3,123	9,193	12,888	
Net Cost of Service <sup>(a)</sup> .....	-	-	-	-	
Adjustments <sup>(b)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	-	-	-	-	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

## CAPITAL WORKS PROGRAM

The Capital Works Program includes:

- \$126.5 million for the relocation of the Department's headquarters and biosecurity facilities to Murdoch University;
- \$60.3 million for the new Agriculture Research Western Australia, being a collaborative joint venture involving the Department and the university sector;
- \$0.7 million for new equipment for the Bait Production Unit;
- \$3.3 million for the replacement of core equipment in 2007-08, increasing to \$3.6 million per annum thereafter; and
- completion of the previously funded South Boulder Quarantine Yard (\$1.6 million).

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
New Headquarters and Biosecurity Relocation Project .....	3,580	230	230	3,350
<b>COMPLETED WORKS</b>				
Capital Equipment Replacement Program - 2006-07 Program.....	3,497	3,497	3,497	-
Capital Works Planning.....	250	250	38	-
Initial Planning for new Headquarter Facility .....	1,000	1,000	796	-
Kimberley Regional Office Redevelopment (Frank Wise Institute) .....	3,350	3,350	3,212	-
New Dairy at Vasse Research Station .....	1,015	1,015	1,015	-
Regional Accommodation .....	4,783	4,783	117	-
Regional Accommodation Phase 2.....	4,163	4,163	542	-
South Boulder Quarantine Inspection Yard .....	1,000	1,000	600	-
<b>NEW WORKS</b>				
Bait Production Unit .....	700	-	-	700
Capital Equipment Replacement Program - 2007-08 Program.....	3,300	-	-	3,300
Agriculture Research Western Australia - Phase 1 .....	57,300	-	-	560
South Boulder Quarantine Inspection Yards .....	650	-	-	650
	84,588	19,288	10,047	8,560

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	5,552	11,315	10,047	8,560	9,580	25,046	88,703
	5,552	11,315	10,047	8,560	9,580	25,046	88,703
<b>LESS</b>							
Drawdowns from the Holding Account .....	1,471	6,115	1,345	7,300	4,600	3,107	24,163
Internal Funds and Balances .....	550	-	4,652	700	-	-	-
<b>Capital Contribution .....</b>	3,531	5,200	4,050	560	4,980	21,939	64,540

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	90,002	84,560	98,220	91,972	86,052	83,921	85,145
Superannuation .....	10,024	7,727	8,153	7,840	7,842	7,842	7,943
Grants and subsidies <sup>(b)</sup> .....	108,902	131,669	146,882	159,269	41,829	23,351	23,351
Consultancies expense .....	4,692	8,397	8,397	6,397	10,310	8,296	8,296
Supplies and services .....	63,874	42,443	58,250	46,781	52,906	45,556	46,002
Accommodation .....	1,957	1,861	1,861	1,871	1,895	1,895	1,895
Capital user charge <sup>(c)</sup> .....	12,439	12,492	12,426	-	-	-	-
Depreciation and amortisation .....	7,713	6,972	6,972	7,051	6,456	6,802	7,162
Loss on disposal of non-current assets .....	69	-	-	-	-	-	-
Other expenses .....	4,923	2,355	2,455	2,448	2,504	2,512	2,612
<b>TOTAL COST OF SERVICES</b> .....	<b>304,595</b>	<b>298,476</b>	<b>343,616</b>	<b>323,629</b>	<b>209,794</b>	<b>180,175</b>	<b>182,406</b>
<b>Income</b>							
User charges and fees .....	13,457	7,421	7,421	8,413	8,591	8,586	8,581
Regulatory fees and fines .....	1,212	1,841	1,841	1,830	1,818	1,812	1,824
Gain on disposal of non-current assets .....	126	-	-	-	-	-	-
Grants and subsidies .....	99,211	110,603	136,603	128,373	39,853	37,370	37,370
Interest revenue .....	1,296	1,250	1,250	1,250	1,250	1,250	1,250
Service delivery agreement .....	25,861	12,004	12,004	10,559	11,369	9,839	9,839
Other revenue .....	9,986	493	493	493	493	493	493
<b>Total Income</b> .....	<b>151,149</b>	<b>133,612</b>	<b>159,612</b>	<b>150,918</b>	<b>63,374</b>	<b>59,350</b>	<b>59,357</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>153,446</b>	<b>164,864</b>	<b>184,004</b>	<b>172,711</b>	<b>146,420</b>	<b>120,825</b>	<b>123,049</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	157,677	161,812	162,006	174,906	127,332	117,477	119,701
Resources received free of charge .....	840	788	788	788	788	788	788
Liabilities assumed by the Treasurer .....	1,735	-	-	-	-	-	-
Change in equity arising from transfer of assets/liabilities .....	-	-	(340)	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>160,252</b>	<b>162,600</b>	<b>162,454</b>	<b>175,694</b>	<b>128,120</b>	<b>118,265</b>	<b>120,489</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>6,806</b>	<b>(2,264)</b>	<b>(21,550)</b>	<b>2,983</b>	<b>(18,300)</b>	<b>(2,560)</b>	<b>(2,560)</b>

(a) The Full Time Equivalent (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Budget Estimate are 1,541; 1,653; and 1,598 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	13,441	133	3,770	13,191	3,312	3,312	2,533
Restricted cash .....	58,458	61,408	40,846	33,050	23,971	20,632	18,404
Receivables .....	10,579	5,830	11,551	12,525	13,499	14,594	14,594
Inventories .....	2,017	1,476	2,017	2,017	2,017	2,017	2,017
Amounts receivable for services .....	6,115	23,300	7,300	4,600	3,107	24,163	3,600
Prepayments .....	1,623	1,652	1,623	1,623	1,623	1,623	1,623
Other .....	2,584	-	2,584	2,584	2,584	2,584	2,584
<b>Total current assets .....</b>	<b>94,817</b>	<b>93,799</b>	<b>69,691</b>	<b>69,590</b>	<b>50,113</b>	<b>68,925</b>	<b>45,355</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	24,967	8,639	29,409	31,860	35,209	17,848	21,410
Land and buildings .....	134,033	124,624	133,719	131,836	129,952	128,069	126,186
Investments .....	607	667	607	607	607	607	607
Plant and equipment .....	18,080	16,384	16,445	14,577	13,605	12,286	10,907
Biological assets .....	-	2,656	-	-	-	-	-
Restricted cash .....	199	-	199	199	199	199	199
Other .....	897	9,833	5,636	10,896	16,876	38,322	123,125
<b>Total non-current assets .....</b>	<b>178,783</b>	<b>162,803</b>	<b>186,015</b>	<b>189,975</b>	<b>196,448</b>	<b>197,331</b>	<b>282,434</b>
<b>TOTAL ASSETS .....</b>	<b>273,600</b>	<b>256,602</b>	<b>255,706</b>	<b>259,565</b>	<b>246,561</b>	<b>266,256</b>	<b>327,789</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	14,549	5,589	14,549	14,549	14,549	14,549	14,549
Provision for employee entitlements .....	23,488	19,401	23,488	23,488	23,488	23,488	23,488
Accrued salaries .....	1,632	632	1,523	1,839	2,155	2,471	2,803
<b>Total current liabilities .....</b>	<b>39,669</b>	<b>25,622</b>	<b>39,560</b>	<b>39,876</b>	<b>40,192</b>	<b>40,508</b>	<b>40,840</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	6,117	10,436	6,117	6,117	6,117	6,117	6,117
Other .....	888	-	888	888	888	888	888
<b>Total non-current liabilities .....</b>	<b>7,005</b>	<b>10,436</b>	<b>7,005</b>	<b>7,005</b>	<b>7,005</b>	<b>7,005</b>	<b>7,005</b>
<b>TOTAL LIABILITIES .....</b>	<b>46,674</b>	<b>36,058</b>	<b>46,565</b>	<b>46,881</b>	<b>47,197</b>	<b>47,513</b>	<b>47,845</b>
<b>EQUITY</b>							
Contributed equity .....	4,382	9,582	8,147	8,707	13,687	35,626	99,387
Accumulated surplus/(deficit) .....	76,307	76,725	54,757	57,740	39,440	36,880	34,320
Reserves .....	146,237	134,237	146,237	146,237	146,237	146,237	146,237
<b>Total equity .....</b>	<b>226,926</b>	<b>220,544</b>	<b>209,141</b>	<b>212,684</b>	<b>199,364</b>	<b>218,743</b>	<b>279,944</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>273,600</b>	<b>256,602</b>	<b>255,706</b>	<b>259,565</b>	<b>246,561</b>	<b>266,256</b>	<b>327,789</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	150,331	154,840	155,034	167,855	120,876	110,675	112,539
Capital contribution .....	3,531	5,200	4,050	560	4,980	21,939	64,540
Holding account drawdowns .....	1,471	6,115	1,345	7,300	4,600	3,107	24,163
<b>Net cash provided by State government .....</b>	<b>155,333</b>	<b>166,155</b>	<b>160,429</b>	<b>175,715</b>	<b>130,456</b>	<b>135,721</b>	<b>201,242</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(86,585)	(83,818)	(98,196)	(91,468)	(85,542)	(83,405)	(84,623)
Superannuation .....	(10,064)	(8,153)	(8,712)	(8,454)	(8,462)	(8,468)	(8,575)
Grants and subsidies .....	(105,830)	(131,669)	(146,882)	(159,269)	(41,829)	(23,351)	(23,351)
Consultancies payments.....	(4,692)	(8,397)	(8,397)	(6,397)	(10,310)	(8,296)	(8,296)
Supplies and services .....	(32,016)	(42,759)	(58,456)	(46,987)	(53,112)	(45,762)	(46,208)
Accommodation.....	(1,957)	(1,861)	(1,861)	(1,871)	(1,895)	(1,895)	(1,895)
Capital user charge <sup>(a)</sup> .....	(12,439)	(12,492)	(12,426)	-	-	-	-
Goods and services tax .....	(17,036)	(11,073)	(11,073)	(11,073)	(11,073)	(11,073)	(11,073)
Service delivery agreement.....	(23,644)	-	-	-	-	-	-
Other.....	(672)	(2,355)	(2,139)	(2,132)	(2,188)	(2,196)	(1,964)
<b>Receipts</b>							
User charges and fees.....	11,287	7,421	7,421	8,413	8,591	8,586	8,581
Regulatory fees and fines.....	1,212	1,841	1,841	1,830	1,818	1,812	1,824
Grants and subsidies .....	99,211	110,735	136,735	128,503	39,983	37,379	37,379
Interest received .....	1,006	1,250	1,250	1,250	1,250	1,250	1,250
Goods and services tax .....	16,242	11,073	11,073	11,073	11,073	11,073	11,073
Service delivery agreement.....	19,713	12,004	12,004	10,559	11,369	9,839	9,839
Other receipts .....	30,483	493	493	493	493	493	493
<b>Net cash from operating activities.....</b>	<b>(115,781)</b>	<b>(157,760)</b>	<b>(177,325)</b>	<b>(165,530)</b>	<b>(139,834)</b>	<b>(114,014)</b>	<b>(115,546)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(5,167)	(11,315)	(10,047)	(8,560)	(9,580)	(25,046)	(88,703)
Proceeds from sale of non-current assets .....	78	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(5,089)</b>	<b>(11,315)</b>	<b>(10,047)</b>	<b>(8,560)</b>	<b>(9,580)</b>	<b>(25,046)</b>	<b>(88,703)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	<b>34,463</b>	<b>(2,920)</b>	<b>(26,943)</b>	<b>1,625</b>	<b>(18,958)</b>	<b>(3,339)</b>	<b>(3,007)</b>
Cash assets at the beginning of the reporting period .....	37,635	64,461	72,098	44,815	46,440	27,482	24,143
Net cash transferred to/from other agencies.....	-	-	(340)	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>72,098</b>	<b>61,541</b>	<b>44,815</b>	<b>46,440</b>	<b>27,482</b>	<b>24,143</b>	<b>21,136</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

## RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	304,595	298,476	343,616	323,629	209,794	180,175	182,406
Less Capital User Charge.....	12,439	12,492	12,426	-	-	-	-
Adjusted Total Cost of Services .....	292,156	285,984	331,190	323,629	209,794	180,175	182,406
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	157,677	161,812	162,006	174,906	127,332	117,477	119,701
Less Capital User Charge.....	12,439	12,492	12,426	-	-	-	-
Net amount appropriated to deliver services....	145,238	149,320	149,580	174,906	127,332	117,477	119,701

## SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Employee benefits expenses .....	-	40	40	40	40	40	40
Supplies and services .....	-	10	10	8	6	2	2
Finance costs .....	28	785	785	746	705	659	659
<b>TOTAL ADMINISTERED EXPENSES <sup>(a)</sup> ..</b>	28	835	835	794	751	701	701
<b>INCOME</b>							
Interest revenue .....	33	785	785	746	705	659	659
Other revenue .....	5	48	48	46	42	40	40
<b>TOTAL ADMINISTERED INCOME <sup>(b)</sup> .....</b>	38	833	833	792	747	699	699

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

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

**SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	10	-	10	10	10	10	10
Investments .....	1,226	-	1,226	1,226	1,226	1,226	796
Receivables .....	-	48	-	-	-	-	-
Interest receivable .....	-	785	-	-	-	-	-
<b>Total Administered Current Assets .....</b>	<b>1,236</b>	<b>833</b>	<b>1,236</b>	<b>1,236</b>	<b>1,236</b>	<b>1,236</b>	<b>806</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Loans and advances .....	-	9,570	-	-	-	-	-
<b>Total Administered Non-Current Assets .....</b>	<b>-</b>	<b>9,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>1,236</b>	<b>10,403</b>	<b>1,236</b>	<b>1,236</b>	<b>1,236</b>	<b>1,236</b>	<b>806</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Borrowings.....	1,226	9,570	1,228	1,230	1,234	1,236	808
Interest payable .....	-	785	-	-	-	-	-
<b>Total Administered Current Liabilities.....</b>	<b>1,226</b>	<b>10,355</b>	<b>1,228</b>	<b>1,230</b>	<b>1,234</b>	<b>1,236</b>	<b>808</b>
<b>ADMINISTERED NON-CURRENT LIABILITIES</b>							
<b>TOTAL ADMINISTERED LIABILITIES..</b>	<b>1,226</b>	<b>10,355</b>	<b>1,228</b>	<b>1,230</b>	<b>1,234</b>	<b>1,236</b>	<b>808</b>

## SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Employee benefits.....	-	(40)	(40)	(40)	(40)	(40)	(40)
Supplies and services.....	-	(10)	(10)	(8)	(6)	(2)	(2)
Finance costs.....	(28)	(820)	(820)	(785)	(746)	(705)	(705)
<b>Financing Activities</b>							
Repayment of borrowings.....	-	(430)	(430)	(430)	(430)	(430)	(430)
Other payments for financing activities.....	(1,226)	-	-	-	-	-	-
<b>Investing Activities</b>							
<b>TOTAL ADMINISTERED CASH OUTFLOWS</b> .....	(1,254)	(1,300)	(1,300)	(1,263)	(1,222)	(1,177)	(1,177)
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Interest received.....	33	820	820	785	746	705	705
Other receipts.....	5	50	50	48	46	42	42
<b>Financing Activities</b>							
Proceeds from borrowings.....	1,227	-	-	-	-	-	-
Other proceeds from financing activities.....	-	430	430	430	430	430	430
<b>Investing Activities</b>							
<b>TOTAL ADMINISTERED CASH INFLOWS</b> .....	1,265	1,300	1,300	1,263	1,222	1,177	1,177
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS</b> .....	11	-	-	-	-	-	-

## DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Research grant allocations.....	102,481	115,020	142,522	151,383	36,313	21,065	21,065
Compensations.....	89	150	1,055	750	750	750	750
Subsidies.....	3,293	10,246	2,024	3,667	2,414	706	706
Scholarships.....	103	200	200	200	200	200	200
Other.....	2,936	6,053	1,081	3,269	2,152	630	630
<b>TOTAL</b>	108,902	131,669	146,882	159,269	41,829	23,351	23,351



**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
OTHER STATE SERVICES							
Western Australian Cooperatives Loan Scheme .....	28	835	835	794	751	701	701
<b>TOTAL</b>	28	835	835	794	751	701	701

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
OTHER							
Interest revenue .....	33	785	785	746	705	659	659
Western Australian Cooperatives Loan Scheme .....	-	48	48	46	42	40	40
<b>TOTAL</b>	38	833	833	792	747	699	699

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Sale of goods and services .....	12,499	8,727	9,262	10,243
Services Contracted by:				
- Agricultural Produce Commission .....	2,788	1,680	2,873	1,928
- Rural Business Development Corporation .....	16,925	5,482	9,193	8,631
Grants and contributions from Commonwealth .....	74,001	64,663	83,133	69,738
Grants and contributions from non-Government sources .....	41,632	46,072	53,602	58,765
GST input tax credits .....	16,242	11,073	11,073	11,073
Miscellaneous revenues .....	15,067	7,120	1,743	1,743
<b>TOTAL</b>	179,154	144,817	170,817	162,121

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

## AGRICULTURE PROTECTION BOARD OF WESTERN AUSTRALIA

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

#### DIVISION 14

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 45 Net amount appropriated to deliver services<sup>(a)</sup> .....</b>	1,094	765	765	<b>309</b>	310	311	312
<b>Amount Authorised by Other Statutes - Agriculture and Related Resources Protection Act 1976<sup>(b)</sup> .....</b>	726	991	991	<b>1,021</b>	1,052	1,052	1,052
Total appropriations provided to deliver services .....	1,820	1,756	1,756	<b>1,330</b>	1,362	1,363	1,364
<b>GRAND TOTAL .....</b>	<b>1,820</b>	<b>1,756</b>	<b>1,756</b>	<b>1,330</b>	1,362	1,363	1,364

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- Changes in the global trading environment and technological advancements in the transportation of people and goods have greatly reduced the advantages of Western Australia in relation to the natural geographical protection, against the entry of serious pests.
- The scope of biosecurity has been expanded to manage threats to primary industries other than agriculture, as well as the environment and public amenity. There is a need to continue to strengthen relationships between public authorities, the producer and community organisations.
- The demographic composition of rural communities is changing. For example, the level of mining activity has increased in the pastoral areas and the movement of machinery and equipment has contributed towards the spread of pests and diseases. Increased diversification in pastoral enterprises has altered the focus of pest control and the average size of broad acre cropping and animal grazing enterprises in the South West Land Division is increasing. However, the number of people responsible for managing significant areas of arable land has reduced. There has also been an increase in the number of small landholders in the rural areas, as a result of new subdivisions near major regional centres and prime production precincts. These changes are having an overall increasing impact on the management of biosecurity risks in the State.

- There is increasing pressure on the State funded biosecurity services to address pest incursions such as the Prickly Acacia, Mesquite, European House Borer, European Starlings, Apple Scab, European wasps and the Three-horned bedstraw, all of which have an impact on the environment, economy and lifestyle. A full assessment of the State's biosecurity system is near completion and the objective is to identify existing gaps and propose necessary additional compliance requirements.
- The community is becoming more sensitive to pest and weed management practices involving the use of pesticides. At the same time, there is increasing community pressure for Government to do more about the management of serious environmental pests impacting on the Western Australia's unique biodiversity.
- The current biosecurity legislation will be replaced with modern, responsive legislation to underpin regulatory programs to prevent the entry, establishment and spread of serious animals and plant pests and diseases in Western Australia.

### SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Agriculture Resource Protection .....	17,914	19,014	28,564	18,761			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	17,914	19,014	28,564	18,761	18,824	19,132	19,133
<i>Less Income</i> .....	7,067	5,385	5,385	6,158	6,439	6,746	6,746
<b>Net Cost of Services</b> <sup>(a)</sup> .....	10,847	13,629	23,179	12,603	12,385	12,386	12,387
Adjustments <sup>(b)</sup> .....	(9,027)	(11,873)	(21,423)	(11,273)	(11,023)	(11,023)	(11,023)
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	1,820	1,756	1,756	1,330	1,362	1,363	1,364
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,820	1,756	1,756	1,330	1,362	1,363	1,364

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) 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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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 the agency level desired outcome and the most appropriate government goal.

Government Goal	Desired Outcome	Service
Ensuring that regional Western Australia is strong and vibrant.	Protection of the productive resource base.	1. Agriculture Resource Protection

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Protection of the productive resource base.</b>					
Number of inspected properties.....	7,002	7,000	7,000	7,000	
Number of inspected properties with infestations:					
- declared animals .....	535	1,000	1,500	1,000	
- declared plants .....	2,679	3,550	4,000	3,000	
- total .....	3,214	4,550	5,500	4,000	
Proportion of inspected properties with infestations:					
- declared animals .....	7.6%	14.3%	21.4%	14.3%	
- declared plants .....	38.3%	50.7%	57.1%	42.9%	
- total .....	45.9%	65.0%	78.5%	57.2%	

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

**Service 1: Agriculture Resource Protection**

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

- This output contributes to the protection of our productive resource base through the:
  - maintenance of effective barrier quarantine and protection requirements in order to minimise the introduction of new pests and diseases and to maintain market access;
  - operation of effective surveillance programs to ensure early detection and diagnosis of incursions and to define the status for market access and to justify quarantine barriers;
  - emergency responses to incursions and outbreaks of high priority animal and plant pests and diseases;
  - delivery of effective management programs that target specified pests and diseases; and
  - achievement of a high level of awareness of key threats to agricultural industries and an increased participation by industry members in the management of risk.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	17,914	19,014	28,564	18,761	additional expenditure related to locust and starling control in 2006-07.
Less Income .....	7,067	5,385	5,385	6,158	
Net Cost of Service <sup>(a)</sup> .....	10,847	13,629	23,179	12,603	
Adjustments <sup>(b)</sup> .....	(9,027)	(11,873)	(21,423)	(11,273)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,820</b>	<b>1,756</b>	<b>1,756</b>	<b>1,330</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated <sup>(a)</sup>	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Total cost of property contacts .....	\$19,039,000	\$16,724,000	\$26,274,000	\$19,756,000	
Number of property contacts .....	22,415	36,000	36,000	25,000	
Cost/property contact for Declared Pest and Diseases .....	849	465	730	790	

- (a) An additional \$2.1 million for starlings and \$7.4 million for locust were required during 2006-07. A high proportion of the funds were required for non-contact activities including air charter and chemical purchases.

### Major Achievements For 2006-07

- Undertook control programs of serious animal and plant pests and diseases including European House Borers, Starlings, Australian Plague Locust, Rubbervine, Skeleton Weed and Prickly Acacia. The Government provided additional funding to contain an infestation of Starlings in the Ravensthorpe district and Australian Plague Locusts in the South West Land Division, which resulted in the successful treatment of 562,000 hectares of high-density locust populations on a total of 1,150 properties.
- The Biosecurity and Agriculture Management Bill 2006 and the two associated Bills were passed by the Legislative Assembly and introduced for the second reading in the Legislative Council of Parliament. The Bills were reviewed by the Standing Committee for Legislation. Drafting instructions for several sets of regulations to be established under the proposed Biosecurity and Agriculture Management Act have been sent to the Parliamentary Counsel's Office. Drafting of the regulations has not yet commenced.
- Ongoing control programs have been successful in reducing the impact of animal and plant pests such as feral donkeys, wild dogs and a range of agricultural and environmental weeds. The Board is continuing to work with producer organisations, key community groups and public authorities in order to develop an improved management and funding arrangement relating to regionally important pests.

