

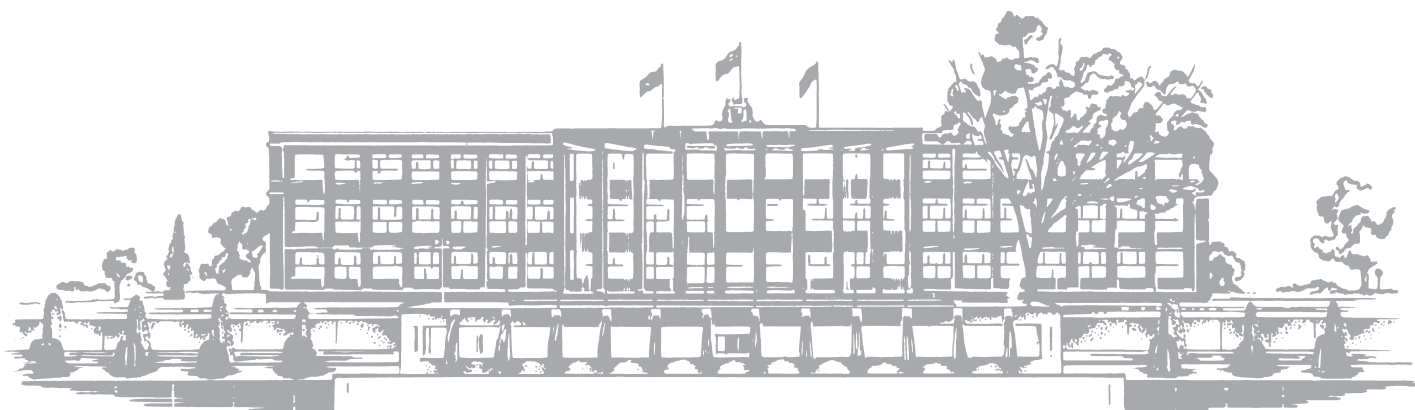


# 2007-08 BUDGET

## BUDGET STATEMENTS

**Budget Paper No.2**  
**Volume 3**

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



2007–08 Budget Statements

**(Budget Paper No. 2 Volume 3)**

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Published May 2007

John A. Strijk, Government Printer

ISSN 1448–2630

## **BUDGET 2007-08**

### **BUDGET STATEMENTS**

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## **CHAPTER 3**

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

**Part 10 – Part 16**

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## Part 10

### Minister for Disability Services; Tourism; Culture and the Arts; Consumer Protection

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
855	Disability Services Commission			
	– Delivery of Services .....	271,049	273,679	<b>293,740</b>
	– Capital Contribution .....	811	811	<b>7,441</b>
	Total .....	271,860	274,490	<b>301,181</b>
870	Western Australian Tourism Commission			
	– Delivery of Services .....	49,993	52,525	<b>51,558</b>
	– Capital Contribution .....	2,073	2,073	<b>1,222</b>
	Total .....	52,066	54,598	<b>52,780</b>
886	Rottnest Island Authority	-	-	-
887	Culture and the Arts			
	– Delivery of Services .....	95,005	98,089	<b>89,611</b>
	– Capital Contribution .....	12,347	13,147	<b>79,076</b>
	Total .....	107,352	111,236	<b>168,687</b>
	GRAND TOTAL			
	– Delivery of Services .....	416,047	424,293	<b>434,909</b>
	– Capital Contribution .....	15,231	16,031	<b>87,739</b>
	Total .....	431,278	440,324	<b>522,648</b>

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## DISABILITY SERVICES COMMISSION

### PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION

#### DIVISION 47

#### 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 89 Net amount appropriated to deliver services <sup>(a)</sup></b> .....	243,266	270,843	273,438	<b>293,492</b>	315,767	337,540	360,209
<b>Amount Authorised by Other Statutes <sup>(b)</sup></b>							
<b>- Salaries and Allowances Act 1975</b> .....	206	206	241	<b>248</b>	255	263	271
Total appropriations provided to deliver services .....	243,472	271,049	273,679	<b>293,740</b>	316,022	337,803	360,480
<b>CAPITAL</b>							
<b>Item 166 Capital Contribution</b> .....	4,179	811	811	<b>7,441</b>	30	463	965
<b>GRAND TOTAL</b> .....	247,651	271,860	274,490	<b>301,181</b>	316,052	338,266	361,445

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

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

#### SIGNIFICANT ISSUES AND TRENDS

- Demand for specialist disability services continues to grow. Factors influencing demand include population ageing; growing life expectancy of people with disabilities; increased survival rates of people with severe and profound disabilities; changes in patterns of informal care; changing community expectations; and sustained increases in the number of people with disabilities.
- The Commission faces the continuing challenge of balancing its response to those in most critical need, while maintaining the capacity for early intervention and support strategies that prevent or delay the need for crisis intervention and enable people with disabilities to live more independent and fulfilling lives.
- Almost 87 per cent of Western Australians with disabilities who require assistance receive support through family and friends. The provision of support services for families and carers to help them maintain their caring role is critical in promoting individual and family wellbeing, reducing the need for crisis support and avoiding premature or inappropriate entry into high cost residential care.