### Major Initiatives For 2007-08

- A State Biosecurity Strategy will be developed in partnership with Department of Agriculture and Food (DAFWA), Department of Environment and Conservation, Department of Fisheries and Forest Products Commission to manage threats to primary industries, the environment and public welfare. The State strategy will have appropriate linkages to AusBIOSEC's national biosecurity framework.

- The Board will continue to work with the DAFWA to plan the implementation of the proposed Biosecurity and Agriculture Management Act and to develop regulations under the proposed Act. Following the commencement of the new Act, the Biosecurity Council would replace the Board.
- Producer organisations will be engaged to develop improved industry funding schemes that allow producer contributions to be raised to fund the eradication or containment of serious plant and animal pests and diseases that directly impact on a particular sector of industry and the payment of compensation to affected producers, as a result of the impact by these pests and diseases.
- The Board will continue to work with the DAFWA and the Board's regional network of Zone Control Authorities to oversee biosecurity programs that aim to control the entry, establishment and spread of serious animal and plant pests and diseases in the State and contribute to research programs to improve techniques in order to contain and control these pests and diseases. This work will include wide consultation with scientific, producer and community organisations to manage resources to effectively address biosecurity issues according to the level of threat to economic, environmental and community values.
- The Board will continue to provide leadership, coordination and policy and regulatory oversight of important animal and plant pest management programs such as wild dogs, rainbow lorikeets and Bathurst burr, as well as the eradication of serious exotic pests such as Three-horned bedstraw, Rubbervine, Prickly Acacia, and European House Borer.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	1,237	179	179	-	-	-	-
Superannuation .....	26	36	36	-	-	-	-
Grants and subsidies <sup>(b)</sup> .....	2,172	-	-	-	-	-	-
Supplies and services .....	2,371	11,047	20,597	11,190	11,190	11,497	11,497
Accommodation .....	136	-	-	-	-	-	-
Capital user charge <sup>(c)</sup> .....	1,118	1,136	1,136	-	-	-	-
Depreciation and amortisation .....	429	258	258	258	258	258	258
Service delivery agreement .....	11,047	7,202	7,202	7,262	7,324	7,325	7,325
Other expenses .....	496	292	292	51	52	52	53
<b>TOTAL COST OF SERVICES</b> .....	<b>19,032</b>	<b>20,150</b>	<b>29,700</b>	<b>18,761</b>	<b>18,824</b>	<b>19,132</b>	<b>19,133</b>
<b>Income</b>							
User charges and fees .....	657	828	828	971	971	1,278	1,278
Regulatory fees and fines .....	5,456	4,491	4,491	5,121	5,402	5,402	5,402
Gain on disposal of non-current assets .....	160	-	-	-	-	-	-
Grants and subsidies .....	300	-	-	-	-	-	-
Interest revenue .....	156	66	66	66	66	66	66
Other revenue .....	338	-	-	-	-	-	-
<b>Total Income</b> .....	<b>7,067</b>	<b>5,385</b>	<b>5,385</b>	<b>6,158</b>	<b>6,439</b>	<b>6,746</b>	<b>6,746</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>11,965</b>	<b>14,765</b>	<b>24,315</b>	<b>12,603</b>	<b>12,385</b>	<b>12,386</b>	<b>12,387</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	2,938	2,892	2,892	1,330	1,362	1,363	1,364
Resources received free of charge .....	11,047	11,047	20,597	11,047	11,047	11,047	11,047
Change in equity arising from transfer of assets/liabilities .....	9	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>13,994</b>	<b>13,939</b>	<b>23,489</b>	<b>12,377</b>	<b>12,409</b>	<b>12,410</b>	<b>12,411</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>2,029</b>	<b>(826)</b>	<b>(826)</b>	<b>(226)</b>	<b>24</b>	<b>24</b>	<b>24</b>

(a) Staffing resources are provided through the Department of Agriculture and Food.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	3,006	57	3,038	3,070	3,102	3,134	3,158
Restricted cash .....	3,045	2,187	2,187	1,929	1,921	1,913	1,913
Receivables .....	675	579	675	675	675	675	675
Inventories .....	934	1,122	934	934	934	934	934
Interest receivable .....	-	10	-	-	-	-	-
Non current assets held for sale .....	207	155	207	207	207	207	207
<b>Total current assets .....</b>	<b>7,867</b>	<b>4,110</b>	<b>7,041</b>	<b>6,815</b>	<b>6,839</b>	<b>6,863</b>	<b>6,887</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	2,497	2,755	2,755	3,013	3,271	3,529	3,787
Land and buildings .....	6,995	6,640	6,995	6,995	6,995	6,995	6,995
Plant and equipment .....	229	-	141	141	141	141	141
Other .....	4,500	2,927	4,330	4,072	3,814	3,556	3,298
<b>Total non-current assets .....</b>	<b>14,221</b>	<b>12,322</b>	<b>14,221</b>	<b>14,221</b>	<b>14,221</b>	<b>14,221</b>	<b>14,221</b>
<b>TOTAL ASSETS .....</b>	<b>22,088</b>	<b>16,432</b>	<b>21,262</b>	<b>21,036</b>	<b>21,060</b>	<b>21,084</b>	<b>21,108</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	233	-	233	233	233	233	233
Provision for employee entitlements .....	36	30	36	36	36	36	36
Accrued salaries .....	1	-	1	1	1	1	1
<b>Total current liabilities .....</b>	<b>270</b>	<b>30</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>
<b>TOTAL LIABILITIES .....</b>	<b>270</b>	<b>30</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	13,481	9,988	12,655	12,429	12,453	12,477	12,501
Reserves .....	8,337	6,414	8,337	8,337	8,337	8,337	8,337
<b>Total equity .....</b>	<b>21,818</b>	<b>16,402</b>	<b>20,992</b>	<b>20,766</b>	<b>20,790</b>	<b>20,814</b>	<b>20,838</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>22,088</b>	<b>16,432</b>	<b>21,262</b>	<b>21,036</b>	<b>21,060</b>	<b>21,084</b>	<b>21,108</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,470	2,634	2,634	1,072	1,104	1,105	1,106
<b>Net cash provided by State government .....</b>	<b>2,470</b>	<b>2,634</b>	<b>2,634</b>	<b>1,072</b>	<b>1,104</b>	<b>1,105</b>	<b>1,106</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,209)	(179)	(179)	-	-	-	-
Superannuation .....	(26)	(36)	(36)	-	-	-	-
Grants and subsidies .....	(2,171)	-	-	-	-	-	-
Supplies and services .....	(2,159)	-	-	-	(113)	(130)	(140)
Capital user charge <sup>(a)</sup> .....	(1,118)	(1,136)	(1,136)	-	-	-	-
Service delivery agreement.....	(11,047)	(7,202)	(7,202)	(7,262)	(7,324)	(7,325)	(7,325)
Other.....	(1,168)	(292)	(292)	(51)	(52)	(52)	(53)
<b>Receipts</b>							
User charges and fees.....	1,451	828	828	828	941	958	968
Regulatory fees and fines.....	5,532	4,491	4,491	5,121	5,402	5,402	5,402
Grants and subsidies .....	110	-	-	-	-	-	-
Interest received.....	120	66	66	66	66	66	66
Service delivery agreement.....	11,047	-	-	-	-	-	-
<b>Net cash from operating activities.....</b>	<b>(638)</b>	<b>(3,460)</b>	<b>(3,460)</b>	<b>(1,298)</b>	<b>(1,080)</b>	<b>(1,081)</b>	<b>(1,082)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(147)	-	-	-	-	-	-
Proceeds from sale of non-current assets .....	318	-	-	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	<b>2,003</b>	<b>(826)</b>	<b>(826)</b>	<b>(226)</b>	<b>24</b>	<b>24</b>	<b>24</b>
Cash assets at the beginning of the reporting period .....	4,048	3,070	6,051	5,225	4,999	5,023	5,047
<b>Cash assets at the end of the reporting period.....</b>	<b>6,051</b>	<b>2,244</b>	<b>5,225</b>	<b>4,999</b>	<b>5,023</b>	<b>5,047</b>	<b>5,071</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



## WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

### CAPITAL WORKS PROGRAM

The last stage of the relocation of the Midland Saleyard to Muchea will be completed in late 2007-08. This will include the construction work and commissioning of the new facility at Muchea and cessation of sales at Midland. The sale of all freehold land holdings will also be completed. Remediation, decommissioning and sale of the current Midland reserve will be completed in mid 2008-09.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Construction of New Buildings at Muchea .....	29,168	10,583	9,292	6,685
<b>COMPLETED WORKS</b>				
Purchase of Land at Muchea.....	2,711	2,711	50	-
	31,879	13,294	9,342	6,685

### CAPITAL CONTRIBUTION

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	808	10,049	9,342	6,685	11,900	-	-
<b>Working capital requirement</b>							
Loan and Other Repayments .....	-	-	-	8,000	-	-	-
	808	10,049	9,342	14,685	11,900	-	-
<b>LESS</b>							
Borrowings.....	-	-	-	8,000	-	-	-
Internal Funds and Balances .....	808	6,849	6,142	6,685	6,900	-	-
<b>Capital Contribution .....</b>	-	3,200	3,200	-	5,000	-	-



## RURAL BUSINESS DEVELOPMENT CORPORATION

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

#### DIVISION 15

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 46 Net amount appropriated to deliver services .....</b>	1,782	1,687	4,262	<b>2,940</b>	194	196	200
Total appropriations provided to deliver services .....	1,782	1,687	4,262	<b>2,940</b>	194	196	200
<b>GRAND TOTAL .....</b>	<b>1,782</b>	<b>1,687</b>	<b>4,262</b>	<b>2,940</b>	<b>194</b>	<b>196</b>	<b>200</b>

#### MISSION

*Develop and administer innovative and cost effective assistance measures to benefit Western Australian Rural Industries.*

#### SIGNIFICANT ISSUES AND TRENDS

- The 2006 growing season across most agricultural areas was extremely poor with the State recording the lowest grain harvest since 2002. Increasing costs of production are placing ongoing pressure on the profitability of many farms. In response to the adverse seasons since 1998, there have been six specific State assistance programs commencing in 2000, 2003, 2004, 2005 and 2006, and nine separate Exceptional Circumstances declarations for the period, with a further two extensions into a third year.
- Following the 2004 review by the National Drought Review Panel and ongoing review of drought policy at all levels of government, the web-based National Agricultural Monitoring System was developed to prepare Exceptional Circumstance submissions and specific weather prediction models.
- The FarmBis3 program, which runs to June 2008, will build on the success of earlier programs (1997 to 2004) in lifting the business management skills of primary producers and land managers. The adoption of a continuous learning culture, innovation and improved business management skills are key drivers in building the self-reliance, competitiveness and capacity of Australia's primary producers to meet the challenge of global change.

#### MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
2006 Dry Seasons – Assistance Scheme .....	0.8	-	-	-
Extension of 2006 Dry Seasons – Exceptional Circumstances .....	0.5	-	-	-

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service I:</i>							
Farm Business Development .....	16,788	5,568	9,217	12,918			
<b>Total Cost of Services</b> .....	16,788	5,568	9,217	12,918	962	739	611
<i>Less Income</i> .....	5,794	2,207	4,891	7,398	80	50	20
<b>Net Cost of Services</b> .....	10,994	3,361	4,326	5,520	882	689	591
Adjustments <sup>(a)</sup> .....	(9,212)	(1,674)	(64)	(2,580)	(688)	(493)	(391)
<b>Appropriation provided to deliver Service ..</b>	1,782	1,687	4,262	2,940	194	196	200
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,782	1,687	4,262	2,940	194	196	200

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

**RESOURCE AGREEMENT**

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Improved ecologically sustainable development of agri-industry.	1. Farm Business Development

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: Improved ecologically sustainable development of agri-industry.</b>					
The extent to which recipients were satisfied with the way schemes are administered .....	90.8%	91.0%	91.0%	91.0%	

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

### Service 1: Farm Business Development

This service assists farmers who have been significantly impacted by exceptional seasonal events with financial support and to enhance their skills in order to improve and sustain long term profitability and be better equipped to deal with risks inherent in farming.

This output contributes to the ecological sustainable development of agri-industry in a number of ways. The Corporation aims to manage the risks to production by preventing the decline in the productive capacity of the natural resources and minimising offsite impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables. This can only be achieved if industry profitability is maintained. Therefore, the key focus of the program is to equip farmers with the necessary tools to enable them to better manage the risks inherent in the industry.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	16,788	5,568	9,217	12,918	
Less Income.....	5,794	2,207	4,891	7,398	
Net Cost of Service .....	10,994	3,361	4,326	5,520	
Adjustments <sup>(a)</sup> .....	(9,212)	(1,674)	(64)	(2,580)	
<b>Appropriation for delivery of Service.....</b>	<b>1,782</b>	<b>1,687</b>	<b>4,262</b>	<b>2,940</b>	

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

### Key Efficiency Indicators

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Proportion of expenditure as administrative expenditure.....	5.6%	22.5%	15.8%	14.0%	The FarmBis3 scheme agreement provides for up to 21% of total expenditure to be on coordination, communication and administration.

### Major Achievements For 2006-07

- The Exceptional Circumstances (EC) interest rate subsidy program continued to provide support to farmers in declared areas. Since the commencement of adverse seasons in 1998, there have been nine EC declarations with two extensions to an existing declaration. During 2006-07, EC support was provided under six EC declarations being Southern Rangelands, Southern Pastoral, Southern Pastoral Area B, North Eastern Wheatbelt and North Eastern Wheatbelt Area B. The Australian Government guidelines for EC were amended during 2006-07 to allow rural small businesses to be eligible for EC support.
- During 2006-07, an estimated 112 applications for EC support were processed and it is anticipated that total interest rate subsidy expenditure for the year will be \$3.8 million, including grants to 100 farm and pastoral businesses.
- Due to the driest growing season on record for many agricultural areas the State Government established the 2006 Dry Season Assistance Scheme to provide direct grants of up to \$7,500 to farmers as well as providing community grants of up to \$5,000 to affected shires to conduct community events. Funding was also provided to community groups to conduct community events and additional funding was provided for counselling services in the affected areas.

- During 2006-07, grants totalling \$2 million were paid to 280 farm and pastoral businesses under both the 2006 Dry Season Assistance Scheme and Nullarbor Dry Seasons Assistance Scheme 2006.
- During 2006-07, \$1.18 million worth of training grants were approved to an estimated 3,500 participants under the FarmBis3 skills training initiative. This program aims to provide opportunities for primary producers to undertake training programs so as to better manage their business risks and improve their skills base.
- Over \$0.5 million worth of training has been approved during 2006-07 under FarmBis3 for Indigenous primary producers, mainly in the subject areas of governance, pastoral production management and business strategic planning.
- Training needs analyses for production are being conducted under the FarmBis3 program via the Targeted Industry Initiatives. The results of these analyses clearly illustrate the need to increase the business skills of production groups in order to help their industry remain sustainable in the turbulent external farming environment.
- Further Strategic Planning Workshops were held by the Corporation Directors to explore issues affecting farmers in Western Australia.
- The Corporation funded a research project to investigate rural labour skills shortage, identify solutions and develop a strategy to improve the labour supply for agriculture in Western Australia.

***Major Initiatives For 2007-08***

- Interest Rate Subsidy Support under existing Exceptional Circumstances (EC) declarations (Southern Pastoral, Southern Pastoral Area B and North Eastern Wheatbelt Area B) will continue.
- Continuing support under the new FarmBis3 program, which is planned to cease at 30 June 2008, to provide grants to reimburse up to 65 per cent of the cost of eligible learning activities focused on enhancing the capability and skills of eligible primary producers/rural land managers to manage their business, natural and human resources.
- Following on from a scoping paper commissioned for Optimised Agricultural Land Use, further work will be undertaken to explore possible Corporation involvement in the promotion of optimum land use through land trading and or aggregation.
- As required, develop and implement new schemes to support farmers and pastoralists affected by adverse conditions.



## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	59	57	57	57	57	57	57
Superannuation .....	-	5	5	5	5	5	5
Service delivery agreement <sup>(b)</sup> .....	16,695	5,482	9,131	12,826	875	652	524
Other expenses .....	34	24	24	30	25	25	25
<b>TOTAL COST OF SERVICES</b> .....	<b>16,788</b>	<b>5,568</b>	<b>9,217</b>	<b>12,918</b>	<b>962</b>	<b>739</b>	<b>611</b>
<b>Income</b>							
Grants and subsidies .....	5,417	2,167	4,475	7,248	-	-	-
Interest revenue .....	291	40	200	150	80	50	20
Other revenue .....	86	-	216	-	-	-	-
<b>Total Income</b> .....	<b>5,794</b>	<b>2,207</b>	<b>4,891</b>	<b>7,398</b>	<b>80</b>	<b>50</b>	<b>20</b>
<b>NET COST OF SERVICES</b> .....	<b>10,994</b>	<b>3,361</b>	<b>4,326</b>	<b>5,520</b>	<b>882</b>	<b>689</b>	<b>591</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations .....	1,782	1,687	4,262	2,940	194	196	200
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>1,782</b>	<b>1,687</b>	<b>4,262</b>	<b>2,940</b>	<b>194</b>	<b>196</b>	<b>200</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(9,212)</b>	<b>(1,674)</b>	<b>(64)</b>	<b>(2,580)</b>	<b>(688)</b>	<b>(493)</b>	<b>(391)</b>

- (a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 0, 0 and 0 respectively. The Corporation has a service agreement with the Department of Agriculture and Food for the delivery of outputs.
- (b) Refer Details of Controlled Grants and Subsidies table for further information. Note that some of the Grants and Subsidies displayed in the Controlled Grants and Subsidies table are included under the Service Delivery Agreement amount as the Department of Agriculture and Food pays these direct as part of that arrangement.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	4,326	1,820	4,262	1,682	994	501	110
Interest receivable .....	57	-	57	57	57	57	57
Total current assets .....	4,383	1,820	4,319	1,739	1,051	558	167
<b>TOTAL ASSETS</b> .....	4,383	1,820	4,319	1,739	1,051	558	167
<b>CURRENT LIABILITIES</b>							
Other .....	152	-	152	152	152	152	152
Total current liabilities .....	152	-	152	152	152	152	152
<b>TOTAL LIABILITIES</b> .....	152	-	152	152	152	152	152
<b>EQUITY</b>							
Accumulated surplus/(deficit) .....	4,185	1,773	4,121	1,541	853	360	(31)
Reserves .....	46	47	46	46	46	46	46
Total equity .....	4,231	1,820	4,167	1,587	899	406	15
<b>TOTAL LIABILITIES AND EQUITY</b> .....	4,383	1,820	4,319	1,739	1,051	558	167

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	1,782	1,687	4,262	2,940	194	196	200
<b>Net cash provided by State government .....</b>	<b>1,782</b>	<b>1,687</b>	<b>4,262</b>	<b>2,940</b>	<b>194</b>	<b>196</b>	<b>200</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	-	(57)	(57)	(57)	(57)	(57)	(57)
Superannuation .....	-	(5)	(5)	(5)	(5)	(5)	(5)
Service delivery agreement.....	(16,925)	(5,482)	(9,131)	(12,826)	(875)	(652)	(524)
Other.....	(94)	(24)	(24)	(30)	(25)	(25)	(25)
<b>Receipts</b>							
Grants and subsidies .....	5,417	2,167	4,475	7,248	-	-	-
Interest received.....	237	40	200	150	80	50	20
Other receipts .....	102	-	216	-	-	-	-
<b>Net cash from operating activities.....</b>	<b>(11,263)</b>	<b>(3,361)</b>	<b>(4,326)</b>	<b>(5,520)</b>	<b>(882)</b>	<b>(689)</b>	<b>(591)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(9,481)</b>	<b>(1,674)</b>	<b>(64)</b>	<b>(2,580)</b>	<b>(688)</b>	<b>(493)</b>	<b>(391)</b>
Cash assets at the beginning of the reporting period .....	13,807	3,494	4,326	4,262	1,682	994	501
<b>Cash assets at the end of the reporting period.....</b>	<b>4,326</b>	<b>1,820</b>	<b>4,262</b>	<b>1,682</b>	<b>994</b>	<b>501</b>	<b>110</b>

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES <sup>(a)</sup>**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Dry Season 2004 Assistance Scheme.....	89	-	-	-	-	-	-
2005 Pastoral Dry Season Assistance Scheme.....	52	-	-	-	-	-	-
2006 Dry Season Assistance Scheme.....	-	-	2,375	-	-	-	-
Nullarbor Dry Season Assistance Scheme .....	-	-	80	-	-	-	-
Exceptional Circumstances.....	6,156	1,417	3,773	5,340	-	-	-
Future Rural Support Schemes .....	-	360	-	500	600	450	320
Farmbis3 Scheme.....	967	2,500	1,536	5,128	-	-	-
Grants to Rural Counselling Services.....	16	38	-	-	-	-	-
Research Grants .....	27	-	-	-	-	-	-
Marketing of Egg Adjustment Assistance Scheme .....	8,547	-	-	-	-	-	-
<b>TOTAL</b>	<b>15,854</b>	<b>4,315</b>	<b>7,764</b>	<b>10,968</b>	<b>600</b>	<b>450</b>	<b>320</b>

(a) Grants and Subsidies displayed in the Controlled Grants and Subsidies table are reflected in the Income Statement as part of the Service Delivery Agreement as the Department of Agriculture and Food pays these direct as part of that arrangement.



## MID WEST DEVELOPMENT COMMISSION

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

#### DIVISION 16

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 47 Net amount appropriated to deliver services .....</b>	6,110	3,501	3,522	<b>3,452</b>	2,949	1,473	1,512
Total appropriations provided to deliver services .....	6,110	3,501	3,522	<b>3,452</b>	2,949	1,473	1,512
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	-	229	229	-	-	-	-
<b>GRAND TOTAL .....</b>	6,110	3,730	3,751	<b>3,452</b>	2,949	1,473	1,512

#### MISSION

*To have the Mid West recognised as a preferred region in which to live, work and invest.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Mid West is a major exporter of primary products and its growth prospects are affected by world commodity prices and seasonal conditions. A continued focus on innovation and value adding across all industry sectors will assist in its economic diversification.
- The mining industry continues to make a strong contribution to regional growth and employment. The timely provision of strategic infrastructure, including a new deep water port at Oakajee, linked by a heavy gauge rail line, will facilitate the export of high volume bulk products such as iron ore. Capturing local community benefit from this sector provides opportunities and challenges.
- The cyclical nature of the agricultural/pastoral sectors continues to have an impact on regional prosperity. The identification and establishment of new enterprise opportunities throughout the region, including lupin processing and the establishment of supply chains to add value to the livestock sector needs to be rigorously pursued.
- The Mid West region continues to realise its tourism potential on the back of major tourism-related infrastructure projects, including the Geraldton Foreshore Redevelopment project. With continued strategic support and an effective marketing campaign, this sector will play an increasingly important role in the region's future development.
- The continued development of the region's strategic infrastructure including transport, telecommunications, education, training and research facilities is vital to build on the region's competitive advantages and to develop and attract new enterprise opportunities and support sustainable regional development.
- Of the region, 83 per cent is classified as remote. This generates a demand for community capacity building programs and supportive social infrastructure.

- Agricultural and pastoral land in the region suffers from high levels of landscape stress. The completion and implementation of accredited natural resource management strategies will play an integral role in addressing these issues and encourage responsible land use practices, land care and eco-efficiency.
- The Separation Point Marine Precinct, together with the establishment of the Geraldton Education, Training and University Precinct and a Radio Astronomy Park in the Murchison, will further establish Geraldton as the regional education and 'smart' centre for the Mid West.

### SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Information and Advice.....	709	865	944	897			
<i>Service 2:</i>							
Investment Facilitation .....	677	623	660	636			
<i>Service 3:</i>							
Infrastructure and Services Development in the Mid West.....	1,788	3,721	6,722	3,511			
<b>Total Cost of Services .....</b>	<b>3,174</b>	<b>5,209</b>	<b>8,326</b>	<b>5,044</b>	<b>3,608</b>	<b>1,676</b>	<b>1,734</b>
<i>Less Income.....</i>	<i>1,161</i>	<i>1,231</i>	<i>1,240</i>	<i>695</i>	<i>697</i>	<i>175</i>	<i>176</i>
<b>Net Cost of Services .....</b>	<b>2,013</b>	<b>3,978</b>	<b>7,086</b>	<b>4,349</b>	<b>2,911</b>	<b>1,501</b>	<b>1,558</b>
Adjustments <sup>(a)</sup> .....	4,097	(477)	(3,564)	(897)	38	(28)	(46)
<b>Appropriation provided to deliver Services.</b>	<b>6,110</b>	<b>3,501</b>	<b>3,522</b>	<b>3,452</b>	<b>2,949</b>	<b>1,473</b>	<b>1,512</b>
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	<b>-</b>	<b>229</b>	<b>229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....</b>	<b>6,110</b>	<b>3,730</b>	<b>3,751</b>	<b>3,452</b>	<b>2,949</b>	<b>1,473</b>	<b>1,512</b>

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

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

### RESOURCE AGREEMENT

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

## 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 outcome and the most appropriate government goal.

Government Goal	Desired Outcome	Services
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	An environment conducive to the balanced economic and social development of the Mid West region.	1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: An environment conducive to the balanced economic and social development of the Mid West region.</b>					
Clients agreeing that the Commission reduced obstacles to economic growth and employment <sup>(b)</sup> .....	35%	42%	42%	42%	
Clients agreeing that the Commission contributed to the development of a new business opportunity <sup>(b)</sup> .....	66%	55%	55%	56%	
Clients agreeing that the Commission contributed to more trade activity <sup>(b)</sup> .....	30%	27%	27%	27%	
Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities <sup>(b)</sup> .....	35%	25%	27%	28%	

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

(b) The results are collected by survey and exclude responses from clients who have indicated the question is not applicable to them.

**Service 1: Information and Advice**

To contribute to economic growth and employment by developing strategic partnerships between government, business, and the community, providing a central point of coordination and contact and by raising awareness of the Mid West region.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	709	865	944	897	Higher allocation of Regional Development Scheme funds in 2006-07. Decrease in grant funding in 2007-08.
Less Income.....	359	315	274	238	
Net Cost of Service.....	350	550	670	659	Greater use of brought forward cash to cover costs in 2006-07.
Adjustments <sup>(a)</sup>	137	(27)	(202)	(52)	
<b>Appropriation for delivery of Service.....</b>	<b>487</b>	<b>523</b>	<b>468</b>	<b>607</b>	

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

**Key Efficiency Indicators**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Cost per client visit .....	\$1,289	\$1,518	\$1,656	\$1,574	Increase in grant funded expenditure in 2006-07 flows through to higher unit values.
Cost per client inquiry .....	\$63	\$144	\$157	\$128	
<b>Full Time Equivalents (FTEs)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	

**Major Achievements For 2006-07**

- Administered the State Government's Regional Development Scheme (RDS) for the Mid West and allocated grants totalling more than \$600,000 to projects that will contribute to the sustainable development of the region.
- Responded to feedback on the Commission's RDS by increasing the frequency of funding rounds from yearly to half-yearly.
- As lead agency, worked with the City of Geraldton, Shire of Greenough and the Mid West Chamber of Commerce and Industry to identify and progress opportunities to encourage fly-in/fly-out (FIFO) operations from Geraldton to emerging mining operations in the Murchison. This resulted in the commencement of a small FIFO operation at the beginning of 2007, from Geraldton to Murchison Metals' Jack Hills, a mine located 180 km northwest of Cue.
- Facilitated Indigenous economic development by:
  - assisting the Mid West Employment and Economic Development Aboriginal Corporation and Morawa Indigenous Community to engage with the Shire of Morawa to identify tourism opportunities and develop a tourism strategy;
  - assisting Wila Gutharra Community Aboriginal Corporation to secure RDS funding for Stage One of the redevelopment of the old Northampton school site for use in developing Indigenous employment and enterprise outcomes;
  - providing assistance to several other Indigenous organisations to apply for and secure RDS and/or other grant funding;
  - assisting the Yamatji Land and Sea Council to develop the capacity of Native Title Claim groups to develop operational priorities, including business development planning and training; and



- sourcing \$40,000 from the Department of Industry and Resources for several Indigenous employment and business development projects for 2006-07, and securing \$100,000 from the State Government for projects to be undertaken in 2007-08.
- Worked with Mid West shires on a range of economic and community development projects including:
  - Northampton's Community Census project;
  - Sandstone's release of land to facilitate the establishment of new businesses in Sandstone; and
  - assisted the Shires of Coorow and Carnamah to prepare the Coorow Carnamah Coastal Management Strategy to manage future growth pressures on their respective coastlines.
- Progressed the establishment of a community foundation and other philanthropic structures in the Mid West by:
  - completing a community consultation and information process;
  - finalising structures and supporting trust deeds; and
  - establishing a Foundation Advisory Committee to oversee the start-up of the Mid West Community Foundation.
- Continued to work with the Shire of Mullewa, the Department of Agriculture and Food and other relevant stakeholders to develop strategic opportunities to address dry seasons and structural adjustment in the North East agricultural region of the Mid West. This includes support for the preparation of a business plan for establishing and sustaining the North East Farming Futures group.
- Coordinated an Education, Training and Employment Roundtable to address regional skill shortages by enhancing coordination across relevant groups, identifying key issues and developing appropriate solutions.
- Assisted Yarrlgu Bunna Aboriginal Corporation to prepare business and property management plans and a funding application to the Indigenous Land Corporation for its proposed purchase of a pastoral station.
- Continued to support the establishment of the Leaning Tree Community School, which opened in 2007. The Commission previously provided this community driven initiative with funding for feasibility study and supported its management committee to secure a license to establish the school.
- Continued to provide independent regional intelligence on the Mid West's skilled shortages and training needs as part of an agreement with the Department of Education and Training.
- Supported the Central West TAFE to secure an aquaculture licence to enable relevant research and development to be undertaken within the Batavia Coast Marine Centre.
- Worked with the Department of Local Government and Regional Development to produce and distribute an updated edition of the publication – Mid West Economic Perspective.
- Supported the Mid West Gascoyne Human Services Regional Managers Group to develop a strategic plan to improve the efficiency and effectiveness of service delivery to Mid West communities.
- Initiated and distributed a report on water resources in the Mid West. The intention of the report was to improve the understanding of the Mid West's water resources in order to guide and encourage enterprise development.
- Supported the implementation of the recommendations of the socio-economic studies for the Shires of Perenjori and Irwin.
- Constructed a new Commission website which provides increased functionality and ease of use for the Commission's clients.
- Developed a system for the production and distribution of electronic newsletters to the Commission's clients on development within the Mid West.

**Major Initiatives For 2007-08**

- Host a 'Working in Partnership' forum in the Mid West to engage key stakeholders in the Indigenous community and mining industry to develop Indigenous employment, business and training outcomes.
- Increase Indigenous Tourism potential in the Mid West by developing a strategic approach for the Tourism Industry to encourage Indigenous participation.
- Launch the Mid West Community Foundation and associated philanthropic structures in the region.
- As a member of the Geraldton Economic Alliance, work to host a successful fourth Mid West Economic Summit in September 2007.
- Prepare an updated Mid West People and Population booklet containing an outline of the region's major demographic trends.
- Host the Northern Agricultural Catchments Council Aboriginal Program Leader position within the Commission to work with Indigenous communities on natural resource management issues in the Northern Agricultural Region.
- Restructure the Commission's online Business Capability and Services Directory to facilitate timely updates and maximise the opportunity for local businesses to secure major projects.

**Service 2: Investment Facilitation**

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	677	623	660	636	
Less Income .....	232	201	212	207	
Net Cost of Service .....	445	422	448	429	
Adjustments <sup>(a)</sup> .....	(95)	(27)	(40)	(51)	
<b>Appropriation for delivery of Service.....</b>	<b>350</b>	<b>395</b>	<b>408</b>	<b>378</b>	

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

**Key Efficiency Indicators**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per project .....	\$42,313	\$41,533	\$44,000	\$42,400	Completion of a major project in 2006-07 reduces the average value of projects in 2007-08.
<b>Full Time Equivalent (FTEs)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	

**Major Achievements For 2006-07**

- Progressed the development of the Mid West Indigenous arts industry by:
  - securing RDS funding for the production of a strategic development plan for the industry; and
  - commissioning a highly qualified consultant to produce the plan in consultation with various stakeholders.
- Secured a new contract with Austrade, enabling the Commission to continue providing the TradeStart export assistance program until 2010.
- Worked on a number of industry development opportunities including:
  - the local sand suppliers to investigate opportunities to export sand from the Geraldton Port Authority for use in the construction industry;
  - a local business group to review a proposal for the establishment of a canola oil extraction plant in the Mid West for the production of bio-diesel;
  - the carob industry in the Mid West to establish a small local processing facility and expand the local production;
  - the pearl industry based at the Abrolhos Islands, to evaluate export markets and with their application for industry assistance; and
  - local producers to establish a lupin processing facility in the Mid West.
- Assisted more than 30 local businesses to overcome their specific labour market shortages through the Regionally Sponsored Migration Scheme and Long Stay working visas.
- Worked with the Monsignor Hawes Heritage Project interim Board on the development of a proposed tourist trail by:
  - helping to secure funding from the RDS for a project coordinator;
  - housing the project coordinator within the Commission; and
  - offering to manage the initial stage of the project.
- Completed the Stage Two development of the Gascoyne Murchison Outback Pathways in partnership with the Gascoyne Development Commission with the launch of a 180-page Pathways promotional guidebook. Sales of the guidebook are expected to stimulate interest in travelling the Pathways as well as provide funds for their ongoing maintenance, development and promotion.
- Continued to work in partnership with Country Arts Western Australia on a four-year program aimed at improving arts and cultural services and program delivery to the towns of the Mid West.
- Worked with the Department of Local Government and Regional Development and a Mid West business to implement the Future Skilling Outback Western Australia - Start Free program in the Murchison sub-region. Start Free provides basic information technology training and technical training and support, including a helpdesk, to very remote areas of the region with funding support from the Commonwealth Government's IT Training and Technical Support Program.

**Major Initiatives For 2007-08**

- Support the Office of Science, Technology and Innovation, the Commonwealth Scientific and Industrial Research Organisation's Australia National Telescope Facility and other stakeholders to:
  - coordinate the development of a Radio Astronomy Park in the Murchison;
  - liaise with Indigenous groups and communities; and
  - facilitate local business interest and involvement in the establishment of radio astronomy projects.
- Implement the recently developed strategic development plan for the Mid West Indigenous arts industry.
- Work with Gascoyne Murchison Tourism Incorporated to investigate options for the continued development of the Gascoyne Murchison Outback Pathways by:
  - identifying strategic development opportunities for the Pathways and associated tourism attractions and facilities;
  - investigating funding opportunities for new developments; and
  - optimising the marketing and sales of the Pathway's guide book.
- Work with the Monsignor Hawes Heritage Project interim Board to progress the development of the proposed tourist trail and associated works.

- Investigate options to secure funding for other strategic tourism trails/pathway projects in the Mid West.
- Initiate the preparation of a feasibility study into the proposed Geraldton Marine Interpretive Centre.
- Assist the lupin industry in persuading the Chinese Government to allow imports of lupins.
- Continue to support local sand suppliers by investigating export opportunities for sand from the Geraldton Port Authority.
- As part of investigating value adding investment opportunities in the Mid West:
  - work closely with the carob industry in the Mid West to establish a small local processing facility and expand the local production;
  - support local canola growers to produce biodiesel for use in their own businesses; and
  - assist local industry groups to establish a small lupin processing facility in the Mid West.
- Provide further support to the embryonic pearl industry based at the Abrolhos Islands to source export markets and attract overseas investment.
- Continue to support the Mid West Regional Buying Centre with initiatives that improve local suppliers' opportunities to supply goods and services to State Government agencies in the Mid West.

### Service 3: Infrastructure and Services Development in the Mid West

To facilitate the development of infrastructure and services based on long term economic development strategies, to support communities and businesses in the Mid West.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service .....	1,788	3,721	6,722	3,511	Variations mainly reflect the timing and quantum of grants for major capital projects. Estimate for 2006-07 includes external contributions for the proposed Kalbarri Slipway project.
Less Income.....	570	715	754	250	
Net Cost of Service.....	1,218	3,006	5,968	3,261	Significant brought forward capital works funding used in 2006-07.
Adjustments <sup>(a)</sup> .....	4,055	(423)	(3,322)	(794)	
<b>Appropriation for delivery of Service.....</b>	<b>5,273</b>	<b>2,583</b>	<b>2,646</b>	<b>2,467</b>	

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

### Key Efficiency Indicators

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per project .....	\$127,714	\$248,067	\$448,133	\$234,067	Unit values fluctuate with the quantum and timing of funding for major external capital projects.
<b>Full Time Equivalents (FTEs)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	

**Major Achievements For 2006-07**

- Supported the development of the Geraldton Foreshore Redevelopment and CBD Revitalisation project by:
  - providing further funding instalments to the City of Geraldton, as part of the State Government's overall commitment via the Commission, of \$10.0 million over six years; and
  - working with the City of Geraldton and the Foreshore Redevelopment Advisory Committee to optimise the project's outcomes.
- In collaboration with the Wheatbelt Development Commission, investigated opportunities for north and central Midlands communities to benefit from the development of the infrastructure, as part of planned major resources projects in the area.
- As part of a collaborative effort with the Department of Sport and Recreation and the Mid West Gascoyne Human Services Regional Managers Group, the Commission initiated an investigation into the delivery of community development officer services in the Murchison sub-region.
- Supported the development of industry at Oakajee by:
  - hosting visits by potential estate users;
  - maintaining ongoing liaison with major resource proponents;
  - providing advice to the State Government via the Ministerial Committee; and
  - working with the Oakajee Project Team to progress planning and policy for a rail link to the proposed deepwater port via the Oakajee industrial estate.
- Assisted the Geraldton Surf Life Saving Club secure funding for its new \$1.7 million facility, including a \$50,000 contribution from the Commission's Mid West RDS.
- Worked with the Kalbarri Marine Advisory Committee and the Department for Planning and Infrastructure (DPI) to secure a reallocation of funding for the enhancement of the existing fishing jetty at Kalbarri.
- Supported a local industry consortium to commence development of a \$3.0 million marine services precinct and associated heavy boat lifter facility in Geraldton.
- Worked with stakeholders to ensure the timely development of infrastructure to support major resource projects by:
  - working with the Mid West Strategic Infrastructure Group to facilitate a coordinated and holistic government approach;
  - providing policy advice to the State Government on short and longer term regional infrastructure issues;
  - working with the DPI to finalise the Mid West Infrastructure Plan to identify and address the region's short, medium and long-term infrastructure needs; and
  - preparing a comprehensive 'Mid West Resource Freight Task Analysis' of all the non-Oakajee projects and the grain industry. The report will be used by both Main Roads and DPI to secure funding for a Mid West strategic transport assessment, including a freight network review of the greater Geraldton area.
- Assisted the Mid West Chamber of Commerce and Industry in planning for the successful 2006 Mid West Resources Forum, in relation to presentations at the Forum and information available to attendees.
- Advanced Stage Two of the redevelopment of the Batavia Coast Marina by commissioning Landcorp to produce an 'order of magnitude' feasibility study which is due by the end of June 2007.
- Produced several updated editions of the Commission's Major Projects Summary – Mid West Region of Western Australia for distribution to a long list of interested businesses, industry associations and government agencies in the Mid West, Western Australia, nationally and overseas.
- Supported the Geraldton Universities Centre (GUC) through:
  - provision of a \$34,000 grant as the final instalment of \$592,000 provided over four years to support its operations and establishment;
  - continuing the provision of a scholarship to a Mid West resident to undertake undergraduate studies at GUC; and
  - working with the Geraldton University Access Group to identify further opportunities to broaden the range of courses offered.

- Worked with the Department of Industry and Resources (DOIR) to improve access to competitively priced high speed Internet access (broadband) for Mid West residents. The Commission, with DOIR's support, has applied for Clever Networks funding (Commonwealth program) to undertake a project, which aims to extend the reach of competitive broadband networks to regional areas north of Perth by facilitating the deployment of competitive broadband infrastructure.
- Produced a Mid West Mining Register that contains information on both operational and emerging mines in the Mid West. The register is updated as developments occur and is distributed to in excess of 75 people. This document is used by the Mid West Chamber of Commerce and Industry as the basis of a similar document produced for its members.

#### ***Major Initiatives For 2007-08***

- Continue to work with the City of Geraldton and the Foreshore Redevelopment Advisory Committee on Stage Five of the Geraldton Foreshore Redevelopment and CBD Revitalisation project. This will include the management and disbursement by the Commission of an estimated \$2.3 million of State Government funding for the project in 2007-08.
- Subject to the outcomes of a high-level feasibility study, work with the Public Transport Authority, City of Geraldton, LandCorp and other stakeholders to undertake a full due diligence and business case exercise for Stage Two of the Batavia Coast Marina Redevelopment.
- Assist the industry consortium developing a \$3.0 million marine services precinct and associated heavy boat lifter facility in Geraldton to successfully complete the development and commence operations.
- Subject to securing funding from the Commonwealth's Clever Networks program, work with DoIR to identify existing regional broadband usage, gaps in service provision and the likely growth rates in future bandwidth utilisation resulting from proposed or planned major projects. This information will be provided to relevant stakeholders to promote the development of competitive regional wholesale backhaul infrastructure.
- With other stakeholders work to ensure the timely development of infrastructure to support major resource projects by:
  - working with the Mid West Strategic Infrastructure Group to facilitate a coordinated and holistic government approach; and
  - providing policy advice to the State Government on short and longer term regional infrastructure issues.
- Continue in the role of lead agency in working with the City of Geraldton, Shire of Greenough and the Mid West Chamber of Commerce and Industry to identify and progress opportunities to encourage FIFO operations from Geraldton to emerging mining operations in the Murchison. Where possible, local charter companies will be encouraged to compete for this business.
- Work with the DPI and other major stakeholders to undertake further planning in response to planned and proposed resources project and other major developments.
- Assist the Mid West Chamber of Commerce and Industry in planning for the 2007 Mid West Resources Forum both in terms of presentations at the Forum and information available to attendees.
- As a member of the Geraldton University Access Group, the Commission will continue to work to identify and establish an extended range of courses available through the GUC.
- Continue to work with stakeholders to expedite the development of land sold as part of Stage One of the Batavia Coast Marina Redevelopment.

**CAPITAL WORKS PROGRAM**

The major item of the Commission's capital works program for 2007-08 is the provision of an estimated \$2.3 million of State Government funding to the City of Geraldton for Stage Five of its Foreshore Redevelopment and CBD Revitalisation project.

The Commission will also spend \$33,000 to continue its computer and office equipment replacement program.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Geraldton Foreshore Redevelopment and CBD Revitalisation Project .....	9,980	6,240	3,849	2,300
<b>COMPLETED WORKS</b>				
Computer and Office Equipment Replacement - 2006-07 Program .....	62	62	62	-
Geraldton Marine Services Precinct .....	1,500	1,500	1,500	-
Kalbarri Slipway and Boat Servicing Hardstand .....	687	687	687	-
<b>NEW WORKS</b>				
Computer and Office Equipment Replacement - 2007-08 Program .....	33	-	-	33
	<u>12,262</u>	<u>8,489</u>	<u>6,098</u>	<u>2,333</u>

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	1,135	3,196	6,098	2,333	1,473	30	30
	1,135	3,196	6,098	2,333	1,473	30	30
<b>LESS</b>							
Commonwealth Grants .....	-	229	229	-	-	-	-
Drawdowns from the Holding Account .....	31	62	62	33	33	30	30
Funding Included in Service Appropriations <sup>(a)</sup> .....	4,280	2,130	2,130	1,930	1,440	-	-
Internal Funds and Balances .....	(3,176)	317	3,219	370	-	-	-
Other .....	-	229	229	-	-	-	-
<b>Capital Contribution .....</b>	-	229	229	-	-	-	-

(a) Capital works expensed through the Income Statement.

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	892	907	1,021	1,045	1,004	1,014	1,044
Superannuation .....	80	89	93	97	93	94	97
Grants and subsidies <sup>(b)</sup> .....	1,466	3,367	6,440	2,820	1,960	-	-
Supplies and services .....	585	671	596	904	375	387	417
Accommodation .....	116	121	122	122	122	122	123
Depreciation and amortisation .....	20	30	30	30	30	30	30
Other expenses .....	15	24	24	26	24	29	23
<b>TOTAL COST OF SERVICES</b> .....	<b>3,174</b>	<b>5,209</b>	<b>8,326</b>	<b>5,044</b>	<b>3,608</b>	<b>1,676</b>	<b>1,734</b>
<b>Income</b>							
User charges and fees .....	-	-	11	11	-	-	-
Grants and subsidies .....	740	1,141	1,124	589	602	80	80
Rent .....	5	5	5	5	5	5	5
Other revenue .....	416	85	100	90	90	90	91
<b>Total Income</b> .....	<b>1,161</b>	<b>1,231</b>	<b>1,240</b>	<b>695</b>	<b>697</b>	<b>175</b>	<b>176</b>
<b>NET COST OF SERVICES</b> .....	<b>2,013</b>	<b>3,978</b>	<b>7,086</b>	<b>4,349</b>	<b>2,911</b>	<b>1,501</b>	<b>1,558</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations .....	6,110	3,501	3,522	3,452	2,949	1,473	1,512
Liabilities assumed by the Treasurer .....	2	5	5	5	5	5	5
Change in equity arising from transfer of assets/liabilities .....	-	-	-	(687)	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>6,112</b>	<b>3,506</b>	<b>3,527</b>	<b>2,770</b>	<b>2,954</b>	<b>1,478</b>	<b>1,517</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>4,099</b>	<b>(472)</b>	<b>(3,559)</b>	<b>(1,579)</b>	<b>43</b>	<b>(23)</b>	<b>(41)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 14, 14 and 14 respectively.