- Many people with disabilities live at home with ageing parents. The ageing and associated health issues of carers are placing urgent demands on accommodation and community-based support services. Ongoing planning is being undertaken to help support families plan for the future.
- The current population of people with disabilities has significantly outlived previous population cohorts. This improved life expectancy has been attributed to advances in medical technology and changing socio-demographic factors. While the Commission is committed to 'ageing in place', access to more appropriate aged care services is crucial. There is also a need for improved retirement planning and health screening as people with disabilities age.
- Approximately 15 per cent of the Commission's budget is from funding provided by the Commonwealth Government under the Commonwealth State Territory Disability Agreement. The current agreement expires on 30 June 2007. A key priority for future agreements is to secure a fair level of indexation, adequate growth funding, and a more equitable distribution of funding from the Commonwealth Government.
- Workforce planning is currently a major issue facing disability service providers. Non-government disability service providers report that they are finding it increasingly difficult to recruit and retain staff, in particular support workers who provide direct care to people with disabilities. Low rates of unemployment, the resources boom and competition from other human services sectors have created these staffing problems which in turn are putting pressure on non-government organisations to maintain services for people with disabilities.
- Barriers to mainstream services, such as health, housing, transport and aged care services directly impact on demand for specialist disability services. As public authorities throughout Western Australia implement Disability Access and Inclusion Plans, people with disabilities will be better able to access and participate in the community.
- There is growing awareness of the rights of people with disabilities to access all facets of community life, along with increased recognition of the importance of working in partnership with the private sector to support the creation of more accessible and welcoming communities.
- Aboriginal people with disabilities, especially those living in regional and remote areas of the State, are under-represented in their use of disability services. The Commission is supporting the development and promotion of new and culturally appropriate models of support and service delivery that are acceptable and responsive to local Aboriginal communities.
- In recognition of the growing diversity of the Western Australian population, the Commission is implementing the State Government's 'Substantive Equality Framework Policy' to ensure that specialist disability services are responsive to the needs of people with disabilities and their carers from culturally and linguistically diverse backgrounds.
- Despite advocacy to improve employment opportunities for people with disabilities, there is still evidence that school leavers and other young adults with high support needs are missing out on opportunities to secure and maintain employment. The Commonwealth Government's supported employment reforms are impacting on the demand for State services such as alternatives to employment, accommodation and respite.

**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>							
Accommodation Support .....	173,210	184,837	189,751	201,908			
<i>Service 2:</i>							
Individual and Family Support .....	87,766	104,286	104,026	108,914			
<i>Service 3:</i>							
Individual Coordination .....	29,546	31,499	31,276	32,411			
<i>Service 4:</i>							
Strategic Coordination .....	13,788	11,168	11,115	11,237			
<b>Total Cost of Services <sup>(a)</sup></b> .....	304,310	331,790	336,168	354,470	378,302	401,241	424,087
<i>Less Income</i> .....	58,378	59,982	61,736	59,977	61,527	62,685	62,854
<b>Net Cost of Services <sup>(a)</sup></b> .....	245,932	271,808	274,432	294,493	316,775	338,556	361,233
Adjustments <sup>(b)</sup> .....	(2,460)	(759)	(753)	(753)	(753)	(753)	(753)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	243,472	271,049	273,679	293,740	316,022	337,803	360,480
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	4,179	811	811	7,441	30	463	965
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	247,651	271,860	274,490	301,181	316,052	338,266	361,445

- (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
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Enhance the environment and wellbeing of people with disabilities and their carers by the provision of necessary supports and services.	1. Accommodation Support 2. Individual and Family Support 3. Individual Coordination 4. Strategic Coordination

### 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: Enhance the environment and wellbeing of people with disabilities and their carers by the provision of necessary supports and services.</b>					
Take-up rate - the number of service users per 1,000 Western Australians who are in receipt of a Disability Support Pension .....	325	328	319	328	

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

### Service 1: Accommodation Support

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

	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> .....	173,210	184,837	189,751	201,908	
Less Income .....	23,911	27,726	26,076	25,630	
Net Cost of Service <sup>(a)</sup> .....	149,299	157,111	163,675	176,278	
Adjustments <sup>(b)</sup> .....	(1,494)	(436)	(449)	(451)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>147,805</b>	<b>156,675</b>	<b>163,226</b>	<b>175,827</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 person.....	\$50,220	\$51,444	\$53,361	\$54,971	
<b>Full Time Equivalents (FTEs)</b>	1108	1172	1108	1108	<sup>(a)</sup>

(a) The FTE Budget for 2006-07 included additional staff required to bring the Supported Accommodation Service 'in-house'. These options have now been outsourced to the Non Government Sector and did not result in an FTE increase

**Major Achievements For 2006-07**

- Significant progress has been made in the redevelopment of Commission accommodation facilities including completion of two of the three off-site dwellings for residents of Bennett Brook; finalisation of the plans for the third off-site dwelling for residents at Bennett Brook; and for the three dwellings being built to accommodate residents of Dorset Hostel.
- The Challenging Behaviours Consortium Group was expanded to include additional accommodation providers.
- The Quality Assurance Reference Group has significantly progressed the review of the Periodic Service Review system standards.
- The first stage of a five year plan focussing on re-connecting residents of the Commission's Accommodation Services directorate with their local communities was launched. The Lost Generation project has included intensive liaison with local government authorities and it is anticipated that over 100 individuals will be actively supported to re-connect with their local community over the next 12 months.
- Provided 107 people with new or expanded accommodation support from growth funding and a further 31 people were supported in vacancies.
- The development of an alternative instrument for resource allocation for individuals seeking Accommodation Support Funding has continued.
- Continued the implementation of the Disability Industry Plan, including the allocation of a grants program for industry development.
- Completed negotiations with the Commonwealth Government for a bilateral agreement for implementation over five years of the Helping Younger People with Disabilities in Residential Aged Care Program.
- Commenced redevelopment of the Supported Accommodation Services.