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



**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	370	407	331	243	291	263	217
Restricted cash .....	5,373	650	1,721	816	916	716	516
Receivables .....	325	60	60	60	60	60	60
Amounts receivable for services.....	62	33	33	33	30	30	30
Prepayments.....	1	-	-	-	-	-	-
<b>Total current assets .....</b>	<b>6,131</b>	<b>1,150</b>	<b>2,145</b>	<b>1,152</b>	<b>1,297</b>	<b>1,069</b>	<b>823</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	93	98	98	103	111	119	127
Plant and equipment.....	40	96	100	105	110	112	114
Inventories.....	620	540	620	620	620	620	620
Intangibles.....	10	3	10	8	6	4	2
Other.....	-	687	687	-	-	-	-
<b>Total non-current assets.....</b>	<b>763</b>	<b>1,424</b>	<b>1,515</b>	<b>836</b>	<b>847</b>	<b>855</b>	<b>863</b>
<b>TOTAL ASSETS.....</b>	<b>6,894</b>	<b>2,574</b>	<b>3,660</b>	<b>1,988</b>	<b>2,144</b>	<b>1,924</b>	<b>1,686</b>
<b>CURRENT LIABILITIES</b>							
Payables .....	121	98	50	50	50	50	50
Provision for employee entitlements .....	255	180	216	194	179	179	179
Accrued salaries .....	16	4	-	4	7	11	15
Other.....	755	654	952	852	952	752	552
<b>Total current liabilities.....</b>	<b>1,147</b>	<b>936</b>	<b>1,218</b>	<b>1,100</b>	<b>1,188</b>	<b>992</b>	<b>796</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	20	51	44	69	93	92	90
Borrowings.....	960	960	960	960	960	960	960
Other.....	-	1	1	1	2	2	3
<b>Total non-current liabilities .....</b>	<b>980</b>	<b>1,012</b>	<b>1,005</b>	<b>1,030</b>	<b>1,055</b>	<b>1,054</b>	<b>1,053</b>
<b>TOTAL LIABILITIES.....</b>	<b>2,127</b>	<b>1,948</b>	<b>2,223</b>	<b>2,130</b>	<b>2,243</b>	<b>2,046</b>	<b>1,849</b>
<b>EQUITY</b>							
Contributed equity .....	127	356	356	356	356	356	356
Accumulated surplus/(deficit) .....	4,640	270	1,081	(498)	(455)	(478)	(519)
<b>Total equity.....</b>	<b>4,767</b>	<b>626</b>	<b>1,437</b>	<b>(142)</b>	<b>(99)</b>	<b>(122)</b>	<b>(163)</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>6,894</b>	<b>2,574</b>	<b>3,660</b>	<b>1,988</b>	<b>2,144</b>	<b>1,924</b>	<b>1,686</b>

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	6,070	3,463	3,484	3,414	2,911	1,435	1,474
Capital contribution .....	-	229	229	-	-	-	-
Holding account drawdowns .....	31	62	62	33	33	30	30
<b>Net cash provided by State government .....</b>	<b>6,101</b>	<b>3,754</b>	<b>3,775</b>	<b>3,447</b>	<b>2,944</b>	<b>1,465</b>	<b>1,504</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(819)	(925)	(1,052)	(1,038)	(991)	(1,011)	(1,041)
Superannuation .....	(78)	(84)	(89)	(92)	(88)	(89)	(92)
Grants and subsidies .....	(1,616)	(3,367)	(6,240)	(2,920)	(1,860)	(200)	(200)
Supplies and services .....	(562)	(671)	(663)	(904)	(375)	(387)	(417)
Accommodation.....	(116)	(121)	(121)	(122)	(122)	(122)	(123)
Goods and services tax .....	(320)	(681)	(920)	(466)	(299)	(83)	(86)
Other.....	(15)	(24)	(24)	(26)	(24)	(29)	(23)
<b>Receipts</b>							
User charges and fees.....	-	-	11	11	-	-	-
Grants and subsidies .....	1,060	1,141	1,160	589	602	80	80
Rent receipts.....	5	5	5	5	5	5	5
Goods and services tax .....	379	681	925	466	299	83	86
Other receipts .....	108	85	319	90	90	90	91
<b>Net cash from operating activities.....</b>	<b>(1,974)</b>	<b>(3,961)</b>	<b>(6,689)</b>	<b>(4,407)</b>	<b>(2,763)</b>	<b>(1,663)</b>	<b>(1,720)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(40)	(749)	(777)	(33)	(33)	(30)	(30)
<b>Net cash from investing activities.....</b>	<b>(40)</b>	<b>(749)</b>	<b>(777)</b>	<b>(33)</b>	<b>(33)</b>	<b>(30)</b>	<b>(30)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>							
	4,087	(956)	(3,691)	(993)	148	(228)	(246)
Cash assets at the beginning of the reporting period .....	1,656	2,013	5,743	2,052	1,059	1,207	979
<b>Cash assets at the end of the reporting period.....</b>	<b>5,743</b>	<b>1,057</b>	<b>2,052</b>	<b>1,059</b>	<b>1,207</b>	<b>979</b>	<b>733</b>

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
City of Geraldton - Foreshore Redevelopment	992	2,447	3,821	2,300	1,440	-	-
RDS Grants .....	462	500	605	500	500	-	-
Geraldton Marine Services Precinct .....	-	-	1,500	-	-	-	-
City of Geraldton - Queen Elizabeth II Centre Extension.....	-	400	450	-	-	-	-
GUC .....	-	-	34	-	-	-	-
Department of Local Government and Regional Development.....	-	20	20	20	20	-	-
Regional Cooperative Research projects.....	-	-	5	-	-	-	-
Guest Town - Royal Show.....	3	-	-	-	-	-	-
Leeman Telecentre - Community Bank .....	3	-	-	-	-	-	-
Straw Pulp Feasibility Study .....	5	-	-	-	-	-	-
Indigenous Aquaculture Workshop.....	1	-	-	-	-	-	-
Leaning Tree Community School.....	-	-	1	-	-	-	-
Abrolhos Pearls Promotion and Branding Project .....	-	-	4	-	-	-	-
<b>TOTAL</b>	<b>1,466</b>	<b>3,367</b>	<b>6,440</b>	<b>2,820</b>	<b>1,960</b>	<b>-</b>	<b>-</b>

## WHEATBELT DEVELOPMENT COMMISSION

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

#### DIVISION 17

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 48 Net amount appropriated to deliver services<sup>(a)</sup> .....</b>	1,419	1,417	1,461	<b>1,582</b>	1,522	1,557	1,596
Total appropriations provided to deliver services .....	1,419	1,417	1,461	<b>1,582</b>	1,522	1,557	1,596
<b>GRAND TOTAL .....</b>	1,419	1,417	1,461	<b>1,582</b>	1,522	1,557	1,596

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

*To promote, plan, facilitate and support development for the wellbeing of our community.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Wheatbelt region continues to support the third largest regional population in Western Australia, and is likely to remain so for decades. High levels of growth are being experienced along the Central Coast and in the Avon Arc. Growth is being experienced in the western Wheatbelt South, with the remainder of the Wheatbelt South having a more stable population.
- The Central East is experiencing a population restructuring, with some communities growing and some declining.
- There is an ongoing need to reform service delivery to better suit current population and demographic trends. This relevance of quality services has become more apparent in the Wheatbelt as it is difficult to attract a labour force, including public servants.
- Agriculture, particularly grain production, remains the dominant industry in the region. There is a continuing trend to farm consolidation and an increase in absentee landowners. The 2006-07 drought has impacted negatively on this industry and those businesses that service it. It is expected that record harvests will again be the result of improving efficiency when average rainfall is again experienced.
- Interest in the Avon Industrial Park as a location for medium scale industry has continued to grow. A number of medium to large businesses have formalised their expressions of interest during 2006-07. This will further fuel growth in the Avon Arc. Labour force attraction is looming as a challenge.
- Livestock numbers in the region are continuing to increase as a result of industry identifying the Wheatbelt region as an economically viable location for livestock production. Work continues to finalise relocation of saleyard facilities to the region.
- Opportunities for horticulture and various forms of intensive production continue, especially in the Central Midlands. The extent of this growth will ultimately be determined by availability of and access to water and power. Interstate and overseas markets continue to dominate future strategies. Niche producers are starting to work collectively under the Heartlands brand.

- Infrastructure and service delivery remain a continuing and major issue in the Wheatbelt. The potential change in the mix of road and rail in the grain freight task resulting from changes to grain receipt points will require careful planning to ensure that the road and rail network provides safe, cost effective transport.
- The Commission supports a creative approach to local government reform in the Wheatbelt region.
- Education and training services are seen as having a major impact on the attraction and development of a skilled labour force. Creative service delivery options need to be pursued. Attraction and retention of teachers remains a major issue.
- A partnership with the Department of Health has resulted in the development of a process for service delivery reform to meet the changing Wheatbelt needs. The partnership now includes most local governments and the Central Wheatbelt Division of General Practitioners. It is now important that the commitment continues into formal planning, analysis and implementation. Due to the resources boom, there has been a loss of workforce from the region and in addition to this, the drought has contributed to the loss of small businesses. However, there is a major growth potential in the region, especially in those peri-urban areas that adjoin metropolitan Perth.

### SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Information and Promotion Services.....	835	1,056	933	1,156			
<i>Service 2:</i>							
Facilitation Services.....	1,456	960	1,378	1,077			
<b>Total Cost of Services <sup>(a)</sup></b> .....	2,291	2,016	2,311	2,233	2,159	2,073	2,183
<i>Less Income</i> .....	1,056	525	565	525	525	525	525
<b>Net Cost of Services <sup>(a)</sup></b> .....	1,235	1,491	1,746	1,708	1,634	1,548	1,658
Adjustments <sup>(b)</sup> .....	184	(74)	(285)	(126)	(112)	9	(62)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	1,419	1,417	1,461	1,582	1,522	1,557	1,596
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,419	1,417	1,461	1,582	1,522	1,557	1,596

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Ensuring that regional Western Australia is strong and vibrant.	The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.	1. Information and Promotion Services 2. Facilitation Services

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.</b>					
Satisfaction survey that the Commission is achieving its outcome - sample size .....	111	150	150	150	
Strongly Agree .....	21%	25%	25%	25%	
Agree .....	59%	58%	58%	60%	
Neither Agree or Disagree .....	8%	5%	5%	5%	
Disagree .....	0%	5%	5%	3%	
Strongly Disagree .....	2%	2%	2%	2%	
Don't Know .....	10%	5%	5%	5%	

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

### Service 1: Information and Promotion Services

The provision of timely and accurate information to meet client need in developing the Wheatbelt region through the identification and promotion of the comparative advantages of the region, the diversification of industry and businesses, and by providing a central point for information and assistance.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	835	1,056	933	1,156	
Less Income.....	385	275	228	272	
Net Cost of Service <sup>(a)</sup> .....	450	781	705	884	
Adjustments <sup>(b)</sup> .....	67	(39)	(115)	(65)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>517</b>	<b>742</b>	<b>590</b>	<b>819</b>	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per hour of regional development service.....	\$91	\$93	\$99	\$105	
Average cost per program of grants conveyed.	\$10,760	\$38,828	\$30,779	\$34,513	
<b>Full Time Equivalents (FTEs)</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>8</b>	

### Major Achievements For 2006-07

- The concept of using comparative advantage as a guiding principle for service delivery reform has spread into a range of agencies and local groups. The emphasis has been placed on Education and Training and Health service delivery, but the concept has also been used as a major criterion for Wheatbelt Regional Development Scheme application assessment.
- Commenced work on analysis of the role of education and training in regional development and the interaction between education providers and the community.
- Have continued to raise awareness of central decision makers with respect to the current and expected growth in the Wheatbelt region. An ongoing effort is required to ensure that the region is recognised for its potential growth.
- Provided information to the Government on the requirements for regional strategic planning for land use as well as government services especially with respect to the area termed the Avon Arc.

**Major Initiatives For 2007-08**

- Continue to work with Heartlands Country towards expanding their market development work to take in export opportunities.
- Work closely with the departments responsible for health and education and training on service delivery reform for the Wheatbelt. The Commission will provide issues and opportunities information on the region into these service delivery reform discussions.
- Continue to examine labour force attraction issues and the role economic and social infrastructure can play in this valuable industry input.
- Provide information to ensure central decision makers understand the changing nature of the Wheatbelt region, including the inevitable major growth in some areas and the restructuring of population distribution in other areas.
- Continue to identify infrastructure issues and bring them to the attention of the respective agencies, including those associated with power, water and the grain freight task.

**Service 2: Facilitation Services**

The provision of assistance, support and encouragement to clients, based around identified regional opportunities. Central to this service are activities that relate to the facilitation of the upgrading of infrastructure, provide encouragement and support to the development of new industries and facilitate the intensification, expansion and diversification of existing industries.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,456	960	1,378	1,077	
Less Income .....	671	250	337	253	
Net Cost of Service <sup>(a)</sup> .....	785	710	1,041	824	
Adjustments <sup>(b)</sup> .....	117	(35)	(170)	(61)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>902</b>	<b>675</b>	<b>871</b>	<b>763</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per hour of regional development service.....	\$100	\$96	\$102	\$108	
Average cost per program of grants conveyed.	\$58,890	\$24,115	\$32,538	\$26,307	
<b>Full Time Equivalent (FTEs)</b>	<b>7</b>	<b>5</b>	<b>8</b>	<b>6</b>	

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



**Major Achievements For 2006-07**

- Worked with local government and the Western Australian Health Service to develop a process to ensure communication during the service delivery reform process. As a result of the Memorandum of Understanding with the Western Australian Country Health Services to deliver health service delivery reforms, resources were allocated to undertake some consultation and to develop a process to progress this.
- Continued the Commission's successful involvement with skilled migration, attracting migrants to work in Wheatbelt businesses.
- Successfully assisted the Avon Community to work together to attract industry to the Avon Industrial Park. Interest by businesses to locate at the Avon Industrial Park has increased rapidly during this period, with a number of businesses commencing operation from the Park.
- The Wheatbelt Regional Development Scheme has again been used to support a range of regional groups to further projects which will have an impact on the region. Projects related to Education and Training and regional tourism planning were approved, along with some smaller regional facilities projects and initiatives to expand the region's markets for a range of products.
- Implementing the Commission's model for Indigenous Economic Development has seen the creation of a number of partnerships that will set the foundations for future job creation results.

**Major Initiatives For 2007-08**

- Set and meet job creation targets for Wheatbelt Indigenous people. Use the Commission's Indigenous Economic Development approach to assist indigenous people to better participate in this regions exciting future.
- Continue to support the successful Regional Skilled Migration Scheme as part of the ongoing effort to attract skilled workers to the Wheatbelt. This is in recognition of the ongoing labour shortage in the region.
- Continue to work with local government to encourage greater collaboration and service delivery reform.
- Work with Education and Training service providers and local communities to encourage service delivery reform. This work will be directed by the outcomes of research being undertaken by a partnership between the Commission, the Rural and Remote Education Advisory Committee and the Shire of Lake Grace.
- The Commission will continue to work with agencies to encourage planning for services and infrastructure that facilitates growth in the peri-urban section of the region. This will include analysis and recommendations on tailored planning options that may help encourage such development. Land development issues for communities outside the peri-urban development area will also be considered as part of this analysis.

**CAPITAL WORKS PROGRAM**

The Commission continues a rolling program of asset replacement and enhancement to improve service delivery through the use of efficient technologies.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Computer and Office Replacement - 2006-07 Program	80	80	80	-
<b>NEW WORKS</b>				
Computer and Office Replacement - 2007-08 Program.....	24	-	-	24
	104	80	80	24

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	73	47	80	24	126	43	24
	73	47	80	24	126	43	24
<b>LESS</b>							
Drawdowns from the Holding Account .....	73	48	48	24	126	40	24
Internal Funds and Balances .....	-	(1)	32	-	-	3	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	884	780	931	907	867	868	902
Superannuation .....	81	65	80	81	76	79	81
Grants and subsidies <sup>(b)</sup> .....	825	600	700	600	600	500	500
Consultancies expense .....	2	14	14	14	14	14	15
Supplies and services .....	371	419	444	474	445	453	523
Accommodation .....	82	78	82	93	93	94	94
Capital user charge <sup>(c)</sup> .....	12	31	10	-	-	-	-
Depreciation and amortisation .....	31	45	44	47	46	46	48
Other expenses .....	15	15	16	17	18	19	20
<b>TOTAL COST OF SERVICES .....</b>	2,303	2,047	2,321	2,233	2,159	2,073	2,183
<b>Income</b>							
Grants and subsidies .....	954	500	540	500	500	500	500
Other revenue .....	102	25	25	25	25	25	25
<b>Total Income .....</b>	1,056	525	565	525	525	525	525
<b>NET COST OF SERVICES <sup>(c)</sup> .....</b>	1,247	1,522	1,756	1,708	1,634	1,548	1,658
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	1,431	1,448	1,471	1,582	1,522	1,557	1,596
Resources received free of charge .....	9	7	7	7	7	7	7
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	1,440	1,455	1,478	1,589	1,529	1,564	1,603
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b>	193	(67)	(278)	(119)	(105)	16	(55)

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 11, 14 and 14 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	90	156	113	110	156	136	131
Restricted cash .....	685	160	411	294	141	141	116
Receivables .....	58	1	-	-	-	-	-
Amounts receivable for services.....	47	24	24	125	39	23	62
Prepayments.....	7	-	-	-	-	-	-
<b>Total current assets .....</b>	<b>887</b>	<b>341</b>	<b>548</b>	<b>529</b>	<b>336</b>	<b>300</b>	<b>309</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	60	117	117	48	73	121	82
Plant and equipment.....	68	83	91	70	89	95	77
Intangibles.....	-	-	6	5	15	13	11
Other.....	-	-	7	6	56	49	43
<b>Total non-current assets .....</b>	<b>128</b>	<b>200</b>	<b>221</b>	<b>129</b>	<b>233</b>	<b>278</b>	<b>213</b>
<b>TOTAL ASSETS.....</b>	<b>1,015</b>	<b>541</b>	<b>769</b>	<b>658</b>	<b>569</b>	<b>578</b>	<b>522</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	16	37	16	15	15	15	14
Provision for employee entitlements .....	123	59	128	108	94	115	148
Other.....	62	11	62	62	62	62	62
<b>Total current liabilities.....</b>	<b>201</b>	<b>107</b>	<b>206</b>	<b>186</b>	<b>171</b>	<b>192</b>	<b>224</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	56	83	83	112	142	114	81
<b>Total non-current liabilities .....</b>	<b>56</b>	<b>83</b>	<b>83</b>	<b>112</b>	<b>142</b>	<b>114</b>	<b>81</b>
<b>TOTAL LIABILITIES.....</b>	<b>257</b>	<b>190</b>	<b>289</b>	<b>297</b>	<b>313</b>	<b>306</b>	<b>305</b>
<b>EQUITY</b>							
Contributed equity .....	75	75	75	75	75	75	75
Accumulated surplus/(deficit) .....	683	276	405	286	181	197	142
<b>Total equity.....</b>	<b>758</b>	<b>351</b>	<b>480</b>	<b>361</b>	<b>256</b>	<b>272</b>	<b>217</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,015</b>	<b>541</b>	<b>769</b>	<b>658</b>	<b>569</b>	<b>578</b>	<b>522</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	1,349	1,368	1,389	1,526	1,457	1,485	1,572
Holding account drawdowns .....	73	48	48	24	126	40	24
<b>Net cash provided by State government .....</b>	<b>1,422</b>	<b>1,416</b>	<b>1,437</b>	<b>1,550</b>	<b>1,583</b>	<b>1,525</b>	<b>1,596</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(885)	(793)	(901)	(899)	(852)	(876)	(899)
Superannuation .....	(73)	(66)	(78)	(81)	(75)	(79)	(83)
Grants and subsidies .....	(753)	(600)	(700)	(600)	(600)	(500)	(500)
Consultancies payments.....	(9)	(14)	(14)	(14)	(14)	(15)	(15)
Supplies and services .....	(345)	(401)	(444)	(466)	(436)	(441)	(516)
Accommodation.....	(70)	(86)	(69)	(94)	(94)	(97)	(94)
Capital user charge <sup>(a)</sup> .....	(12)	(31)	(10)	-	-	-	-
Goods and services tax .....	(188)	(65)	(65)	(65)	(65)	(65)	(65)
Other.....	(15)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Receipts</b>							
Grants and subsidies .....	924	500	540	500	500	500	500
Goods and services tax .....	154	65	106	65	65	65	65
Other receipts .....	104	25	43	25	25	25	25
<b>Net cash from operating activities .....</b>	<b>(1,168)</b>	<b>(1,481)</b>	<b>(1,608)</b>	<b>(1,646)</b>	<b>(1,564)</b>	<b>(1,502)</b>	<b>(1,602)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(39)	(47)	(80)	(24)	(126)	(43)	(24)
<b>Net cash from investing activities .....</b>	<b>(39)</b>	<b>(47)</b>	<b>(80)</b>	<b>(24)</b>	<b>(126)</b>	<b>(43)</b>	<b>(24)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>							
.....	215	(112)	(251)	(120)	(107)	(20)	(30)
Cash assets at the beginning of the reporting period .....	560	428	775	524	404	297	277
<b>Cash assets at the end of the reporting period.....</b>	<b>775</b>	<b>316</b>	<b>524</b>	<b>404</b>	<b>297</b>	<b>277</b>	<b>247</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	2,303	2,047	2,321	2,233	2,159	2,073	2,183
<i>Less Capital User Charge.....</i>	12	31	10	-	-	-	-
Adjusted Total Cost of Services .....	2,291	2,016	2,311	2,233	2,159	2,073	2,183
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	1,431	1,448	1,471	1,582	1,522	1,557	1,596
<i>Less Capital User Charge.....</i>	12	31	10	-	-	-	-
Adjusted net amount appropriated to deliver services.....	1,419	1,417	1,461	1,582	1,522	1,557	1,596

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Avon Community Development Foundation ...	47	50	50	50	50	50	50
Regional Development Scheme.....	496	550	650	550	550	450	450
Other.....	282	-	-	-	-	-	-
<b>TOTAL</b>	<b>825</b>	<b>600</b>	<b>700</b>	<b>600</b>	<b>600</b>	<b>500</b>	<b>500</b>

## GREAT SOUTHERN DEVELOPMENT COMMISSION

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

#### DIVISION 18

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 49 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	2,631	3,021	944	<b>1,574</b>	1,500	1,558	1,598
Total appropriations provided to deliver services .....	2,631	3,021	944	<b>1,574</b>	1,500	1,558	1,598
<b>CAPITAL</b>							
<b>Item 144 Capital Contribution</b> .....	1,685	23	223	<b>2,679</b>	29,599	2,440	86
<b>GRAND TOTAL</b> .....	4,316	3,044	1,167	<b>4,253</b>	31,099	3,998	1,684

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### MISSION

*The sustainable development of our region's economy in harmony with our unique heritage and natural environment.*

#### SIGNIFICANT ISSUES AND TRENDS

- In 2006, the ABS estimated resident population for the Great Southern grew by 1.5 per cent to 55,259. The regional centre of Albany recorded a growth rate of 2.4 per cent to a population of 33,364. These figures are conservative and will be confirmed by the 2006 Census due for release in August.
- Recently published annual employment data indicates that Albany is leading the nation in terms of employment growth. This growth has been manifested in a number of areas including population growth, tight labour market, skills shortages and increased property values.
- Regional industry activity now amounts to \$2.0 billion per annum, with agricultural production remaining a key driver, contributing nearly 42 per cent of economic activity. Cooperative Bulk Handling's \$100.0 million expansion at the Albany Port signals considerable confidence in the future of our most important industry. Even in a difficult agricultural year, grain receipts to the Port were still 1.3 million tonnes in 2006.
- The diversification of farm income from activities such as horticulture, viticulture and aquaculture continues.
- The plantation timber industry reached a milestone in 2006-07 with 1.0 million tonnes of woodchips exported from Albany. This amount is expected to grow to 2.5 million tonnes by 2008-09.
- A report recently released by the Bureau of Rural Sciences indicates that by 2004, before major harvesting had started, the plantation forestry industry had created 400 new jobs. Value-adding industries are now emerging to take advantage of the transport economics of probably one of the highest concentrations of plantation timber in Australia.
- Planning for significant timber value adding projects progressed through the year including the proposed engineered strand lumber plant, biomass power station and fuel pellet plant. All are proposed for the Mirambeena Timber Processing Precinct.