**Major Initiatives For 2007-08**

- Complete the review of the funding instrument for resource allocation for individuals seeking accommodation support funding.
- Continue redevelopment of Commission accommodation facilities, including Dorset and Bennett Brook, to achieve accessible housing options for older people with intellectual disability.
- Complete redevelopment of Supported Accommodation Services.
- Develop an improved response to people with disabilities who have a rapidly progressive degenerative condition.
- Provide 117 people with new or expanded accommodation support from growth funding and offer vacancies over and above these places to people as vacancies arise.
- Develop a plan to support the development of a broader range of community-based support options.

## Service 2: Individual and Family Support

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

	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> .....	87,766	104,286	104,026	108,914	
Less Income .....	29,468	27,243	30,380	29,515	
Net Cost of Service <sup>(a)</sup> .....	58,298	77,043	73,646	79,399	
Adjustments <sup>(b)</sup> .....	(643)	(215)	(202)	(203)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>57,655</b>	<b>76,828</b>	<b>73,444</b>	<b>79,196</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 person.....	\$5,342	\$5,841	\$6,213	\$6,385	
<b>Full Time Equivalents (FTEs)</b>	<b>257</b>	<b>258</b>	<b>257</b>	<b>257</b>	

## Major Achievements For 2006-07

- Based on identified needs, video-conferencing workshops have been developed and implemented State-wide by the Early Years Consultancy and Country Resource and Consultancy teams.
- Developed the Early Years Intervention and Consultancy team to provide a more coherent Country Autism and Psychology Strategy.
- Memorandum of Agreement developed with South West Area Health to complete the implementation of a consistent, State-wide model of therapy services for people with disabilities living in regional areas.
- Early Childhood Service teams were developed to increase the effectiveness and focus on services for children by enhancing multidisciplinary approaches.
- Allocated growth funding to increase the provision of early childhood intervention services.
- A Shared Management Model was implemented across the State, enabling individuals and their families a level of involvement in the management of their service that is appropriate to their particular circumstances.
- The review of the Alternatives to Employment Program was finalised and its implementation commenced.
- Partnerships have been established with providers in identified areas to develop and implement responsive, local and appropriate services to people with disabilities living in remote parts of Western Australia and the Indian Ocean Territories.



- Growth funding increased the capacity of Metropolitan Services Coordination directorate's Individual and Family Support Early Childhood and Adult Services, along with the establishment of a new Positive Behaviour Team to support people with challenging behaviours.
- A two year plan to increase the provision of culturally appropriate services and support under the Commission's Individual and Family Support Service was developed, which included the employment of Aboriginal people and the development of local community connections.
- In line with the Commission's Care and Protection Policy, Country Services Coordination's 'Partnerships in Protection' processes and procedures have been reviewed and improved, and a training framework to reflect the new processes has been developed.
- The Commission's Country Services Coordination directorate developed partnerships with local government, non-government organisations and government departments at both regional and central levels, to ensure a collaborative and inclusive approach to supporting people with disabilities.
- A joint Continence Management and Support Scheme with the Department of Health was implemented in February 2007.
- Tenders were awarded and funding allocated to expand the provision of more flexible service-based respite.

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

- Progress implementation of an outcomes based approach to Alternatives to Employment services.
- Complete the redevelopment of Disability Professional Support Services in Early Childhood Intervention and regional school-based services.
- Implement a new streamlined process for Autism assessments in regional areas.
- Implement Country Services Coordination directorate's new Early Years and Consultancy Service Psychology Strategy in regional areas and develop new strategies for providing specialist consultancy services in designated regional areas, in response to the impact of the resources boom.
- Implement a revised Memorandum of Understanding between the Commission and the Department of Health's Western Australia Country Health Service to increase the level of collaboration between the two Departments in regional areas.
- Lead and facilitate sector engagement in planning for a comprehensive evidence-based approach to better meet the needs of people with disabilities who experience challenging behaviours.
- Consider and develop the Commission's family support strategies and policy based on the findings of the Intensive Family Support Funding review and Sector Health Check recommendations.

### Service 3: Individual Coordination

This service relates to the provision of a range of supports and strategies through Local Area Coordinators, who develop resources and support networks in local communities; provide information and link people with local resources and support networks; and also provide individualised funding to enable people with disabilities and their families to choose and purchase their own support and services directly.

	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> .....	29,546	31,499	31,276	32,411	
Less Income .....	2,461	2,462	2,652	2,347	
Net Cost of Service <sup>(a)</sup> .....	27,085	29,037	28,624	30,064	
Adjustments <sup>(b)</sup> .....	(235)	(83)	(79)	(77)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>26,850</b>	<b>28,954</b>	<b>28,545</b>	<b>29,987</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 service user (Local Area Coordination) .....	\$2,412	\$2,474	\$2,478	\$2,470	
Average cost per service user (Direct Consumer Funding) .....	\$7,367	\$8,151	\$7,729	\$8,165	
<b>Full Time Equivalents (FTEs)</b>	<b>174</b>	<b>177</b>	<b>178</b>	<b>182</b>	

### Major Achievements For 2006-07

- Increased Local Area Coordination (LAC) State-wide to provide services to a further 384 people.
- Acquittal of the two year 'Indigenous Access Plan' resulted in increased partnerships with local Indigenous organisations and the effective implementation of local strategies to connect with Indigenous people with disabilities and their families. A new three year plan was developed.
- Development of the 'Shared Management Model', 'Non Self Managing Options' process and ongoing collaboration between the Commission's Country Services Coordination and Service Purchasing and Development directorates to implement 'Covering WA', resulted in an increased range of funding management options.
- A working group involving Department of Education and Training and Commission representatives was established to develop and implement additional strategies to support young school leavers and other young adults with mild intellectual disabilities to transition towards independent living.
- Participated on the Senior Officers Group across departments to develop an inter-agency response to meet the needs of people with complex needs.