- Tourism is a significant contributor to the Great Southern regional economy. In line with the State trend, the majority of visitors to the Great Southern region are domestic and mainly from within the State. The number of domestic and international visitors averaged 540,000 over 2004 and 2005, generating some \$200 million per year in expenditure in the region.
- These trends in development are in turn impacting positively on the region's business and retail sector, as shown by large retail expansions.
- Infrastructure provision remains a key ingredient to facilitating growth and capturing the economic, social and environmental benefits of such growth.
- Changing weather patterns affecting average annual rainfall, along with population growth along the south coast, have placed increased pressure on water supply and related infrastructure.
- Similarly, population shifts to south coast communities like Denmark and Bremer Bay have increased the level of demand for electricity from new residential developments.

### SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Regional Development .....	3,359	3,941	2,434	2,494			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	3,359	3,941	2,434	2,494	2,420	2,428	2,468
<i>Less Income</i> .....	616	940	2,140	2,440	940	900	900
<b>Net Cost of Services</b> <sup>(a)</sup> .....	2,743	3,001	294	54	1,480	1,528	1,568
Adjustments <sup>(b)</sup> .....	(112)	20	650	1,520	20	30	30
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	2,631	3,021	944	1,574	1,500	1,558	1,598
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	1,685	23	223	2,679	29,599	2,440	86
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	4,316	3,044	1,167	4,253	31,099	3,998	1,684

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Ensuring 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 <sup>(a)</sup>**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: The sustainable development of our region's natural and built environment for the wellbeing of all.</b>					
Favourable responses from a minimum of 75% of clients from the Client Survey.....	96%	77%	76%	80%	

(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.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	3,359	3,941	2,434	2,494	
Less Income.....	616	940	2,140	2,440	
Net Cost of Service <sup>(a)</sup> .....	2,743	3,001	294	54	
Adjustments <sup>(b)</sup> .....	(112)	20	650	1,520	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,631</b>	<b>3,021</b>	<b>944</b>	<b>1,574</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per project .....	\$57,500	\$85,000	\$46,000	\$45,000	
Number of projects completed or progressed during the year .....	42	42	42	42	
Cost per service hour .....	\$118.37	\$95.00	\$75.00	\$70.00	
<b>Full Time Equivalents (FTEs)</b>	15	14	14	15	

**Major Achievements For 2006-07**

- The government has significantly increased its funding commitment to the Albany Entertainment Centre by an extra \$20.0 million, to a total of \$34.9 million. The government's additional investment follows the decision to relocate the building to the waterfront precinct, subsequent changes to the design, and increased costs to ensure a Centre in keeping with its iconic location.
- Work has begun on the Albany Waterfront Development, a \$27.8 million State Government infrastructure project, under the project management of LandCorp. Construction of the pedestrian bridge commenced in February and is due for completion in June. Civil works Stage One (remediation and subdivision of land) commenced in April and Environmental Approvals (water) should be obtained by June.
- Implemented Round 5 of the Government's Regional Development Scheme. The Commission received 43 expressions of interest from proponents of regional projects seeking \$1.4 million in funding, of which 29 were funded.
- In partnership with the Department of Health, completed the Day Hospital Centre for the aged building.
- The Timber Precinct Working Group, chaired by the Commission, was successful in attracting a \$9.7 million common-user infrastructure package from the State Government for the Mirambeena Timber Processing Precinct. The Commission also continued to chair the Southdown Magnetite Working Group.
- The South East Shires Regional Power Group, working with the Commission, is undertaking a power supply options study in the Gnowangerup, Jerramungup, Bremer Bay and Ravensthorpe areas.
- The Commission, in partnership with Western Power, completed a power demand survey for Jerramungup and Ravensthorpe Shires. The results were forwarded to Western Power for use in assessing future power supply requirements.
- Delivered, in partnership with the UWA Perth International Arts Festival, the Great Southern program. Now in its fifth year, the festival was attended by over 12,000 people and largely sold out. The program also involved local products including visual arts and performers and events associated with fine cuisine.
- Partnered the Department of Environment and Conservation to carry out Stage Two of the Breaksea Island heritage restoration project, which aims to develop the site as a niche eco-tourism and community research and education facility.
- Provided executive support to the Timber Industry Road Evaluation Strategy Committee that to-date has attracted \$5.7 million for local timber roads.
- Continued to directly assist regional employees in addressing skills shortages through nominations to the Regional Sponsored Migration Scheme and Regional Temporary Employees to Australia visa subclasses, 85 applications were processed.

- Established the Land Supply Taskforce, which was successful in resolving the residential land supply crisis in Albany.
- The timely development of Crown Land for residential purposes is not progressing at an acceptable rate for many of the inland Local Government Authorities. In response, the Commission hosted a seminar on the Land Assembly process engaging the expertise of the Western Australian Land Information Authority and LandCorp.
- In conjunction with the Centre of Excellence in Natural Resource Management, undertook projects (for example, Sandalwood Investment) which bolster the region's research capacity and capability to develop new products and address the local, national and international research effort to rehabilitate and preserve land and water assets. The Commission is chair of the Centre's Board.
- Assisted the South Coast Regional Initiative Planning Team Inc. to implement natural resource management projects through National Action Plan/National Heritage Trust funding of \$48.4 million over 2005-06 to 2007-08. The Commission is a member of the Council and the Regional Strategy sub-committee.
- Promoted excellence in natural resource management through the Commission's natural resource management medal and \$10,000 award money.
- Won the tender to continue delivery of the TradeStart programme in the Great Southern region, through Federal funding from Austrade for the period 2007-10, to assist local businesses to export their products to overseas markets. In July TradeStart Export Advisor Kate McKenzie was presented with a Client Service Award by Austrade. In October the TradeStart Export Advisor travelled to Japan to assist with a wine and food promotion, which by March had led to export orders for four out of six participating Commission clients, with a fifth order still in negotiation.
- The Commission in partnership with the South West and Peel Development Commissions implemented the Southern Regions Community Leadership Strategy which involved regionally delivered workshops in the Great Southern.
- Supported the Albany Museum to develop the Albany and South Coast Maritime Heritage Plan.
- In conjunction with the Western Australian Community Foundation, the Commission helped facilitate the development of the Great Southern and Western Australian Community Foundation Challenge Grant Program and establish five small community foundations in the region.
- Delivered the 2005 State Government's Election Commitments including \$100,000 to establish a Coastal Safety Information System, \$75,000 to upgrade Lake Weerlara Family Park and \$8,000 towards the Brass Extravaganza Festival.
- Developed tourism strategies and partnerships with Australia's South West Inc. (ASW) and Tourism WA to maximise tourist volumes and yield to the region. Specifically, the Commission contributed funding towards a business tourism marketing position with ASW and the Cross Regional Food and Wine Trail.
- Continued to fund cross-sector regional marketing initiatives, through the Great Southern Region Marketing Association and other sub-regional bodies, to promote the region's wine, food, cultural and tourism products.
- Facilitated and chaired the Great Southern Marketing Network to ensure coordination in marketing initiatives across major stakeholders in the region.
- Supported the City of Albany, local Shires and Visitor Centres to improve visitor servicing facilities and develop tourism marketing strategies.
- Supported the City of Albany with funding and committee membership in its development of a staged Enhancement Plan for the Amity Heritage Precinct and Master Plan for the ANZAC Peace Park.
- Assisted the Albany Maritime Foundation Inc. with funding and staff support in their work towards infrastructure enhancement to the Albany Boat Shed tourism facility.
- Promoted nature-based tourism through funding to Greenskills Inc. to produce the Great Southern nature-based tourism guide 'A Region of Diversity'.

- Supported with funding the establishment of the Great Southern Football Academy for Indigenous youth through the Clontarf Foundation in partnership with North Albany Senior High School.
- Developed the Mungart Boodja Art Centre in Katanning as the first Commonwealth funded Indigenous owned and operated Indigenous Art Industry Service Centre in the Great Southern.
- Supported an Indigenous Labour Survey through a labour hire company for the region's building and construction industry, focusing on the Albany area.
- Provided funding and staff support to establish the Central Great Southern Building Product Development Project, an Indigenous pilot project to produce and sell pavers. The project is funded through the Central Great Southern Business Enterprise Centre in Tambellup.
- Engaged an Indigenous Economic Development Project Officer two days a week to support a Timber Industry Indigenous employment and training strategy through the Forest Training Centre (WA) Pty Ltd.
- Supported the Gnowangerup Aboriginal Corporation and Shire of Gnowangerup in finalising a Feasibility Study into the Gnowangerup Heritage Centre and, with Lottery West capital funding support, commenced construction works on refurbishment of the Old Noongar Centre in Gnowangerup.
- Finalised a Feasibility Study and support for cultural heritage research for the Stirling Range Mountain Discovery Centre in partnership with the Department of Environment and Conservation and traditional Noongar custodians of the Stirling Range National Park.

#### ***Major Initiatives For 2007-08***

- As a member of the Stakeholder Reference Group coordinated by LandCorp, provide input into the design and construction of the Albany Waterfront Development. Civil works for Stage Two relating to the marina, boat harbour, hotel and function centre will commence in September 2007.
- As chair of the Albany Entertainment Centre Steering Committee, in partnership with the City of Albany and construction manager, Department of Housing and Works, finalise the detailed design for the Centre in parallel with community consultations on the project.
- Continue to work with a growing number of timber processing proponents in bringing their projects to fruition. The projects have the potential to add significant value to the region's vast blue gum timber resource.
- Continue to work with Grange Resources, through the Southdown Magnetite Working Group, to assist in bringing that project to fruition.
- Continue to work with Local Government to address key infrastructure priorities in the region. Some of these include:
  - the Shire of Katanning's capital funding requirements to progress the new Katanning saleyard;
  - Shire of Gnowangerup to address Borden's water and sewerage needs and similarly with Denmark Shire at Peaceful Bay; and
  - the development of Crown Land and its timely release for residential purposes and securing the Government's continued support for the upgrading of the region's major transport corridors i.e. Muirs Highway, Chester Pass road and the South Coast Highway.
- Directly assist regional employers in their sponsorship of skilled migrants and continue the partnership with the Department of Immigration and Citizenship.
- Continue to work with the South East Shires Regional Power Group to ensure that if the Southdown mine proceeds, there will be an opportunity to leverage power supply benefits to other parts of the region currently experiencing inadequate power supply.
- Work with the Department of Environment and Conservation and the Albany Islands Foundation to complete Stage Two and commence Stage Three of the Breaksea Island heritage restoration project, which aims to develop the site as a niche eco-tourism and community research and education facility.

- Continue the successful TradeStart programme, operated jointly with assistance from Austrade, to bring positive impacts on job creation and business from the expansion of export orientated business.
- In conjunction with the Western Australian Community Foundation, the Commission will implement the second round of the Great Southern and Western Australian Community Foundation Challenge Grant Program and support the establishment of further community foundations in the region.
- Negotiate with Perth International Arts Festival for the continuation of the annual Festival in the Great Southern for 2008.
- Deliver State Government Election Commitments including \$500,000 for the Albany Leisure and Aquatic Centre Upgrade and \$50,000 for the Brig Amity Project.
- Build on the success of the Southern Regions Community Leadership Strategy and implement targeted skills delivery in the region.
- Continue to assist the South Coast Regional Initiative Team Inc. in implementing strategic natural resource management projects outlined in their Third Investment Plan.
- Develop new primary products and land and water preservation strategies in conjunction with the Centre of Excellence in Natural Resource Management (NRM), to diversify and expand the region's research capability to address local, national and international NRM issues.
- Continue to develop tourism strategies and partnerships with Australia's South West Inc and Tourism WA to maximise tourist volumes and yield to the region, including the Wine and Food Trails project.
- Continue to fund cross-sector regional marketing initiatives, through the Great Southern Region Marketing Association and other sub-regional bodies, to develop the synergy of food, wine, agriculture and tourism by creating a brand image of the region in the mind of consumers.
- Facilitate the Great Southern Marketing Network to ensure coordination in marketing initiatives across major stakeholders in the region.
- Support the City of Albany in the implementation of the staged Enhancement Plan for the Amity Heritage Precinct.
- Progress planning for the Stirling Range Mountain Discovery Centre in partnership with the Department of Environment and Conservation and traditional Noongar custodians of the Stirling Range National Park.
- Continue to support Indigenous employment and training strategies in the region's timber and building construction industries.
- Continue support for the Great Southern Football Academy for Indigenous youth through the Clontarf Foundation in partnership with North Albany Senior High School.
- Support the Gnowangerup Aboriginal Corporation in developing the Gnowangerup Heritage Centre.

**CAPITAL WORKS PROGRAM**

The Commission's capital works program for 2007-08 includes the funding of the Albany Entertainment Centre and its ongoing asset replacement program for computers and office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Albany Entertainment Centre .....	37,550	1,400	1,400	4,171
<b>COMPLETED WORKS</b>				
Computer and Office Equipment Replacement - 2006-07 Program .....	53	53	53	-
Day Therapy for the Aged .....	820	820	621	-
Vancouver Waterways Project - Infrastructure Projects .....	991	991	86	-
<b>NEW WORKS</b>				
Computer and Office Equipment Replacement - 2007-08 Program .....	53	-	-	53
	39,467	3,264	2,160	4,224

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	1,516	1,528	2,160	4,224	29,599	2,504	116
	1,516	1,528	2,160	4,224	29,599	2,504	116
<b>LESS</b>							
Commonwealth Grants .....	-	-	-	1,500	-	-	-
Drawdowns from the Holding Account .....	30	30	30	45	-	27	30
Funding Included in Service Appropriations <sup>(a)</sup> .....	-	1,475	-	-	-	-	-
Internal Funds and Balances .....	(199)	-	707	-	-	37	-
Other .....	-	-	1,200	-	-	-	-
<b>Capital Contribution .....</b>	1,685	23	223	2,679	29,599	2,440	86

(a) Capital works expensed through the Income Statement.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	1,062	1,095	1,111	1,237	1,153	1,162	1,183
Superannuation .....	103	86	88	89	89	97	97
Grants and subsidies <sup>(b)</sup> .....	211	2,065	898	312	250	250	250
Consultancies expense .....	75	-	-	-	-	-	-
Supplies and services .....	618	463	105	624	686	645	645
Accommodation .....	97	121	121	121	121	131	131
Capital user charge <sup>(c)</sup> .....	233	53	53	-	-	-	-
Depreciation and amortisation .....	39	30	30	30	30	30	30
Other expenses .....	1,154	81	81	81	91	113	132
<b>TOTAL COST OF SERVICES</b> .....	<b>3,592</b>	<b>3,994</b>	<b>2,487</b>	<b>2,494</b>	<b>2,420</b>	<b>2,428</b>	<b>2,468</b>
<b>Income</b>							
Grants and subsidies .....	544	820	820	2,320	820	780	780
Interest revenue .....	1	-	-	-	-	-	-
Other revenue .....	71	120	1,320	120	120	120	120
<b>Total Income</b> .....	<b>616</b>	<b>940</b>	<b>2,140</b>	<b>2,440</b>	<b>940</b>	<b>900</b>	<b>900</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>2,976</b>	<b>3,054</b>	<b>347</b>	<b>54</b>	<b>1,480</b>	<b>1,528</b>	<b>1,568</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	2,864	3,074	997	1,574	1,500	1,558	1,598
Liabilities assumed by the Treasurer .....	4	2	2	2	2	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,868</b>	<b>3,076</b>	<b>999</b>	<b>1,576</b>	<b>1,502</b>	<b>1,558</b>	<b>1,598</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(108)</b>	<b>22</b>	<b>652</b>	<b>1,522</b>	<b>22</b>	<b>30</b>	<b>30</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 15, 14 and 15 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	197	140	201	205	209	254	299
Restricted cash .....	3,166	3,117	1,970	1,970	1,970	1,970	1,970
Receivables .....	125	170	145	165	185	185	185
Amounts receivable for services .....	30	45	45	-	-	-	30
Prepayments .....	3	6	3	3	3	3	3
<b>Total current assets .....</b>	<b>3,521</b>	<b>3,478</b>	<b>2,364</b>	<b>2,343</b>	<b>2,367</b>	<b>2,412</b>	<b>2,487</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	131	129	129	172	215	218	188
Plant and equipment .....	80	136	103	126	156	153	239
Infrastructure .....	199	25	2,220	6,391	35,930	38,370	38,370
<b>Total non-current assets .....</b>	<b>410</b>	<b>290</b>	<b>2,452</b>	<b>6,689</b>	<b>36,301</b>	<b>38,741</b>	<b>38,797</b>
<b>TOTAL ASSETS .....</b>	<b>3,931</b>	<b>3,768</b>	<b>4,816</b>	<b>9,032</b>	<b>38,668</b>	<b>41,153</b>	<b>41,284</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	32	45	32	32	32	32	32
Provision for employee entitlements .....	227	230	235	243	251	266	281
Accrued salaries .....	19	4	16	18	20	20	20
Other .....	725	600	725	725	725	725	725
<b>Total current liabilities .....</b>	<b>1,003</b>	<b>879</b>	<b>1,008</b>	<b>1,018</b>	<b>1,028</b>	<b>1,043</b>	<b>1,058</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	52	116	57	62	67	67	67
<b>Total non-current liabilities .....</b>	<b>52</b>	<b>116</b>	<b>57</b>	<b>62</b>	<b>67</b>	<b>67</b>	<b>67</b>
<b>TOTAL LIABILITIES .....</b>	<b>1,055</b>	<b>995</b>	<b>1,065</b>	<b>1,080</b>	<b>1,095</b>	<b>1,110</b>	<b>1,125</b>
<b>EQUITY</b>							
Contributed equity .....	1,849	1,929	2,072	4,751	34,350	36,790	36,876
Accumulated surplus/(deficit) .....	1,027	844	1,679	3,201	3,223	3,253	3,283
<b>Total equity .....</b>	<b>2,876</b>	<b>2,773</b>	<b>3,751</b>	<b>7,952</b>	<b>37,573</b>	<b>40,043</b>	<b>40,159</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>3,931</b>	<b>3,768</b>	<b>4,816</b>	<b>9,032</b>	<b>38,668</b>	<b>41,153</b>	<b>41,284</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,821	3,031	954	1,531	1,457	1,528	1,568
Capital contribution .....	1,685	23	223	2,679	29,599	2,440	86
Holding account drawdowns .....	30	30	30	45	-	27	30
<b>Net cash provided by State government .....</b>	<b>4,536</b>	<b>3,084</b>	<b>1,207</b>	<b>4,255</b>	<b>31,056</b>	<b>3,995</b>	<b>1,684</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,044)	(1,080)	(1,101)	(1,222)	(1,138)	(1,147)	(1,168)
Superannuation .....	(103)	(84)	(86)	(87)	(87)	(97)	(97)
Grants and subsidies .....	(1,335)	(2,065)	(540)	(465)	(465)	(400)	(400)
Consultancies payments.....	(75)	-	-	-	-	-	-
Supplies and services .....	(250)	(455)	(369)	(463)	(463)	(495)	(495)
Accommodation.....	(97)	(121)	(121)	(121)	(121)	(131)	(131)
Capital user charge <sup>(a)</sup> .....	(233)	(53)	(53)	-	-	-	-
Goods and services tax .....	(19)	(48)	(48)	(48)	(48)	(48)	(48)
Other.....	-	(89)	(89)	(89)	(99)	(113)	(132)
<b>Receipts</b>							
Grants and subsidies .....	544	820	820	2,320	820	780	780
Interest received.....	1	-	-	-	-	-	-
Goods and services tax .....	-	48	48	48	48	48	48
Other receipts .....	90	100	100	100	100	120	120
<b>Net cash from operating activities.....</b>	<b>(2,521)</b>	<b>(3,027)</b>	<b>(1,439)</b>	<b>(27)</b>	<b>(1,453)</b>	<b>(1,483)</b>	<b>(1,523)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(200)	(53)	(2,160)	(4,224)	(29,599)	(2,467)	(116)
Proceeds from sale of investments .....	-	-	1,200	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(200)</b>	<b>(53)</b>	<b>(960)</b>	<b>(4,224)</b>	<b>(29,599)</b>	<b>(2,467)</b>	<b>(116)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Net cash from financing activities.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,815</b>	<b>4</b>	<b>(1,192)</b>	<b>4</b>	<b>4</b>	<b>45</b>	<b>45</b>
Cash assets at the beginning of the reporting period .....	7,084	3,253	3,363	2,171	2,175	2,179	2,224
Net cash transferred to/from other agencies.....	(5,536)	-	-	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>3,363</b>	<b>3,257</b>	<b>2,171</b>	<b>2,175</b>	<b>2,179</b>	<b>2,224</b>	<b>2,269</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



### RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	3,592	3,994	2,487	2,494	2,420	2,428	2,468
<i>Less Capital User Charge.....</i>	233	53	53	-	-	-	-
Adjusted Total Cost of Services .....	3,359	3,941	2,434	2,494	2,420	2,428	2,468
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	2,864	3,074	997	1,574	1,500	1,558	1,598
<i>Less Capital User Charge.....</i>	233	53	53	-	-	-	-
Adjusted net amount appropriated to deliver services.....	2,631	3,021	944	1,574	1,500	1,558	1,598

### DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Albany University Centre .....	5	75	75	-	-	-	-
Community Resource Centres .....	-	-	5	12	-	-	-
Regional Development Scheme.....	35	250	100	100	100	100	100
Vancouver Waterways .....	-	24	86	-	-	-	-
Other.....	146	46	67	150	150	150	150
Albany Entertainment Centre .....	-	1,475	-	-	-	-	-
Nathan Drew Memorial Trust.....	25	50	75	-	-	-	-
Restoration of the Brig Amity .....	-	-	40	-	-	-	-
Albany Aquatic and Leisure Centre .....	-	50	450	50	-	-	-
Day Therapy Centre.....	-	95	-	-	-	-	-
<b>TOTAL</b>	<b>211</b>	<b>2,065</b>	<b>898</b>	<b>312</b>	<b>250</b>	<b>250</b>	<b>250</b>

## Part 5

# Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth

### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
343	Local Government and Regional Development			
	– Delivery of Services .....	41,094	28,357	<b>43,572</b>
	– Administered Grants, Subsidies and Other Transfer Payments	1,316	1,316	<b>2,114</b>
	– Capital Contribution .....	94	94	-
	Total .....	42,504	29,767	<b>45,686</b>
360	Metropolitan Cemeteries Board	-	-	-
361	Racing, Gaming and Liquor			
	– Delivery of Services .....	2,924	4,742	<b>3,607</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	98,190	101,722	<b>69,442</b>
	Total .....	101,114	106,464	<b>73,049</b>
375	Racing and Wagering Western Australia	-	-	-
377	Western Australian Greyhound Racing Authority	-	-	-
378	Insurance Commission of Western Australia	-	-	-
379	Lotteries Commission	-	-	-
380	Gold Corporation	-	-	-
381	Goldfields-Esperance Development Commission			
	– Delivery of Services .....	1,467	1,489	<b>1,631</b>
	– Capital Contribution .....	-	-	<b>9</b>
	Total .....	1,467	1,489	<b>1,640</b>
<b>GRAND TOTAL</b>				
	– Delivery of Services .....	45,485	34,588	<b>48,810</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	99,506	103,038	<b>71,556</b>
	– Capital Contribution .....	94	94	<b>9</b>
	Total .....	145,085	137,720	<b>120,375</b>

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## LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

### PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH

#### DIVISION 19

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 50 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	52,116	40,911	28,161	<b>43,370</b>	37,912	38,498	16,734
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	181	183	196	<b>202</b>	208	214	220
Total appropriations provided to deliver services .....	52,297	41,094	28,357	<b>43,572</b>	38,120	38,712	16,954
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 51 Amount provided for Administered Grants, Subsidies and Other Transfer Payments .....</b>	250	1,316	1,316	<b>2,114</b>	250	250	250
<b>CAPITAL</b>							
<b>Capital Contribution .....</b>	124	94	94	-	-	-	-
<b>GRAND TOTAL .....</b>	52,671	42,504	29,767	<b>45,686</b>	38,370	38,962	17,204

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- Planning for the provision of infrastructure underpinning the growth of the State continues to play a vital role in enabling regional communities to take advantage of opportunities arising from project investment and export growth.
- Affordable access to quality services, attraction and retention of staff and access to land and housing remain important factors for regional development.
- Continuing demand for infrastructure in the regions will result in strong competition for regional communities to access the State's \$80 million Regional Investment Fund.
- Remote Indigenous communities continue to experience pressures on service delivery and uncertainty on economic opportunity.

- Growing interest in the welfare, safety and health of livestock continues to encourage animal industries to adopt performance standards and codes of practice particularly in regard to the export of live animals.
- Provision of further support to local governments to assist them to increase their efficiency and effectiveness. Collaboration, resource sharing or voluntary amalgamations will assist local governments in enhancing sustainable communities.
- Planning for changes of the local government election day from May to October and the potential change in voting system for local government elections.
- Introduction of a new disciplinary framework to deal with complaints about the behaviour of council members.
- Intergovernmental agreements and cooperation will be essential to deal with sustainability issues facing many regional communities and particularly remote Indigenous communities.

### MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Wittenoom Relocation Fund.....	36	-	-	-

**SERVICE AND APPROPRIATION SUMMARY**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Implementation of Government Policy .....	2,365	2,737	2,854	2,820			
<i>Service 2:</i>							
Improved Access to Services and Capacity for Development in Regional Communities.....	26,355	44,988	30,674	31,912			
<i>Service 3:</i>							
Better Local Government .....	4,005	8,585	8,819	9,750			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	32,725	56,310	42,347	44,482	39,030	39,622	17,864
<i>Less Income</i> .....	1,284	997	1,108	933	933	933	933
<b>Net Cost of Services</b> <sup>(a)</sup> .....	31,441	55,313	41,239	43,549	38,097	38,689	16,931
Adjustments <sup>(b)</sup> .....	20,856	(14,219)	(12,882)	23	23	23	23
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	52,297	41,094	28,357	43,572	38,120	38,712	16,954
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	250	1,316	1,316	2,114	250	250	250
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs</b> <sup>(c)</sup> .....	124	94	94	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	52,671	42,504	29,767	45,686	38,370	38,962	17,204

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Ministers, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

The relationship of Ministers to services is shown below.

Responsible Minister	Services
Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth	1. Implementation of Government Policy. 3. Better Local Government.
Minister for Regional Development; Fisheries; the Kimberley, Pilbara and Gascoyne	2. Improved Access to Services and Capacity for Development in Regional Communities.

**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
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	An increased capacity of communities to develop good government, economic growth and social wellbeing.	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 <sup>(a)</sup>**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: An increased capacity of communities to develop good government, economic growth and social wellbeing.</b>					
Ministerial office satisfaction with policy and legislative advice <sup>(b)</sup> .....	6	5	5	5	
Client satisfaction with information and services <sup>(c)</sup> .....	6	5	5	5	
Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority.....	93%	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 Ministers' offices.

(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.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	2,365	2,737	2,854	2,820	
Less Income .....	27	13	13	13	
Net Cost of Service <sup>(a)</sup> .....	2,338	2,724	2,841	2,807	
Adjustments <sup>(b)</sup> .....	9,771	(121)	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>12,109</b>	<b>2,603</b>	<b>2,841</b>	<b>2,807</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per piece of written advice requiring Minister's attention .....	\$921	\$1,724	\$797	\$1,108	Due to an unusually high number of ministerial correspondence in 2006-07.
Average cost of legislative amendments drafted .....	\$40,833	\$49,800	\$50,640	\$51,360	
<b>Full Time Equivalents (FTEs)</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>27</b>	

**Major Achievements For 2006-07**

- Supported the passage through Parliament and provided information to stakeholders on the content of the *Local Government Amendment Act 2006*.
- Supported the passage through Parliament and provided information to stakeholders on the content of the *Local Government (Official Conduct) Amendment Act 2007*.
- Finalised the review and obtained Government approval to implement changes to legislation and regulation including the *Caravan Parks and Camping Grounds Act 1995*, *Control of Vehicles (Off-Road Areas) Act 1978*, *Cemeteries Act 1986* and *Regional Development Commission Act 1993*.
- Continued licensing and inspection of scientific establishments which use and supply animals for scientific purposes, ensuring compliance with the *Animal Welfare Act 2002* and the Code of Practice for the care and use of animals for scientific purposes.
- Established general inspectors to ensure compliance with the *Animal Welfare Act 2002* in livestock transport and export.
- Supported the development and monitoring of standards and Codes of Practice for care and welfare of animals and a major prosecution.
- Continued the allocation of funding and assistance under the Community Leadership initiative.



**Major Initiatives For 2007-08**

- Support significant proposed amendments to legislation including the *Local Government Act 1995*, *Dog Act 1976*, *Cemeteries Act 1986*, *Control of Vehicles (Off-Road Areas) Act 1978*, *Regional Development Commissions Act 1993*; and *Caravan Parks and Camping Grounds Act 1995*.
- Provision of policy advice to improve local government governance, facilitate community and economic development in Regional Western Australia, regional Indigenous community development and enhance administered legislation and regulation.
- Support the passage of a fifth Amendment Bill to the *Local Government Act 1995* through the Parliament and provide information sessions on its content to local governments.
- Provide policy advice and support to the Minister as a member of the Local Government and Planning Ministers Council.
- Continue funding of the Community Leadership Initiative.
- Finalise arrangements for enhancement of enforcement of the *Animal Welfare Act 2002* in regard to the live export industry.
- Continue the licensing and inspection of scientific establishments that use or supply animals for scientific purposes.

**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.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	26,355	44,988	30,674	31,912	
Less Income .....	1,145	811	922	747	
Net Cost of Service <sup>(a)</sup> .....	25,210	44,177	29,752	31,165	
Adjustments <sup>(b)</sup> .....	(3,104)	(13,964)	(12,882)	23	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>22,106</b>	<b>30,213</b>	<b>16,870</b>	<b>31,188</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per application evaluated.....	\$5,665	\$8,619	\$7,843	\$7,170	Reflects a higher expected number of applications to be evaluated in 2007-08.
Average cost per local government assessed ...	\$3,903	\$3,295	\$3,286	\$3,283	
Average internal cost per satellite site supported.....	\$4,163	\$4,403	\$4,401	\$4,364	
Average value of grant approved for local and regional communities.....	\$47,313	\$80,358	\$60,599	\$50,056	Reflects a higher expected number of smaller approved applications in 2007-08.
<b>Full Time Equivalents (FTEs)</b>	44	40	40	40	

**Major Achievements For 2006-07**

- Provided support to assist the ongoing implementation of the 'Regional Development Policy – Regional Western Australia – A Better Place to Live'.
- Allocated 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.
- Facilitated 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.
- Gained the best advantage for Telecentres and their communities through available funding programs.
- Released a range of 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.
- Undertook regional price comparisons to monitor the difference in commodities purchased in Perth and through regional outlets.
- Commenced the implementation of a localised development approach to State investment in infrastructure and social programs in Wiluna.
- Continued to support the relocation of remaining residents in order to move towards the total closure of the Wittenoom townsite.

**Major Initiatives For 2007-08**

- Allocate funds from the second Regional Investment Fund and through its associated schemes and programs to enhance investment in the regions.
- Publish information on regional economic performance, demographics and price index comparisons.
- Facilitation of partnerships and other initiatives between remote Indigenous communities, local governments, State and Federal agencies for the delivery of local government services and capacity building.
- To continue to promote the use of Telecentres as a valuable resource for communication and access to Government services and funding opportunities.
- Continue to provide leadership for State Government commitments to build capacity and service outcomes through the Wiluna Development Program.
- Coordinate and lead Government actions on the closure and possible remediation of the Wittenoom townsite.

### 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.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	4,005	8,585	8,819	9,750	
Less Income .....	112	173	173	173	
Net Cost of Service <sup>(a)</sup> .....	3,893	8,412	8,646	9,577	
Adjustments <sup>(b)</sup> .....	14,189	(134)	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>18,082</b>	<b>8,278</b>	<b>8,646</b>	<b>9,577</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per inquiry and investigation .....	\$3,739	\$1,785	\$1,799	\$1,816	
Average cost of monitoring each local government .....	\$4,141	\$3,779	\$3,754	\$3,849	
Average cost per dealing with an application for boundary change <sup>(a)</sup> .....	\$15,192	\$5,606	\$6,450	\$6,500	
<b>Full Time Equivalents (FTEs)</b>	<b>39</b>	<b>52</b>	<b>52</b>	<b>52</b>	

(a) Lower number of boundary change applications to be processed in 2006-07 and 2007-08.

### Major Achievements For 2006-07

- Signed a Memorandum of Understanding with the Ombudsman to establish protocols for the regular exchange of information about complaints received about local governments.
- Made submissions to and appeared before the Public Accounts Committee in its inquiry into Local Government Accountability in Western Australia.
- Assisted the Local Government Advisory Board in preparing assessment reports on amalgamations, boundary amendments and ward reviews.
- Provided support to local government for improving their level of compliance by redesigning the Compliance Audit Return form and making it available in electronic form to all local governments in Western Australia.
- Undertook and completed investigations into matters referred from the Corruption and Crime Commission (CCC) as well as other local government complaints.
- Provided support to elected local government members, especially those newly elected, in the provision of good governance to the community.

- Supported the work of the Ministerial Appointed Advisory Committee on Women in Local Government.
- Monitor the financial health of local governments to improve financial performance including asset management practices as developed in the Memorandum of Understanding.
- Encouraged 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.
- Provided support for the intergovernmental agreement initiated between the Minister for Local Government, the Commonwealth, all States and Territories, and the Australian Local Government Association and support the State/Local Government councils.
- Four operational guidelines were distributed to local government, and information sessions were conducted to support local governments in their role.
- Assisted the Western Australian Local Government Grants Commission to coordinate the allocation of financial assistance grants and local road grants totalling \$195 million to 142 local governments.
- Provided continued funding through the Outer Metropolitan Community Fund to encourage, promote and support the sustainable development of outer metropolitan areas.
- Conducted a round of the Community Facilities Grants Program, which provides financial assistance to fund the capital cost of providing community facilities in regional areas.
- Conducted the second round of funding of \$450,000 in relation to Active Ageing at the Local Level Initiative.
- Prepared information for dissemination to local governments in relation to the legislative change of local government election day from May to October.

**Major Initiatives For 2007-08**

- Finalisation of the Authorised Officer Inquiry report in the City of South Perth.
- Completion of a Memorandum of Understanding with the CCC in relation to identifying systemic issues in local governments.
- Assist the Local Government Advisory Board in completing its report on local government boundary changes for the City of Nedlands and the City of Belmont, preparing reports on amalgamation of local governments and undertaking ward reviews of local governments.
- Provision of ongoing support to elected local government members to ensure the provision of good governance to the community.
- Support the work of the Ministerial Appointed Advisory Committee on Women in Local Government.
- Continue monitoring the financial health of local governments.
- Provide financial incentives to local governments to encourage the adoption of resource sharing arrangements and assistance in achieving more efficient structures.
- Continue the development and enhancement of advisory services to local governments, elected members and staff.
- Monitor local government compliance with the *Local Government Act 1995* and initiate action wherever appropriate.
- Implement the new local government disciplinary framework of the official conduct legislation.
- Assist the Western Australian Local Government Grants Commission to coordinate the allocation of financial assistance grants and local road grants to local government.

- Conduct the third round of funding of the Active Ageing at the Local Level Initiative of \$450,000.
- 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.
- Provide publicity and support for the change of local government election day from May to October and prepare information packages in support of the proposed change to the proportional preferential system of voting for local government.
- Continue to provide information and advice to State Government agencies on partnerships and inter-governmental agreements with local government and provide support to the State/Local Government Council.

**CAPITAL WORKS PROGRAM**

The Regional Collocation Scheme is a \$7.3 million capital works grant program (\$1.9 million in 2007-08) 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 \$140,000 will also be undertaken in 2007-08.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Administered Capital Grants -				
Regional Community Resource Centres Assistance Program .....	6,347	3,785	1,500	1,864
<b>COMPLETED WORKS</b>				
Computer and Office Equipment Replacement – 2006-07 Program .....	243	243	243	-
<b>NEW WORKS</b>				
Computer and Office Equipment Replacement – 2007-08 Program.....	140	-	-	140
	6,730	4,028	1,743	2,004

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	805	1,644	1,743	2,004	799	135	135
	805	1,644	1,743	2,004	799	135	135
<b>LESS</b>							
Drawdowns from the Holding Account .....	50	50	50	140	101	135	135
Administered Funds.....	728	1,500	1,500	1,864	698	-	-
Internal Funds and Balances .....	(97)	-	99	-	-	-	-
<b>Capital Contribution .....</b>	124	94	94	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	7,063	7,372	7,720	7,518	7,175	7,317	7,281
Superannuation .....	700	564	592	564	525	525	508
Grants and subsidies <sup>(b)</sup> .....	21,042	41,394	27,319	29,853	24,889	24,735	2,973
Consultancies expense .....	-	-	176	-	-	-	-
Supplies and services .....	2,839	4,427	3,987	3,776	3,778	4,382	4,439
Accommodation .....	730	645	645	648	592	592	592
Capital user charge <sup>(c)</sup> .....	1,695	218	218	-	-	-	-
Depreciation and amortisation .....	189	170	170	166	114	114	114
Other expenses .....	162	1,738	1,738	1,957	1,957	1,957	1,957
<b>TOTAL COST OF SERVICES</b> .....	<b>34,420</b>	<b>56,528</b>	<b>42,565</b>	<b>44,482</b>	<b>39,030</b>	<b>39,622</b>	<b>17,864</b>
<b>Income</b>							
User charges and fees .....	192	245	180	181	181	181	181
Grants and subsidies .....	950	744	920	744	744	744	744
Other revenue .....	142	8	8	8	8	8	8
<b>Total Income</b> .....	<b>1,284</b>	<b>997</b>	<b>1,108</b>	<b>933</b>	<b>933</b>	<b>933</b>	<b>933</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>33,136</b>	<b>55,531</b>	<b>41,457</b>	<b>43,549</b>	<b>38,097</b>	<b>38,689</b>	<b>16,931</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	53,992	41,312	28,575	43,572	38,120	38,712	16,954
Resources received free of charge .....	120	49	49	48	48	48	48
Liabilities assumed by the Treasurer .....	24	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>54,136</b>	<b>41,361</b>	<b>28,624</b>	<b>43,620</b>	<b>38,168</b>	<b>38,760</b>	<b>17,002</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>21,000</b>	<b>(14,170)</b>	<b>(12,833)</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 109, 119 and 119 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	35,979	7,735	22,790	22,790	22,861	22,932	23,003
Restricted cash .....	25	482	107	178	178	178	178
Receivables .....	323	1,280	323	323	323	323	323
Amounts receivable for services.....	50	140	140	101	135	-	-
<b>Total current assets .....</b>	<b>36,377</b>	<b>9,637</b>	<b>23,360</b>	<b>23,392</b>	<b>23,497</b>	<b>23,433</b>	<b>23,504</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	268	298	298	363	342	456	456
Plant and equipment.....	266	356	339	313	300	321	321
<b>Total non-current assets.....</b>	<b>534</b>	<b>654</b>	<b>637</b>	<b>676</b>	<b>642</b>	<b>777</b>	<b>777</b>
<b>TOTAL ASSETS.....</b>	<b>36,911</b>	<b>10,291</b>	<b>23,997</b>	<b>24,068</b>	<b>24,139</b>	<b>24,210</b>	<b>24,281</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	1,590	904	1,515	1,515	1,515	1,515	1,515
Provision for employee entitlements .....	1,194	1,294	1,151	1,151	1,151	1,151	1,151
Accrued salaries .....	137	23	106	106	106	106	106
Other.....	35	28	35	35	35	35	35
<b>Total current liabilities.....</b>	<b>2,956</b>	<b>2,249</b>	<b>2,807</b>	<b>2,807</b>	<b>2,807</b>	<b>2,807</b>	<b>2,807</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	843	650	817	817	817	817	817
<b>Total non-current liabilities .....</b>	<b>843</b>	<b>650</b>	<b>817</b>	<b>817</b>	<b>817</b>	<b>817</b>	<b>817</b>
<b>TOTAL LIABILITIES.....</b>	<b>3,799</b>	<b>2,899</b>	<b>3,624</b>	<b>3,624</b>	<b>3,624</b>	<b>3,624</b>	<b>3,624</b>
<b>EQUITY</b>							
Contributed equity .....	360	454	454	454	454	454	454
Accumulated surplus/(deficit) .....	32,752	6,938	19,919	19,990	20,061	20,132	20,203
<b>Total equity.....</b>	<b>33,112</b>	<b>7,392</b>	<b>20,373</b>	<b>20,444</b>	<b>20,515</b>	<b>20,586</b>	<b>20,657</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>36,911</b>	<b>10,291</b>	<b>23,997</b>	<b>24,068</b>	<b>24,139</b>	<b>24,210</b>	<b>24,281</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.