**Major Initiatives For 2007-08**

- Develop an outcomes based, quality assurance framework for the State-wide LAC program.
- Develop and increase opportunities for individuals and families to access person centred planning approaches.
- Implement additional strategies to increase and improve culturally appropriate services and supports for Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds.
- Develop strategies that support adults to live independently and participate in their communities.

**Service 4: Strategic Coordination**

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

	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> .....	13,788	11,168	11,115	11,237	
Less Income .....	2,538	2,551	2,628	2,485	
Net Cost of Service <sup>(a)</sup> .....	11,250	8,617	8,487	8,752	
Adjustments <sup>(b)</sup> .....	(88)	(25)	(23)	(22)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>11,162</b>	<b>8,592</b>	<b>8,464</b>	<b>8,730</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 .....	\$102,896	\$92,298	\$86,163	\$87,109	
<b>Full Time Equivalents (FTEs)</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>46</b>	

**Major Achievements For 2006-07**

- Quality Systems Improvement Grants were allocated to eight organisations previously not accessing support.
- An extensive promotion of the 'Getting Services Right' information package for Aboriginal people with disabilities, their families and service providers was undertaken in regional areas of Western Australia aimed at local area coordinators, service providers and Aboriginal communities.

- Completed year one of the Commission's 'Substantive Equality Five Year Plan' for people from Aboriginal and culturally and linguistically diverse backgrounds, including: the provision of service improvement grants; and provision of the 'Getting Services Right' package for Aboriginal people with disabilities, their carers and service providers. Strategies to enhance LAC services were implemented in the North Central metropolitan district; and an agreement between Marr Mooditj and the Commission's Accommodation Services directorate to provide disability training to Aboriginal Health and Support Workers was developed.
- Implemented the Eligibility Policy for Service Access for People with Autism, and undertook consultation on the Commission's broader eligibility policy.
- Grants were distributed through the Western Australian Local Government Association to local governments across the State to develop and implement 'You're Welcome – Western Australian Access Strategy' packages.
- Continued to raise community awareness on disability issues through:
  - television advertisements re-run in October-November 2006;
  - print media advertisements targeting the business community developed and run in October-November 2006;
  - supporting the sector in implementing community awareness strategies funded with the community awareness grants; and
  - implementing a business strategy around employment of people with disabilities using a reference group with representatives from the sector.
- The 'Count Us In!' curriculum support package to promote disability awareness for school children was completed and distributed to all State, Catholic and Independent schools across Western Australia.
- The first report on Disability Access and Inclusion Plans (DAIP) was presented to Parliament in December 2006. Resources for DAIP requirements were developed and distributed to all State Government agencies to assist in reporting requirements by agents and contractors, and training was provided for all State Government agencies in the metropolitan area.
- The Quality Systems and Standards Monitoring Review was completed and implementation of the recommendations was commenced.
- Strategic partnerships and projects undertaken between the Commission's Health Resource and Consultancy team and generic medical service providers resulted in improved access to medical services and the development of long-term preventative strategies.
- Undertook an evaluation of the Intensive Family Support strategy.
- Entered into negotiations with the Commonwealth Government for a fourth Commonwealth State Territory Disability Agreement.
- Profile of Disability 2006 has been completed providing population profiles to assist with future planning. These are available on the Commission's website.
- Redeveloped the Annual Client and Service Data Collection to an online system.

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

- Implement the second phase of the Commission's Health Resource and Consultancy Team strategy by developing strategic partnerships with identified health professionals to promote systemic change and increase the responsiveness and accessibility of health services for people with disabilities.
- Evaluate the implementation of the disability awareness 'Count Us In!' curriculum support package for school children in schools across the State.
- Undertake a leadership role in the development of a 15 year State Disability Plan.
- Complete negotiations for a fourth Commonwealth State Territory Disability Agreement.
- Implement a sector-wide training and development framework for staff.

**CAPITAL WORKS PROGRAM**

The capital works expenditure for 2007-08 provides for the preservation, upgrade and fit-out of the Commission's hostels and group homes. The proposed work will enhance and sustain the economic life of the facilities and contribute to improved service delivery.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Renovation Program				
2006-07 .....	852	70	70	782
<b>COMPLETED WORKS</b>				
Community Disability Housing Program				
2003-04 .....	1,329	1,329	456	-
2005-06 .....	450	450	450	-
2006-07 .....	1,430	1,430	1,430	-
Computer Acquisition Program				
2006-07 .....	400	400	400	-
Hostels Redevelopment Program				
2005-06 .....	1,550	1,550	474	-
2006-07 .....	500	500	500	-
IT Strategic Plan				
2006-07 .....	250	250	250	-
Renovation Program				
2004-05 .....	1,760	1,760	133	-
2005-06 .....	1,800	1,800	1,800	-
<b>NEW WORKS</b>				
Community Disability Housing Program - 2007-08 .....	680	-	-	680
Computer Replacement Program - 2007-08 .....	307	-	-	307
Group Homes Asset Replacement Program - 2007-08 .....	150	-	-	150
Hostels Redevelopment Program - 2007-08 .....	500	-	-	500
	11,958	9,539	5,963	2,419