**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	53,818	41,142	28,405	43,406	38,006	38,598	16,819
Capital contribution .....	124	94	94	-	-	-	-
Holding account drawdowns .....	50	50	50	140	101	135	135
<b>Net cash provided by State government .....</b>	<b>53,992</b>	<b>41,286</b>	<b>28,549</b>	<b>43,546</b>	<b>38,107</b>	<b>38,733</b>	<b>16,954</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(6,844)	(7,349)	(7,794)	(7,495)	(7,152)	(7,294)	(7,258)
Superannuation .....	(690)	(554)	(585)	(554)	(515)	(515)	(498)
Grants and subsidies .....	(21,042)	(41,394)	(27,319)	(29,853)	(24,889)	(24,735)	(2,973)
Consultancies payments.....	-	-	(176)	-	-	-	-
Supplies and services .....	(2,234)	(4,310)	(3,870)	(3,660)	(3,662)	(4,266)	(4,302)
Accommodation.....	(730)	(645)	(645)	(648)	(592)	(592)	(592)
Capital user charge <sup>(a)</sup> .....	(1,219)	(218)	(218)	-	-	-	-
Goods and services tax .....	(2,318)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Other.....	(23)	(1,914)	(1,914)	(2,058)	(2,058)	(2,058)	(2,058)
<b>Receipts</b>							
User charges and fees.....	192	245	180	181	181	181	181
Grants and subsidies .....	1,637	744	920	744	744	744	744
Goods and services tax .....	2,156	2,700	2,700	2,700	2,700	2,700	2,700
Other receipts .....	148	8	8	8	8	8	8
<b>Net cash from operating activities.....</b>	<b>(30,967)</b>	<b>(55,387)</b>	<b>(41,413)</b>	<b>(43,335)</b>	<b>(37,935)</b>	<b>(38,527)</b>	<b>(16,748)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(77)	(144)	(243)	(140)	(101)	(135)	(135)
<b>Net cash from investing activities.....</b>	<b>(77)</b>	<b>(144)</b>	<b>(243)</b>	<b>(140)</b>	<b>(101)</b>	<b>(135)</b>	<b>(135)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>22,948</b>	<b>(14,245)</b>	<b>(13,107)</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>
Cash assets at the beginning of the reporting period .....	13,021	22,461	35,969	22,862	22,933	23,004	23,075
<b>Cash assets at the end of the reporting period.....</b>	<b>35,969</b>	<b>8,216</b>	<b>22,862</b>	<b>22,933</b>	<b>23,004</b>	<b>23,075</b>	<b>23,146</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	34,420	56,528	42,565	44,482	39,030	39,622	17,864
<i>Less Capital User Charge</i> .....	1,695	218	218	-	-	-	-
Adjusted Total Cost of Services .....	32,725	56,310	42,347	44,482	39,030	39,622	17,864
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	53,992	41,312	28,575	43,572	38,120	38,712	16,954
<i>Less Capital User Charge</i> .....	1,695	218	218	-	-	-	-
Adjusted net amount appropriated to deliver services.....	52,297	41,094	28,357	43,572	38,120	38,712	16,954

**SCHEDULE OF ADMINISTERED EXPENSES AND INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Grants and subsidies .....	729	1,750	1,750	2,114	1,483	361	250
<b>TOTAL ADMINISTERED EXPENSES <sup>(a)</sup>..</b>	729	1,750	1,750	2,114	1,483	361	250
<b>INCOME</b>							
Administered appropriations.....	250	1,316	1,316	2,114	250	250	250
<b>TOTAL ADMINISTERED INCOME <sup>(b)</sup>.....</b>	250	1,316	1,316	2,114	250	250	250

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

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

**SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>ADMINISTERED CURRENT ASSETS</b>							
Cash and cash equivalents .....	2,004	349	1,570	1,570	337	226	226
Receivables .....	11	-	11	11	11	11	11
<b>Total Administered Current Assets .....</b>	<b>2,015</b>	<b>349</b>	<b>1,581</b>	<b>1,581</b>	<b>348</b>	<b>237</b>	<b>237</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>2,015</b>	<b>349</b>	<b>1,581</b>	<b>1,581</b>	<b>348</b>	<b>237</b>	<b>237</b>

**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(729)	(1,750)	(1,750)	(2,114)	(1,483)	(361)	(250)
Goods and services tax .....	(72)	-	-	-	-	-	-
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(801)</b>	<b>(1,750)</b>	<b>(1,750)</b>	<b>(2,114)</b>	<b>(1,483)</b>	<b>(361)</b>	<b>(250)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Goods and services tax .....	61	-	-	-	-	-	-
Administered appropriations.....	250	1,316	1,316	2,114	250	250	250
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>311</b>	<b>1,316</b>	<b>1,316</b>	<b>2,114</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>(490)</b>	<b>(434)</b>	<b>(434)</b>	<b>-</b>	<b>(1,233)</b>	<b>(111)</b>	<b>-</b>

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Grant Funding - Regional Investment Fund.....	16,582	35,786	20,861	21,025	20,911	21,607	-
Financial Support to Local Governments.....	970	1,633	1,633	2,633	633	633	633
Regional Development Grant Schemes.....	2,613	2,975	3,825	5,195	3,345	2,495	2,340
Outer Metropolitan Community Program .....	877	1,000	1,000	1,000	-	-	-
<b>TOTAL</b>	<b>21,042</b>	<b>41,394</b>	<b>27,319</b>	<b>29,853</b>	<b>24,889</b>	<b>24,735</b>	<b>2,973</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES</b>							
Royal Society for the Prevention of Cruelty to Animals .....	250	250	250	250	250	250	250
Community Resource Centres - Regional Collocation Scheme .....	479	1,500	1,500	1,864	1,233	111	-
<b>TOTAL</b>	<b>729</b>	<b>1,750</b>	<b>1,750</b>	<b>2,114</b>	<b>1,483</b>	<b>361</b>	<b>250</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>OTHER</b>							
Administered Appropriations .....	250	1,316	1,316	2,114	250	250	250
<b>TOTAL</b>	<b>250</b>	<b>1,316</b>	<b>1,316</b>	<b>2,114</b>	<b>250</b>	<b>250</b>	<b>250</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Executive Vehicle Scheme and Other Miscellaneous Revenue.....	148	8	8	8
GST Input Credits.....	2,156	2,700	2,700	2,700
Indian Oceans Territories Program.....	89	143	143	143
Westlink Satellite Communication Service - User Charges And Fees .....	192	245	180	181
Funds Provided by the Commonwealth Government .....	1,548	601	777	601
<b>TOTAL</b> .....	<b>4,133</b>	<b>3,697</b>	<b>3,808</b>	<b>3,633</b>

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



## RACING, GAMING AND LIQUOR

### PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH

#### DIVISION 20

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 52 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	2,865	2,774	4,582	<b>3,442</b>	3,512	3,569	3,527
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975<sup>(b)</sup></b> .....	147	150	160	<b>165</b>	170	175	180
Total appropriations provided to deliver services .....	3,012	2,924	4,742	<b>3,607</b>	3,682	3,744	3,707
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 53 Amount provided for Administered Grants, Subsidies and Other Transfer Payments</b> .....	87,540	94,490	98,022	<b>65,542</b>	66,002	67,080	70,483
<b>Amount Authorised by Other Statutes - Liquor Licensing Act 1988</b> .....	1,892	3,700	3,700	<b>3,900</b>	4,500	5,000	5,000
<b>GRAND TOTAL</b> .....	92,444	101,114	106,464	<b>73,049</b>	74,184	75,824	79,190

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) The recommendation by the Salaries and Allowances Tribunal of 4 April 2007 in relation to senior public servants' salaries was received after the finalisation of agencies' individual financial projections. Accordingly, a provision for the total cost 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 No. 2 Volume 1). This provision will be reflected in agencies' estimates following the release of the 2007-08 Budget.

#### MISSION

*To promote and maintain the integrity of lawful gambling and liquor activities through the licensing and regulation of suppliers, within community expectations on harm minimisation.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Government's reform of the *Liquor Control Act 1988* aims to promote flexibility, responsibility, innovation and choice, while also promoting lower risk drinking environments and harm minimization principles. The majority of the reforms were implemented on 7 May 2007. The remainder will be phased in over the course of the next 12 months.
- Lawyers acting for Betfair Pty Limited and Mr Matthew Erceg filed a Statement of Claim and a Writ of Summons against the State of Western Australia in the High Court of Australia, questioning the validity of certain provisions of the *Betting and Racing Legislation Amendment Act 2006* and the *Betting Control Act 1954* in respect of Section 92 of the Constitution (freedom of interstate trade).
- There has been a significant growth in the level of community interest and participation in poker, in particular Texas Hold'Em. This has required an increase in regulatory effort to ensure that the activity conducted by commercial operators is in accordance with the provisions of the *Gaming and Wagering Commission Act 1987*.

- The redevelopment of the Burswood Entertainment Complex is ongoing with approval in principle being granted to the staged redevelopment, through to 2010, of the casino's main gaming floor area.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency's Income Statement since publication of the 2006-07 Budget to Parliament on 11 May 2006 are outlined below.

	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Implementation of Liquor Licensing Reforms .....	850	850	850	950

## SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Licensing - Evaluation and Determination of Applications .....	3,329	3,747	4,606	4,392			
<i>Service 2:</i>							
Compliance Audits and Inspections .....	3,929	4,268	5,227	4,472			
<b>Total Cost of Services</b> <sup>(a)</sup> .....	7,258	8,015	9,833	8,864	9,108	9,335	9,298
<i>Less Income</i> .....	4,450	4,941	4,941	5,103	5,267	5,427	5,427
<b>Net Cost of Services</b> <sup>(a)</sup> .....	2,808	3,074	4,892	3,761	3,841	3,908	3,871
Adjustments <sup>(b)</sup> .....	204	(150)	(150)	(154)	(159)	(164)	(164)
<b>Appropriation provided to deliver Services</b> <sup>(a)</sup> .....	3,012	2,924	4,742	3,607	3,682	3,744	3,707
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	89,432	98,190	101,722	69,442	70,502	72,080	75,483
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	92,444	101,114	106,464	73,049	74,184	75,824	79,190

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) 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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.	1. Licensing - Evaluation and Determination of Applications 2. Compliance Audits and Inspections

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.</b>					
Licenses/service providers that comply with audit requirements and statutory criteria .....	96%	96%	96%	96%	

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

**Service 1: Licensing - Evaluation and Determination of Applications**

Receive, process and determine applications in accordance with the legislation.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	3,329	3,747	4,606	4,392	Mainly due to increased expenditure during 2006-07 associated with the implementation of the liquor reforms.
Less Income .....	2,724	3,178	3,178	3,275	
Net Cost of Service <sup>(a)</sup> .....	605	569	1,428	1,117	
Adjustments <sup>(b)</sup> .....	340	(80)	(80)	(77)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>945</b>	<b>489</b>	<b>1,348</b>	<b>1,040</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of determining applications .....	\$301	\$346	\$420	\$392	Mainly due to increased expenditure during 2006-07 associated with the implementation of the liquor reforms.
<b>Full Time Equivalents (FTEs)</b>	47	45	51	51	

**Major Achievements For 2006-07**

- The implementation of the *Liquor and Gaming Legislation Amendment Act 2006*, which received Royal Assent on 14 December 2006.
- Effective 7 May 2007, the Director General of the Department of Racing, Gaming and Liquor assumed the statutory role of Director of Liquor Licensing following the proclamation of the amendments to the *Liquor Control Act 1988*. To support this change, the Operations division was replaced with two new divisions, being Licensing and Compliance.
- Implementation and management of a public information and education campaign designed to raise awareness of the liquor reform legislation.
- To support the new licensing regime resulting from the liquor reforms, the current licensing system is being replaced. Developments include a new corporate database to allow the online processing of applications to provide greater efficiency in meeting client demands. The first stage of development focuses on occasional liquor licences, and is expected to be operational during the second half of 2007.
- Implementation of the *Betting and Racing Legislation Amendment Act 2006*, which received royal assent on 13 December 2006. On 29 January 2007, the following provisions came into operation:
  - the prohibition on betting with betting exchanges; and
  - extending the application of section 27A, relating to off-shore betting, to include any sporting event or contingency approved by the Gaming and Wagering Commission.
- The remaining provisions relating to the prohibition on the publication of Western Australian race fields information by unauthorised wagering service providers are scheduled to come into operation in July 2007.
- Implementation of the Government's tax reforms for the Western Australian racing industry to reduce the tax on totalisator revenue to 11.9 per cent net of GST. The *Racing and Wagering Legislation Amendment Act 2007* and *Racing and Wagering Western Australia Tax Amendment Act 2007* received Royal Assent on 28 March 2007.
- Introduction into Parliament on 22 March 2007 of the Racing Wagering and Betting Legislation Amendment and Repeal Bill 2007 to:
  - enable the Kalgoorlie-Boulder Race Club to become an incorporated body in order to manage its own affairs and repeal associated legislation; and
  - make minor amendments to the *Betting Control Act 1954*, *Gaming and Wagering Commission Act 1987*, and *Racing and Wagering Western Australia Act 2003*.
- The distribution of approximately \$11.5 million of the Government's \$25.0 million racing industry infrastructure grants program; this follows the \$6.1 million expended during 2005-06, with \$7.5 million expected to be distributed during 2007-08.

- The execution of the Tenth and Eleventh Supplementary Agreements to the Agreement scheduled to the *Casino (Burswood Island) Agreement Act 1985*:
  - the Tenth Supplementary Agreement, which became effective on 5 April 2007, increases the levy on gaming machine revenue paid to the Burswood Park Board from 1 per cent to 1.5 per cent effective from 1 January 2007 and to 2 per cent from 1 January 2008; and
  - the Eleventh Supplementary Agreement expands the purposes on which the Burswood Park Board may expend its funds to include the protection and enhancement of ecological and community benefits and amenity of the Swan and Canning Rivers and associated lands and amends the composition of the Burswood Park Board.
- The drafting of the Casino (Burswood Island) Agreement Amendment Bill 2007 to ratify the Eleventh Supplementary Agreement.
- Review of the liquor restrictions imposed as a result of enquiries conducted into alcohol-related harm in the North West. The Director of Liquor Licensing is currently reviewing those submissions and proposes to finalise the review in the near future.
- The Department's successful transition on 22 March 2007 to the Office of Shared Services (OSS). Some financial and associated services are now provided through the use of the Oracle Financial System. Payroll services are provided by OSS using the interim solution.

**Major Initiatives For 2007-08**

- Finalisation of the implementation of the *Liquor and Gaming Legislation Amendment Act 2006*. The majority of the provisions of the Amendment Act were introduced on 7 May 2007. The remaining provisions relating to confidential police information; incident registers; mandatory industry training and website information will be introduced during the 2007-08 financial year.
- Continuation of the implementation and management of a public information and education campaign designed to raise awareness of liquor reform legislation.
- The Prostitution Law Reform Working Group has recommended a model where approved operators of brothels and escort agencies would be regulated under a certification system. The Department has been recommended as the agency responsible for certificating operators and approved managers in the industry.
- Continuation of the development and delivery of a citizen centric integrated web-based licensing system consistent with Government's strategy for electronic service delivery.
- Progression through State Parliament of the Racing Wagering and Betting Legislation Amendment and Repeal Bill 2007.
- The distribution of approximately \$7.4 million to finalise the Government's \$25.0 million racing industry infrastructure grants program.

## Service 2: Compliance Audits and Inspections

Perform audits and inspections to verify that the provision of gambling and liquor is conducted in a responsible and lawful manner.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	3,929	4,268	5,227	4,472	Mainly due to increased expenditure during 2006-07 associated with the implementation of the liquor reforms.
Less Income .....	1,726	1,763	1,763	1,828	
Net Cost of Service <sup>(a)</sup> .....	2,203	2,505	3,464	2,644	
Adjustments <sup>(b)</sup> .....	(136)	(70)	(70)	(77)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,067</b>	<b>2,435</b>	<b>3,394</b>	<b>2,567</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost of conducting inspections .....	\$391	\$546	\$550	\$471	Mainly due to increased expenditure during 2006-07 associated with the implementation of the liquor reforms.
<b>Full Time Equivalents (FTEs)</b>	<b>46</b>	<b>51</b>	<b>49</b>	<b>49</b>	

### Major Achievements For 2006-07

- Approval by the Gaming and Wagering Commission of the joint venture between Publishing and Broadcasting Limited and Melco International Development Limited to develop gaming opportunities in Macau and throughout Asia. The approval followed investigations lead by the Victorian Commission for Gambling Regulation.
- The opening of the new International Gaming Facility, the Pearl Room, located within the Burswood Entertainment Complex, to accommodate 104 electronic gaming machines and 47 gaming tables.
- Approval in principle by the Gaming and Wagering Commission to increase to 1,750 gaming machines and 170 table games at the Burswood Entertainment Complex.
- Development of a collaborative approach with Western Australia Police to investigate liquor venues.

### Major Initiatives For 2007-08

- The development and adoption of a consistent national approach for professional fundraisers and trade promotion lotteries through participation in a working party made up of representatives of regulators from other Australian jurisdictions.

**CAPITAL WORKS PROGRAM**

The Department's 2007-08 Capital Works Program is for ongoing computer software and hardware replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
E-Commerce .....	120	80	20	20
<b>COMPLETED WORKS</b>				
Computer Hardware and Software -				
2004-05 Program .....	60	60	21	-
2005-06 Program .....	500	500	500	-
2006-07 Program .....	30	30	30	-
<b>NEW WORKS</b>				
Computer Hardware and Software -				
2007-08 Program .....	350	-	-	350
	<u>1,060</u>	<u>670</u>	<u>571</u>	<u>370</u>

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	284	350	571	370	150	80	30
	284	350	571	370	150	80	30
<b>LESS</b>							
Drawdowns from the Holding Account .....	-	330	330	350	130	80	30
Internal Funds and Balances .....	284	20	241	20	20	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	4,831	5,106	5,366	5,820	6,046	6,281	6,443
Superannuation .....	481	547	555	576	599	623	648
Supplies and services .....	1,064	1,286	2,786	1,437	1,397	1,361	1,337
Accommodation .....	468	561	611	561	566	572	578
Capital user charge <sup>(b)</sup> .....	261	201	201	-	-	-	-
Depreciation and amortisation .....	414	471	471	421	450	446	238
Other expenses .....	-	44	44	49	50	52	54
<b>TOTAL COST OF SERVICES</b> .....	<b>7,519</b>	<b>8,216</b>	<b>10,034</b>	<b>8,864</b>	<b>9,108</b>	<b>9,335</b>	<b>9,298</b>
<b>Income</b>							
User charges and fees .....	2,714	3,254	3,254	3,366	3,480	3,590	3,590
Regulatory fees and fines .....	1,736	1,680	1,680	1,730	1,780	1,830	1,830
Other revenue .....	-	7	7	7	7	7	7
<b>Total Income</b> .....	<b>4,450</b>	<b>4,941</b>	<b>4,941</b>	<b>5,103</b>	<b>5,267</b>	<b>5,427</b>	<b>5,427</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>3,069</b>	<b>3,275</b>	<b>5,093</b>	<b>3,761</b>	<b>3,841</b>	<b>3,908</b>	<b>3,871</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	3,273	3,125	4,943	3,607	3,682	3,744	3,707
Resources received free of charge .....	138	150	150	154	159	164	164
Liabilities assumed by the Treasurer .....	17	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>3,428</b>	<b>3,275</b>	<b>5,093</b>	<b>3,761</b>	<b>3,841</b>	<b>3,908</b>	<b>3,871</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 93, 100 and 100 respectively.

(b) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	1,893	1,337	1,630	1,608	1,588	1,588	1,588
Restricted cash .....	39	62	55	71	87	103	119
Receivables .....	338	278	338	338	338	338	338
Amounts receivable for services.....	330	30	350	130	80	30	500
Prepayments.....	71	76	71	71	71	71	71
<b>Total current assets .....</b>	<b>2,671</b>	<b>1,783</b>	<b>2,444</b>	<b>2,218</b>	<b>2,164</b>	<b>2,130</b>	<b>2,616</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	1,151	1,592	1,272	1,563	1,933	2,349	2,087
Plant and equipment.....	466	545	366	316	266	146	6
Intangibles.....	366	332	566	565	315	69	1
Restricted cash .....	16	-	16	16	16	16	16
<b>Total non-current assets.....</b>	<b>1,999</b>	<b>2,469</b>	<b>2,220</b>	<b>2,460</b>	<b>2,530</b>	<b>2,580</b>	<b>2,110</b>
<b>TOTAL ASSETS.....</b>	<b>4,670</b>	<b>4,252</b>	<b>4,664</b>	<b>4,678</b>	<b>4,694</b>	<b>4,710</b>	<b>4,726</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	33	139	33	33	33	33	33
Provision for employee entitlements .....	490	328	486	482	478	474	490
Monies in trust .....	92	-	92	92	92	92	92
Accrued salaries .....	95	20	96	117	140	163	163
Other.....	-	72	-	-	-	-	-
<b>Total current liabilities.....</b>	<b>710</b>	<b>559</b>	<b>707</b>	<b>724</b>	<b>743</b>	<b>762</b>	<b>778</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	433	557	430	427	424	421	421
Other.....	32	-	32	32	32	32	32
<b>Total non-current liabilities .....</b>	<b>465</b>	<b>557</b>	<b>462</b>	<b>459</b>	<b>456</b>	<b>453</b>	<b>453</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,175</b>	<b>1,116</b>	<b>1,169</b>	<b>1,183</b>	<b>1,199</b>	<b>1,215</b>	<b>1,231</b>
<b>EQUITY</b>							
Contributed equity .....	454	454	454	454	454	454	454
Accumulated surplus/(deficit) .....	3,041	2,682	3,041	3,041	3,041	3,041	3,041
<b>Total equity.....</b>	<b>3,495</b>	<b>3,136</b>	<b>3,495</b>	<b>3,495</b>	<b>3,495</b>	<b>3,495</b>	<b>3,495</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>4,670</b>	<b>4,252</b>	<b>4,664</b>	<b>4,678</b>	<b>4,694</b>	<b>4,710</b>	<b>4,726</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,754	2,654	4,472	3,186	3,232	3,298	3,469
Holding account drawdowns .....	200	330	330	350	130	80	30
<b>Net cash provided by State government .....</b>	<b>2,954</b>	<b>2,984</b>	<b>4,802</b>	<b>3,536</b>	<b>3,362</b>	<b>3,378</b>	<b>3,499</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(4,714)	(5,112)	(5,369)	(5,806)	(6,030)	(6,265)	(6,427)
Superannuation .....	(467)	(547)	(558)	(576)	(599)	(623)	(648)
Supplies and services .....	(892)	(1,136)	(2,636)	(1,283)	(1,238)	(1,197)	(1,173)
Accommodation.....	(538)	(561)	(611)	(561)	(566)	(572)	(578)
Capital user charge <sup>(a)</sup> .....	(257)	(201)	(201)	-	-	-	-
Goods and services tax .....	(380)	(180)	(180)	(180)	(180)	(180)	(180)
Other.....	(43)	(44)	(44)	(49)	(50)	(52)	(54)
<b>Receipts</b>							
User charges and fees.....	2,720	3,254	3,254	3,366	3,480	3,590	3,590
Regulatory fees and fines.....	1,739	1,680	1,680	1,730	1,780	1,830	1,830
Goods and services tax .....	382	180	180	180	180	180	180
Other receipts .....	-	7	7	7	7	7	7
<b>Net cash from operating activities .....</b>	<b>(2,450)</b>	<b>(2,660)</b>	<b>(4,478)</b>	<b>(3,172)</b>	<b>(3,216)</b>	<b>(3,282)</b>	<b>(3,453)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(284)	(350)	(571)	(370)	(150)	(80)	(30)
Proceeds from sale of investments .....	10	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(274)</b>	<b>(350)</b>	<b>(571)</b>	<b>(370)</b>	<b>(150)</b>	<b>(80)</b>	<b>(30)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>230</b>	<b>(26)</b>	<b>(247)</b>	<b>(6)</b>	<b>(4)</b>	<b>16</b>	<b>16</b>
Cash assets at the beginning of the reporting period .....	1,718	1,425	1,948	1,701	1,695	1,691	1,707
<b>Cash assets at the end of the reporting period.....</b>	<b>1,948</b>	<b>1,399</b>	<b>1,701</b>	<b>1,695</b>	<b>1,691</b>	<b>1,707</b>	<b>1,723</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	7,519	8,216	10,034	8,864	9,108	9,335	9,298
<i>Less Capital User Charge</i> .....	261	201	201	-	-	-	-
Adjusted Total Cost of Services .....	7,258	8,015	9,833	8,864	9,108	9,335	9,298
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	3,273	3,125	4,943	3,607	3,682	3,744	3,707
<i>Less Capital User Charge</i> .....	261	201	201	-	-	-	-
Adjusted net amount appropriated to deliver services.....	3,012	2,924	4,742	3,607	3,682	3,744	3,707





**SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Grants and subsidies .....	(83,110)	(98,190)	(108,044)	(69,442)	(70,502)	(72,080)	(75,483)
Other.....	(278)	-	-	-	-	-	-
Receipts paid into consolidated account.....	(58,587)	(58,000)	(65,000)	(70,000)	(73,000)	(75,000)	(80,000)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(141,975)</b>	<b>(156,190)</b>	<b>(173,044)</b>	<b>(139,442)</b>	<b>(143,502)</b>	<b>(147,080)</b>	<b>(155,483)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Taxation .....	58,587	58,000	65,000	70,000	73,000	75,000	80,000
Other receipts .....	278	-	-	-	-	-	-
Administered appropriations.....	89,432	98,190	101,722	69,442	70,502	72,080	75,483
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>148,297</b>	<b>156,190</b>	<b>166,722</b>	<b>139,442</b>	<b>143,502</b>	<b>147,080</b>	<b>155,483</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>6,322</b>	<b>-</b>	<b>(6,322)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>STATUTORY AUTHORITIES</b>							
Grants to Racing and Wagering Western Australia .....	2,127	10,000	11,551	-	-	-	-
<b>SUBSIDIES AND CONCESSIONS</b>							
Subsidies to Liquor Merchants and Producers .	1,892	3,700	3,700	3,900	4,500	5,000	5,000
Subsidies to Gambling and Betting Agencies and Bookmakers.....	85,413	84,490	86,471	65,542	66,002	67,080	70,483
<b>OTHER STATE SERVICES</b>							
Receipts paid into Consolidated Account.....	58,587	58,000	65,000	70,000	73,000	75,000	80,000
<b>TOTAL</b>	<b>148,019</b>	<b>156,190</b>	<b>166,722</b>	<b>139,442</b>	<b>143,502</b>	<b>147,080</b>	<b>155,483</b>

**DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>TAXATION</b>							
Casino Tax .....	59,156	58,000	65,000	70,000	73,000	75,000	80,000
<b>OTHER</b>							
Appropriation.....	89,432	98,190	101,722	69,442	70,502	72,080	75,483
<b>TOTAL</b>	<b>148,588</b>	<b>156,190</b>	<b>166,722</b>	<b>139,442</b>	<b>143,502</b>	<b>147,080</b>	<b>155,483</b>

**NET APPROPRIATION DETERMINATION**

A determination by the Treasurer, pursuant to Section 23 of the *Financial Management Act 2006*, provides for the retention of the following cash receipts by the Department:

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Provision of Services to the Racing and Gaming Industries.....	2,656	3,183	3,183	3,285
Provision of Services to the Commonwealth in respect of Indian Ocean Territories.....	64	71	71	81
Liquor Fees Revenue .....	1,722	1,680	1,680	1,730
Other Revenue .....	17	7	7	7
GST Input Credits.....	374	155	155	155
GST Receipts On Sales.....	8	25	25	25
<b>TOTAL</b> .....	<b>4,841</b>	<b>5,121</b>	<b>5,121</b>	<b>5,283</b>

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

## RACING AND WAGERING WESTERN AUSTRALIA

### CAPITAL WORKS PROGRAM

Capital works projects for 2007-08 are focused primarily on the ongoing replacement of hardware and software for various production systems together with general business process improvements. Ongoing maintenance and upgrading of selected outlets in the wagering retail network will also occur following on from the recommendations of a detailed retail network review.

The replacement of the core production system for processing wagering and fixed odds bets known as the 'bet engine', along with the supporting peripheral systems and communication network devices for the retail outlets, continues in 2007-08. It is also expected that electronic information and self-service betting terminals will be purchased, followed by a program of terminal replacement in later years. These investments are set to modernise customer services by providing improved retail betting facilities and point of sale services, along with new betting products and information services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Business Systems - Information Technology .....	15,010	10,661	4,134	4,349
Club Financial and Related Data .....	247	140	140	53
Customer Information Terminals (Pilot and Rollout) .....	4,298	2,509	2,189	1,789
Head Office and Retail Outlet Building Improvements .....	4,832	4,732	637	50
Integration with Club Personal Identifier Systems .....	480	200	200	280
New Business Initiatives - Racing .....	402	148	100	116
New Era Bet Engine .....	5,968	1,126	1,065	2,365
Outlet Upgrades (Retail) .....	5,137	3,137	2,724	1,000
Racing System Integration .....	700	450	450	250
Self Serve Terminals .....	4,288	1,320	989	989
Supporting Communications .....	7,118	1,683	1,581	1,581
Terminal Replacement .....	12,000	500	500	5,500
Testing Services .....	492	294	198	198
<b>COMPLETED WORKS</b>				
Centralised Job Scheduling .....	160	160	160	-
Customisation of Service Desk .....	130	130	130	-
Disaster Recovery .....	949	949	215	-
Enterprise Management Framework .....	700	700	700	-
Fixed Odd Betting and Microsoft Transactional Server Upgrades .....	124	124	82	-
Flexibetting .....	400	400	400	-
Forecasting/Budgeting .....	202	202	200	-
Hardware Software Management Register .....	130	130	130	-
Industry Assets .....	2,150	2,150	2,150	-
Improved Racing Information System (IRIS) Enhancements .....	70	70	70	-
Oracle Upgrade .....	450	450	450	-
Registration and Payments .....	200	200	200	-
Website Enhancements .....	500	500	500	-
Tabcorp Pooling Changes Phase 3 .....	140	140	140	-
Training Centres (Lark Hill and Byford) .....	4,610	4,610	4,610	-
Windows Upgrade Phase 3 .....	1,798	499	306	-
<b>NEW WORKS</b>				
Contract Management Software .....	150	-	-	150
	73,835	38,314	25,350	18,670

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	5,113	9,860	25,350	18,670	10,949	9,084	4,345
	5,113	9,860	25,350	18,670	10,949	9,084	4,345
<b>LESS</b>							
Internal Funds and Balances .....	5,113	9,860	25,350	18,670	10,949	9,084	4,345
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-











## GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION

### PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH

#### DIVISION 21

#### APPROPRIATION AND FORWARD ESTIMATES

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>DELIVERY OF SERVICES</b>							
<b>Item 54 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	1,561	1,467	1,489	<b>1,631</b>	1,530	1,549	1,589
Total appropriations provided to deliver services .....	1,561	1,467	1,489	<b>1,631</b>	1,530	1,549	1,589
<b>CAPITAL</b>							
<b>Item 145 Capital Contribution</b> .....	12	-	-	<b>9</b>	-	-	-
<b>GRAND TOTAL</b> .....	1,573	1,467	1,489	<b>1,640</b>	1,530	1,549	1,589

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

#### 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 an alternative sustainable water supply;
  - 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 some areas of the region.
- The ability to attract and retain people in the region, including professionals, trades people and para-professionals, continues to cause concern.
- The community continues to be apprehensive about fly-in/fly-out operations in the region.
- Increases in commodity prices, particularly gold and nickel, have strengthened mining activity in the Goldfields.
- The tourism industry continues to expand and diversify the economic base of the region.
- Heightened interest in the higher cost of living for Goldfields-Esperance residents compared to Metropolitan residents, with a resultant call for a review of the taxation zone rebate.
- Continued concern in relation to the price of fuel and its impact on industry and business.

- Growing community demand for the availability and delivery of key health, education, policing and other community services is a priority issue.
- Increasing demand for housing for resource industry personnel and public servants and for affordable housing for first home owners and the less well off in the community.

### SERVICE AND APPROPRIATION SUMMARY

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>SERVICES</b>							
<i>Service 1:</i>							
Facilitation of the Provision of Appropriate Infrastructure and Industry Services.....	858	1,260	852	893			
<i>Service 2:</i>							
Promotion of Region and its Investment Opportunities.....	1,287	854	1,279	1,345			
<b>Total Cost of Services <sup>(a)</sup></b> .....	2,145	2,114	2,131	2,238	2,149	2,274	2,311
<i>Less Income</i> .....	781	630	630	620	622	722	722
<b>Net Cost of Services <sup>(a)</sup></b> .....	1,364	1,484	1,501	1,618	1,527	1,552	1,589
Adjustments <sup>(b)</sup> .....	197	(17)	(12)	13	3	(3)	-
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	1,561	1,467	1,489	1,631	1,530	1,549	1,589
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	12	-	-	9	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,573	1,467	1,489	1,640	1,530	1,549	1,589

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (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 performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

**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
Ensuring 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.	1. Facilitation of the Provision of Appropriate Infrastructure and Industry Services 2. Promotion of Region and its Investment Opportunities

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

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<b>Outcome: An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.</b>					
Average cost per chargeable hour .....	105	124	120	123	

(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 coordinate 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.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	858	1,260	852	893	
Less Income .....	313	550	302	298	
Net Cost of Service <sup>(a)</sup> .....	545	710	550	595	
Adjustments <sup>(b)</sup> .....	-	(14)	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>545</b>	<b>696</b>	<b>550</b>	<b>595</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per chargeable hour .....	112	121	113	115	
<b>Full Time Equivalents (FTEs)</b>	8	8	5	5	

**Major Achievements For 2006-07**

- Established the Goldfields-Esperance Transport Upgrade Program (GETUP) steering group to highlight, prioritise and advance urgent transport infrastructure upgrades within the region.
- Successfully finalised agreements between the Commission and Western Australian Community Foundation for the establishment of the Goldfields-Esperance Community Foundation.
- Continued to represent the Department of Immigration and Citizenship as a Regional Certifying Body certifying skilled migrant visa applications to help alleviate the acute shortage of skilled labour in the region.
- Successfully handed over planning, infrastructure and community development projects undertaken with the Shire of Ravensthorpe and BHP Billiton for development of the Ravensthorpe Nickel Operation.
- Lobbied strongly to highlight the problems with the supply of power to the Shire of Ravensthorpe.
- Successfully worked with Shire of Ravensthorpe on residential land access within the Ravensthorpe town site.
- Actively contributed to the City of Kalgoorlie-Boulder Industrial Land Use Planning Committee.
- Initiated and disseminated the results of the 'Skills in Demand Survey for Goldfields-Esperance'.
- Facilitated the formation of the Goldfields Indigenous Employment Working Group.
- Contributed significantly to the Regional Development Council agenda by advancing regional issues.
- Worked with various stakeholders to advance the development of an alternative water source in the region.
- Worked with Curtin Vocational Training and Education Centre to establish the Goldfields-Esperance Workforce Development Alliance, an overarching strategic think-tank to progress regional workforce development initiatives.
- Established the Esperance Utilities and Services Coordination Group.
- Provided a grants information and support services to local government authorities, government agencies, industry and community groups.
- Facilitated and administered Goldfields-Esperance Regional Development Scheme (GERDS) and other State funding as required.
- Contributed to the development of industrial parks in the region through participation on the Mungari Industrial Park Coordinating Committee including contributing to the Core Consultative Committee on Waste Identification.
- Continued the ongoing upgrade and promotion of the Industry Development Centre website to include local government tenders and wider access to the resource by regional businesses.
- Continued to promote and provide regional economic modelling advice by way of Regional Economic Modelling and Planning System (REMPPLAN).
- Convened and participated in numerous meetings with resources companies to better understand how the regional communities could better benefit from resource projects.

**Major Initiatives For 2007-08**

- Work in conjunction with the City of Kalgoorlie-Boulder to finalise the Technology Hub study and to establish a way forward with the concept.
- Use the GETUP steering group as the catalyst for the upgrading of priority regional transport infrastructure.
- Continue to facilitate the Esperance Utilities and Services Coordination Group which provides and shares information between major agencies and industry representatives.
- Use the Regional Development Council as the forum and vehicle for advancing regional issues.
- Provide strategic advice to Government and monitor Government's policy and commitment to the region.
- Deliver grants through the GERDS.
- Monitor and engage, where relevant, on the Goldfields-Esperance water pipeline situation.
- Encourage and monitor the provision of residential and industrial land to meet the development needs of towns within the region.
- Continue to use the Industry Development Centre as a vehicle to grow regional business opportunities.

**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.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service <sup>(a)</sup> .....	1,287	854	1,279	1,345	
Less Income.....	468	80	328	322	
Net Cost of Service <sup>(a)</sup> .....	819	774	951	1,023	
Adjustments <sup>(b)</sup> .....	197	(3)	(12)	13	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,016</b>	<b>771</b>	<b>939</b>	<b>1,036</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2005-06 Actuals and both the 2006-07 Budget and Estimated Actual. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

(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**

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Average cost per chargeable hour .....	105	124	120	123	
<b>Full Time Equivalent (FTEs)</b>	<b>5</b>	<b>4</b>	<b>7</b>	<b>7</b>	

**Major Achievements For 2006-07**

- Developed stronger working relations with regional stakeholders such as the Kalgoorlie-Boulder Chamber of Commerce and Industry, Chamber of Minerals and Energy, Shires and Resource companies.
- Increased the public's awareness and promotion of the Commission and its projects through the media.
- Provided strategic advice to Government, monitored State Government policies and commitments to the region through workshops submissions, and response to information and comment requests.
- Hosted a Regional Development Council meeting in Esperance.
- Established the Goldfields-Esperance Community Foundation.
- Promoted the Regional Economic Modelling and Planning System to assist industry and organisations pursuing regional investment activities.
- Facilitated the Desert Knowledge Australia project and committed to facilitating a Desert Knowledge Australia Network Coordination service within the region.
- Continued support for Arts and Cultural opportunities in the region.
- Supported Career Advice Australia and Education with employment initiatives.
- Promoted regional events and activities including 'Discover the Round' with the Kalgoorlie-Boulder Racing Club, Esperance dragon boat race, and the Leonora Golden Gift.
- Provided funding to establish and support a Community Development Officer for the Shire of Coolgardie and a Northern Goldfields Sport and Recreation Officer.
- Facilitated Indigenous business enterprise development.
- Supported and facilitated projects that improve social infrastructure and general quality of life including the Graham Farmer Foundation, Youth Coordination Networks, the South-East Coastal Shires Alliance and the establishment of Childcare Centres in several communities.
- Promotion of the Industry Development Centre website to facilitate wider access to the resource by regional businesses.
- Promoted the region through the 'Reward Yourself' publication and Compact disk.
- Promoted the region's activities via the Commission's website, publication of the quarterly newsletters and continued to use of the media to promote the Commission services and initiatives.
- Continued to support the tourism industry through involvement with Tourism WA, Golden Quest Trails Association, Esperance Regional Tourism Association and the Northern Goldfields Tourism Working Group.
- The Commission awarded the inaugural Department for Community Development child friendly 'employer of the year' award for its proactive approach to flexible work practices including job sharing.

**Major Initiatives For 2007-08**

- Enhance opportunities for Indigenous business, art and heritage development and expand Indigenous involvement in the regional economy through the ongoing financial support for the Aboriginal Economic Development Officer position.
- Promote and lobby for the upgrading of transport infrastructure in the region.
- Continue to provide a regional migration service as an avenue to address current skills shortages.

- Use the media, and promotional tools such as the Commission's website, newsletter and statistical data to provide comprehensive and accurate information on the region to stakeholders and the public.
- Promote the GERDS as a means to assist in the development of community infrastructure.

**CAPITAL WORKS PROGRAM**

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>NEW WORKS</b>				
Computer Equipment Replacement/Upgrade 2007-08 Program .....	45	-	-	45
Computer network additional items.....	30	-	-	30
Office Equipment Replacement - 2007-08 Program.....	10	-	-	10
	<u>85</u>	<u>-</u>	<u>-</u>	<u>85</u>

**CAPITAL CONTRIBUTION**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Total Cost of Capital Works Program .....</b>	38	-	-	85	10	-	-
	38	-	-	85	10	-	-
<b>LESS</b>							
Drawdowns from the Holding Account .....	26	-	-	68	10	-	-
Internal Funds and Balances.....	-	-	-	8	-	-	-
<b>Capital Contribution .....</b>	12	-	-	9	-	-	-



## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	898	871	886	1,008	923	943	967
Superannuation .....	84	79	81	82	82	82	93
Grants and subsidies <sup>(b)</sup> .....	470	400	400	400	400	500	500
Consultancies expense .....	6	10	10	10	10	10	10
Supplies and services .....	436	525	525	509	505	510	452
Accommodation .....	174	154	154	154	154	154	182
Capital user charge <sup>(c)</sup> .....	15	9	9	-	-	-	-
Depreciation and amortisation .....	37	38	38	38	38	38	39
Motor vehicle fleet expense .....	18	15	15	15	15	15	18
Other expenses .....	22	22	22	22	22	22	50
<b>TOTAL COST OF SERVICES</b> .....	<b>2,160</b>	<b>2,123</b>	<b>2,140</b>	<b>2,238</b>	<b>2,149</b>	<b>2,274</b>	<b>2,311</b>
<b>Income</b>							
User charges and fees .....	223	121	121	111	113	113	113
Grants and subsidies .....	540	480	480	480	480	580	580
Other revenue .....	18	29	29	29	29	29	29
<b>Total Income</b> .....	<b>781</b>	<b>630</b>	<b>630</b>	<b>620</b>	<b>622</b>	<b>722</b>	<b>722</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>1,379</b>	<b>1,493</b>	<b>1,510</b>	<b>1,618</b>	<b>1,527</b>	<b>1,552</b>	<b>1,589</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	1,576	1,476	1,498	1,631	1,530	1,549	1,589
Liabilities assumed by the Treasurer .....	-	3	3	3	3	3	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>1,576</b>	<b>1,479</b>	<b>1,501</b>	<b>1,634</b>	<b>1,533</b>	<b>1,552</b>	<b>1,589</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>197</b>	<b>(14)</b>	<b>(9)</b>	<b>16</b>	<b>6</b>	<b>-</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 13, 12 and 12 respectively.

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

(c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**BALANCE SHEET  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents .....	515	64	493	501	493	455	455
Restricted cash .....	458	245	458	458	458	458	458
Receivables .....	75	23	75	83	75	75	75
Amounts receivable for services.....	26	68	72	14	4	4	4
Prepayments.....	2	4	2	2	2	2	2
<b>Total current assets .....</b>	<b>1,076</b>	<b>404</b>	<b>1,100</b>	<b>1,058</b>	<b>1,032</b>	<b>994</b>	<b>994</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	46	70	46	50	110	148	148
Plant and equipment.....	65	46	44	92	73	73	73
Intangibles.....	10	5	5	-	17	17	17
Other.....	34	28	30	26	22	22	22
<b>Total non-current assets .....</b>	<b>155</b>	<b>149</b>	<b>125</b>	<b>168</b>	<b>222</b>	<b>260</b>	<b>260</b>
<b>TOTAL ASSETS.....</b>	<b>1,231</b>	<b>553</b>	<b>1,225</b>	<b>1,226</b>	<b>1,254</b>	<b>1,254</b>	<b>1,254</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	42	60	42	42	42	42	42
Provision for employee entitlements .....	147	102	152	136	154	154	154
Accrued salaries .....	16	-	11	11	11	11	11
Other.....	55	-	55	55	55	55	55
<b>Total current liabilities.....</b>	<b>260</b>	<b>162</b>	<b>260</b>	<b>244</b>	<b>262</b>	<b>262</b>	<b>262</b>
<b>NON-CURRENT LIABILITIES</b>							
Superannuation .....	40	40	40	40	40	40	40
Provision for employee entitlements .....	5	41	8	-	4	4	4
<b>Total non-current liabilities .....</b>	<b>45</b>	<b>81</b>	<b>48</b>	<b>40</b>	<b>44</b>	<b>44</b>	<b>44</b>
<b>TOTAL LIABILITIES.....</b>	<b>305</b>	<b>243</b>	<b>308</b>	<b>284</b>	<b>306</b>	<b>306</b>	<b>306</b>
<b>EQUITY</b>							
Contributed equity .....	65	45	65	74	74	74	74
Accumulated surplus/(deficit) .....	861	265	852	868	874	874	874
<b>Total equity.....</b>	<b>926</b>	<b>310</b>	<b>917</b>	<b>942</b>	<b>948</b>	<b>948</b>	<b>948</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,231</b>	<b>553</b>	<b>1,225</b>	<b>1,226</b>	<b>1,254</b>	<b>1,254</b>	<b>1,254</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**CASHFLOW STATEMENT  
(Controlled)**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	1,550	1,430	1,430	1,592	1,445	1,485	1,562
Capital contribution .....	12	-	-	9	-	-	-
Holding account drawdowns .....	26	-	-	68	10	-	-
<b>Net cash provided by State government .....</b>	<b>1,588</b>	<b>1,430</b>	<b>1,430</b>	<b>1,669</b>	<b>1,455</b>	<b>1,485</b>	<b>1,562</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(869)	(871)	(891)	(1,008)	(923)	(943)	(996)
Superannuation .....	(84)	(76)	(78)	(79)	(79)	(79)	(93)
Grants and subsidies .....	(470)	(400)	(400)	(400)	(400)	(500)	(500)
Consultancies payments.....	(6)	(25)	(25)	(20)	(10)	(10)	(10)
Supplies and services .....	(451)	(527)	(527)	(515)	(505)	(527)	(461)
Accommodation.....	(174)	(153)	(153)	(153)	(153)	(153)	(182)
Capital user charge <sup>(a)</sup> .....	(20)	(9)	(9)	-	-	-	-
Goods and services tax .....	(98)	(102)	(102)	(111)	(111)	(111)	(111)
Other.....	(22)	(22)	(22)	(40)	(22)	(22)	(38)
<b>Receipts</b>							
User charges and fees.....	293	33	33	33	33	26	26
Grants and subsidies .....	540	480	480	480	480	580	580
Goods and services tax .....	283	119	119	111	111	111	113
Other receipts .....	-	101	123	126	126	105	106
<b>Net cash from operating activities.....</b>	<b>(1,078)</b>	<b>(1,452)</b>	<b>(1,452)</b>	<b>(1,576)</b>	<b>(1,453)</b>	<b>(1,523)</b>	<b>(1,566)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(42)	-	-	(85)	(10)	-	-
<b>Net cash from investing activities.....</b>	<b>(42)</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>468</b>	<b>(22)</b>	<b>(22)</b>	<b>8</b>	<b>(8)</b>	<b>(38)</b>	<b>(4)</b>
Cash assets at the beginning of the reporting period .....	493	331	961	939	947	939	901
<b>Cash assets at the end of the reporting period.....</b>	<b>961</b>	<b>309</b>	<b>939</b>	<b>947</b>	<b>939</b>	<b>901</b>	<b>897</b>

(a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
<b>EXPENSES</b>							
Total Cost of Services as per Income Statement.....	2,160	2,123	2,140	2,238	2,149	2,274	2,311
<i>Less Capital User Charge.....</i>	15	9	9	-	-	-	-
Adjusted Total Cost of Services .....	2,145	2,114	2,131	2,238	2,149	2,274	2,311
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	1,576	1,476	1,498	1,631	1,530	1,549	1,589
<i>Less Capital User Charge.....</i>	15	9	9	-	-	-	-
Adjusted net amount appropriated to deliver services.....	1,561	1,467	1,489	1,631	1,530	1,549	1,589

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000	2008-09 Forward Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000
Goldfields Esperance Regional Development Scheme .....	470	400	400	400	400	500	500
<b>TOTAL</b>	<b>470</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>500</b>	<b>500</b>

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