**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>	5,324	6,110	5,963	2,419	1,167	2,208	2,469
<b>Working capital requirement</b>							
Loan and Other Repayments .....	511	511	511	7,441	-	-	-
	5,835	6,621	6,474	9,860	1,167	2,208	2,469
<b>LESS</b>							
Asset Sales .....	-	1,730	-	1,730	-	-	-
Borrowings .....	575	-	1,583	-	-	-	-
Drawdowns from the Holding Account .....	782	4,080	4,080	689	1,137	1,745	1,504
Internal Funds and Balances .....	299	-	-	-	-	-	-
<b>Capital Contribution .....</b>	4,179	811	811	7,441	30	463	965

## 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> .....	87,460	88,459	91,219	95,016	97,353	100,425	102,981
Superannuation .....	8,152	8,148	8,404	8,528	8,776	9,031	9,289
Grants and subsidies <sup>(b)</sup> .....	178,764	201,190	202,905	214,957	235,138	254,319	273,103
Supplies and services .....	21,769	23,397	24,081	26,812	27,823	28,647	29,741
Accommodation .....	5,081	5,658	5,690	5,804	6,042	6,259	6,495
Finance costs .....	441	522	481	-	-	-	-
Capital user charge <sup>(c)</sup> .....	1,122	2,063	2,063	-	-	-	-
Depreciation and amortisation .....	2,544	2,622	3,264	3,256	3,071	2,459	2,374
Loss on disposal of non-current assets .....	14	-	-	-	-	-	-
Doubtful debts .....	-	-	28	-	-	-	-
Costs of disposal of non-current assets .....	-	1,730	-	-	-	-	-
Other expenses .....	85	64	96	97	99	101	104
<b>TOTAL COST OF SERVICES</b> .....	<b>305,432</b>	<b>333,853</b>	<b>338,231</b>	<b>354,470</b>	<b>378,302</b>	<b>401,241</b>	<b>424,087</b>
<b>Income</b>							
User charges and fees .....	5,911	6,056	6,068	6,420	6,580	6,745	6,914
Grants and subsidies .....	48,605	50,124	50,453	51,485	52,875	53,868	53,868
Proceeds from disposal of non-current assets ..	-	1,730	-	-	-	-	-
Other revenue .....	3,862	2,072	5,215	2,072	2,072	2,072	2,072
<b>Total Income</b> .....	<b>58,378</b>	<b>59,982</b>	<b>61,736</b>	<b>59,977</b>	<b>61,527</b>	<b>62,685</b>	<b>62,854</b>
<b>NET COST OF SERVICES <sup>(c)</sup></b> .....	<b>247,054</b>	<b>273,871</b>	<b>276,495</b>	<b>294,493</b>	<b>316,775</b>	<b>338,556</b>	<b>361,233</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	244,594	273,112	275,742	293,740	316,022	337,803	360,480
Resources received free of charge .....	753	761	753	753	753	753	753
Liabilities assumed by the Treasurer .....	534	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>245,881</b>	<b>273,873</b>	<b>276,495</b>	<b>294,493</b>	<b>316,775</b>	<b>338,556</b>	<b>361,233</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(1,173)</b>	<b>2</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 1,585, 1,589 and 1,593 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 .....	1,016	80	60	60	60	60	60
Restricted cash .....	994	1,830	1,309	1,624	1,939	2,254	2,569
Receivables .....	1,798	1,150	1,377	1,234	1,194	1,208	1,208
Amounts receivable for services .....	4,080	2,689	689	1,137	1,745	1,504	-
Prepayments .....	291	-	291	291	291	291	291
<b>Total current assets .....</b>	<b>8,179</b>	<b>5,749</b>	<b>3,726</b>	<b>4,346</b>	<b>5,229</b>	<b>5,317</b>	<b>4,128</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	5,529	6,162	9,143	12,180	14,284	16,041	19,241
Land and buildings .....	35,710	31,327	39,877	38,165	38,368	38,610	37,886
Plant and equipment .....	3,907	5,593	3,275	2,095	905	353	67
Intangibles .....	251	268	135	1	-	-	-
Other .....	10,843	12,205	10,123	10,582	9,666	9,725	10,830
<b>Total non-current assets .....</b>	<b>56,240</b>	<b>55,555</b>	<b>62,553</b>	<b>63,023</b>	<b>63,223</b>	<b>64,729</b>	<b>68,024</b>
<b>TOTAL ASSETS .....</b>	<b>64,419</b>	<b>61,304</b>	<b>66,279</b>	<b>67,369</b>	<b>68,452</b>	<b>70,046</b>	<b>72,152</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	30	33	63	99	135	174	209
Payables <sup>(a)</sup> .....	1,358	654	1,120	844	693	546	568
Provision for employee entitlements .....	17,805	15,510	18,576	19,256	19,833	20,430	21,041
Borrowings .....	511	511	7,441	-	-	-	-
Interest payable .....	88	125	-	-	-	-	-
Accrued salaries .....	1,489	344	701	1,077	1,484	1,910	1,962
Other .....	220	677	239	275	258	269	475
<b>Total current liabilities .....</b>	<b>21,501</b>	<b>17,854</b>	<b>28,140</b>	<b>21,551</b>	<b>22,403</b>	<b>23,329</b>	<b>24,255</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	6,199	8,475	6,467	6,705	6,906	7,111	7,326
Borrowings .....	5,858	6,930	-	-	-	-	-
<b>Total non-current liabilities .....</b>	<b>12,057</b>	<b>15,405</b>	<b>6,467</b>	<b>6,705</b>	<b>6,906</b>	<b>7,111</b>	<b>7,326</b>
<b>TOTAL LIABILITIES .....</b>	<b>33,558</b>	<b>33,259</b>	<b>34,607</b>	<b>28,256</b>	<b>29,309</b>	<b>30,440</b>	<b>31,581</b>
<b>EQUITY</b>							
Contributed equity .....	15,883	16,694	16,694	24,135	24,165	24,628	25,593
Accumulated surplus/(deficit) .....	(29,874)	(28,696)	(29,874)	(29,874)	(29,874)	(29,874)	(29,874)
Reserves .....	44,852	40,047	44,852	44,852	44,852	44,852	44,852
<b>Total equity .....</b>	<b>30,861</b>	<b>28,045</b>	<b>31,672</b>	<b>39,113</b>	<b>39,143</b>	<b>39,606</b>	<b>40,571</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>64,419</b>	<b>61,304</b>	<b>66,279</b>	<b>67,369</b>	<b>68,452</b>	<b>70,046</b>	<b>72,152</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 .....	241,549	269,791	271,439	289,566	312,173	334,542	357,280
Capital contribution .....	4,179	811	811	7,441	30	463	965
Holding account drawdowns .....	782	4,080	4,080	689	1,137	1,745	1,504
<b>Net cash provided by State government .....</b>	<b>246,510</b>	<b>274,682</b>	<b>276,330</b>	<b>297,696</b>	<b>313,340</b>	<b>336,750</b>	<b>359,749</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(84,613)	(87,751)	(90,967)	(93,720)	(96,169)	(99,196)	(102,103)
Superannuation .....	(7,571)	(8,147)	(8,241)	(8,493)	(8,739)	(8,992)	(9,254)
Grants and subsidies .....	(178,764)	(201,190)	(202,905)	(214,957)	(235,138)	(254,319)	(273,103)
Supplies and services .....	(21,900)	(22,419)	(23,144)	(26,276)	(27,366)	(28,161)	(28,952)
Accommodation.....	(5,112)	(5,580)	(5,469)	(5,672)	(5,915)	(6,128)	(6,303)
Finance costs .....	(478)	(503)	(569)	-	-	-	-
Capital user charge <sup>(a)</sup> .....	(1,122)	(2,063)	(2,063)	-	-	-	-
Goods and services tax .....	(18,450)	(21,000)	(18,480)	(18,649)	(18,879)	(19,025)	(18,993)
Other.....	(85)	(63)	(96)	(97)	(99)	(101)	(104)
<b>Receipts</b>							
User charges and fees.....	5,879	6,044	6,044	6,407	6,621	6,730	6,914
Grants and subsidies .....	48,605	50,124	50,453	51,485	52,875	53,868	53,868
Goods and services tax .....	18,114	21,000	18,480	18,649	18,879	19,025	18,993
Other receipts .....	3,877	2,072	4,877	2,072	2,072	2,072	2,072
<b>Net cash from operating activities .....</b>	<b>(241,620)</b>	<b>(269,476)</b>	<b>(272,080)</b>	<b>(289,251)</b>	<b>(311,858)</b>	<b>(334,227)</b>	<b>(356,965)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(5,324)	(6,110)	(5,963)	(2,419)	(1,167)	(2,208)	(2,469)
Proceeds from sale of non-current assets .....	-	1,730	-	1,730	-	-	-
<b>Net cash from investing activities.....</b>	<b>(5,324)</b>	<b>(4,380)</b>	<b>(5,963)</b>	<b>(689)</b>	<b>(1,167)</b>	<b>(2,208)</b>	<b>(2,469)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(511)	(511)	(511)	(7,441)	-	-	-
Proceeds from borrowings .....	575	-	1,583	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>64</b>	<b>(511)</b>	<b>1,072</b>	<b>(7,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(370)</b>	<b>315</b>	<b>(641)</b>	<b>315</b>	<b>315</b>	<b>315</b>	<b>315</b>
Cash assets at the beginning of the reporting period .....	2,380	1,595	2,010	1,369	1,684	1,999	2,314
<b>Cash assets at the end of the reporting period.....</b>	<b>2,010</b>	<b>1,910</b>	<b>1,369</b>	<b>1,684</b>	<b>1,999</b>	<b>2,314</b>	<b>2,629</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.....	305,432	333,853	338,231	354,470	378,302	401,241	424,087
Less Capital User Charge.....	1,122	2,063	2,063	-	-	-	-
Adjusted Total Cost of Services .....	304,310	331,790	336,168	354,470	378,302	401,241	424,087
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	244,594	273,112	275,742	293,740	316,022	337,803	360,480
Less Capital User Charge.....	1,122	2,063	2,063	-	-	-	-
Adjusted net amount appropriated to deliver services.....	243,472	271,049	273,679	293,740	316,022	337,803	360,480

## 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 to External Service Providers <sup>(a)</sup> .....	163,597	184,009	187,241	198,785	218,446	237,096	255,336
Grants to Internal Service Providers.....	15,167	17,181	15,664	16,172	16,692	17,223	17,767
<b>TOTAL</b>	<b>178,764</b>	<b>201,190</b>	<b>202,905</b>	<b>214,957</b>	<b>235,138</b>	<b>254,319</b>	<b>273,103</b>

(a) State Indexation provided to the Non-Government Human Services Sector is based on a composite wage cost index of 3.3 per cent in 2007-08 and 2.9 per cent in 2008-09, 2009-10 and 2010-11.

## WESTERN AUSTRALIAN TOURISM COMMISSION

### PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION

#### DIVISION 48

#### 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 90 Net amount appropriated to deliver services <sup>(a)</sup></b> .....	51,424	49,746	52,184	<b>51,207</b>	44,891	47,213	47,314
<b>Amount Authorised by Other Statutes <sup>(b)</sup></b>							
<b>- Salaries and Allowances Act 1975</b> .....	287	247	341	<b>351</b>	362	373	387
Total appropriations provided to deliver services .....	51,711	49,993	52,525	<b>51,558</b>	45,253	47,586	47,701
<b>CAPITAL</b>							
<b>Item 167 Capital Contribution</b> .....	590	2,073	2,073	<b>1,222</b>	787	272	-
<b>GRAND TOTAL</b> .....	52,301	52,066	54,598	<b>52,780</b>	46,040	47,858	47,701

- (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

*Grow Western Australian tourism faster than the national average for the long-term benefit of the State.*

#### SIGNIFICANT ISSUES AND TRENDS

- There has been significant movement on the demand side of the tourism industry due to:
  - strength of the Australian dollar. The foreign exchange rate volatility has a significant impact on tourism demand. Inbound tourism is negatively impacted by the improving strength of the dollar and Australians' improved buying power overseas also has the potential to reduce intrastate and interstate tourism. Outbound travel by Western Australians has increased by 27 per cent in the past two years;
  - rapid expansion of the low cost carrier network. Since December 2003, the low cost carrier network in South East Asia has expanded from servicing 17 destinations to more than 60 destinations. This has increased competition and reduced visitors from Singapore and Malaysia;
  - historic trends showing that there is a strong correlation between non-stop air services and the ability to capture a greater share of inbound tourism. The potential for growth in international air capacity for Western Australia from carriers such as Emirates, Malaysia Airlines, Cathay Pacific, Qantas, Singapore Airlines, South Africa Airlines and other established carriers cannot be underestimated. Together with new carriers, such as Tiger Airways and Jetstar International, the need to build partnerships and relationships by investing in-market to ensure these services remain viable is critical to our international market growth; and
  - fierce domestic and international marketing competition persisting for consumers.

- The Western Australian tourism industry's capacity to supply is being directly impacted by pressures including:
  - The challenge of ensuring it delivers on marketing promise – while visitor numbers were generally positive during 2005-06, visitor satisfaction results are down slightly on those achieved in 2003-04 and 2004-05, highlighting a need to focus on improving tourism product quality. The industry has also been confronted with a critical skills shortage. Average weekly earnings in the accommodation, cafe and restaurant sectors are significantly lower than those in the mining and resource sectors. With such shortages in labour and skills it is inevitable that service standards may be compromised.
  - Impact of the booming economy is leading to escalating construction costs. This is impacting on the ability to attract investment to the tourist accommodation sector. However, hotel occupancy rates and yields continue to improve, which may in the longer term encourage more investment.
  - Strong national and international tourism product competition. There has been a significant increase in competition from other destinations, providing many competitive tourism offerings.
- 'The Real Thing' brand has been developed through extensive research and it positions Western Australia as an authentic and uncommercialised experience. It is therefore crucial that the natural assets of Western Australia are protected. The tourism industry has the potential to provide social and environmental value. It is an industry which can support the State's long-term economic future and balance out its reliance on the minerals and resources sector.
- Currently the Perth Airport is under enormous pressure to handle increasing traffic. It has seen the largest growth in passenger movements of any Australian city airport since 2001-02. International and domestic terminal constraints may negatively impact on airline growth capacity and passenger movements in the short-term.
- There is a growing awareness of the impact of climate change. The Commission recognises the need to lead discussion regarding the long-term sustainability of the industry in the light of some of the possible scenarios.

## MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Commission'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
Adventure Tourism .....	96	101	-	-
National Tourism Accreditation Program .....	170	125	-	-
Perth Convention Bureau .....	2,200	2,300	2,400	2,500
Regional Tourism Organisations .....	600	650	700	-

**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>							
Destination Marketing .....	26,998	28,097	26,562	27,586			
<i>Service 2:</i>							
Event Tourism.....	21,936	21,114	21,412	13,284			
<i>Service 3:</i>							
Convention and Incentive Travel .....	1,010	1,010	1,110	3,210			
<i>Service 4:</i>							
Industry Development .....	5,114	6,075	6,404	6,492			
<i>Service 5:</i>							
Visitor Servicing .....	4,759	4,680	5,041	4,647			
<b>Total Cost of Services <sup>(a)</sup></b> .....	59,817	60,976	60,529	55,219	51,433	51,471	51,006
<i>Less Income</i> .....	10,013	10,879	8,080	3,750	3,650	3,910	4,025
<b>Net Cost of Services <sup>(a)</sup></b> .....	49,804	50,097	52,449	51,469	47,783	47,561	46,981
Adjustments <sup>(b)</sup> .....	1,907	(104)	76	89	(2,530)	25	720
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	51,711	49,993	52,525	51,558	45,253	47,586	47,701
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	590	2,073	2,073	1,222	787	272	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	52,301	52,066	54,598	52,780	46,040	47,858	47,701

- (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 Outcomes	Services
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Western Australia is promoted as an attractive destination.	1. Destination Marketing. 2. Event Tourism. 3. Convention and Incentive Travel.
	An enhanced tourist industry, infrastructure and product base.	4. Industry Development. 5. Visitor Servicing.

**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: Western Australia is promoted as an attractive destination.</b>					
Awareness amongst potential visitors that Western Australia offers iconic tourism experiences that are actively promoted in our major markets:					
- interstate.....	42%	45%	45%	45%	Five year target
- short haul – international <sup>(b)</sup> .....	-	20% (NZ)	-	20% (NZ)	Five year target
- long haul – international <sup>(b)</sup> .....	31% (Japan)	-	25% (UK)	-	Five year target
Western Australian increase in visitor expenditure compared to the national average increase in visitor expenditure .....	0.9% > national average	Growth > national average	0.5% > national average	Growth > national average	Five year target
<b>Outcome: An enhanced tourist industry, infrastructure and product base.</b>					
Visitors highly satisfied with Western Australian experience .....	49%	50%	50%	50%	Five year target
Percentage of targeted investors who consider that tourism investment attraction services highly improved their view of Western Australia as an investment location .....	17%	30%	30%	30%	Five year target
Percentage of investors very satisfied with the facilitation services provided .....	39%	50%	50%	50%	Five year target

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

(b) Only one international market is researched each year due to the high cost of undertaking international research, with short haul and long haul destinations chosen on an alternate basis, where possible, depending on the Commission's marketing strategies. NZ – New Zealand, UK – United Kingdom.

### Service 1: Destination Marketing

In partnership with the tourism and travel industry and Tourism Australia, the Commission promotes Western Australia as a desirable holiday destination in the core intrastate, interstate and international target market segments and in future international market segments, and undertakes marketing strategies that maximise the economic benefit to 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 <sup>(a)</sup> .....	26,998	28,097	26,562	27,586	
Less Income .....	2,385	4,428	1,875	1,911	
Net Cost of Service <sup>(a)</sup> .....	24,613	23,669	24,687	25,675	
Adjustments <sup>(b)</sup> .....	812	(46)	34	(272)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>25,425</b>	<b>23,623</b>	<b>24,721</b>	<b>25,403</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
Ratio of the Commission's spend to awareness level in our major markets:					
- interstate (\$ per percentage point of aware respondents) .....	\$289,328	\$365,000	\$295,000	\$350,000	
- international (\$ per percentage point of aware respondents) .....	\$76,709	\$45,000	\$135,000	\$45,000	Markets are surveyed on rotation due to the high cost of research. The variance between the budget for 2006-07 and the estimated actual results from measuring the United Kingdom market instead of the New Zealand market which will now be measured in 2007-08.
<b>Full Time Equivalents (FTEs) <sup>(a)</sup> .....</b>	<b>76</b>	<b>60</b>	<b>77</b>	<b>79</b>	

- (a) The budget for 2006-07 excluded staff employed on the Tourism eMarketplace capital project. The project staff have been allocated against each service as the eMarketplace contributes to all services. FTEs numbers include staff employed on fixed term contracts against non-recurrent funding.

### Major Achievements For 2006-07

- The 2006 interstate 'Real Thing' consumer promotional campaign reached about three million people, while 165,000 people in New Zealand and almost four million Britons saw it. Research results show that 'The Real Thing' campaigns have been successful in creating record awareness of Western Australia and increased desire to visit. All television commercials were refreshed in 2007 with new footage.
- Domestic visitors (interstate and intrastate) spent \$3.3 billion in the year ending December 2006. Western Australia's growth in interstate spend increased by 34.6 per cent in the year to December 2006, surpassing \$1.3 billion for the first time. This growth is primarily being driven by the holiday/leisure market. Intrastate visitor expenditure has reached \$2 billion. International visitor expenditure increased by 7.1 per cent to a record \$1.32 billion.

- Since the launch of the interstate 'Real Thing' campaign in February 2005, it is estimated that the campaign was responsible for an additional \$214 million in interstate visitor expenditure over and above what would have been generated if the campaign had not occurred.
- Tiger Airways started its Singapore-Perth service on 23 March 2007, flying four times a week with a planned increase to daily flights from 1 May 2007. This new service was the result of extensive negotiations by the Commission and includes support for marketing.
- Emirates moved to double daily flights to Perth in October 2006.
- A record 1.8 million unique visitors used the Commission's website, up 72 per cent on 2005. The Commission's sites were among the best performing state tourism websites, ranking first in online market share in Singapore, second in the United Kingdom, second in New Zealand, and third in Interstate when compared with other state tourism organisations and Tourism Australia.
- More than 1,000 high-profile journalists and members of the travel trade industry made 200 familiarisation trips. Publicity generation is estimated at \$53.7 million, including positive and motivational Western Australian programs such as BBC World, Lonely Planet, the Amazing Race, and a widely viewed Korean drama and popular Chinese documentary on Western Australia. This program cost \$1.56 million to deliver, with the industry itself contributing \$885,000 in cash or in kind support. This equates to a marketing/media exposure valued at \$21.90 for every \$1 invested.
- The website westernaustralia.com was revamped. The redevelopment includes a new design, simplified and enhanced information architecture, motivational video footage, improved search function, increased presence of Western Australian tourism industry partners/product for enquiry or booking, and targeted versions for national and key international markets.
- The Commission partnered with a range of key industry groups to leverage greater exposure and return on investment.
- Online module developed to increase efficiency and effectiveness of travel agents' training.
- The Commission's Image Library has been updated with new vision and images of all regions.
- The Tourism Satellite Account was updated.

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

- Work with key partners to ensure greater integration of marketing activities and to grow the pool of available tourism marketing funds.
- Increase consumers' intention to travel by aligning marketing activities and provide immediate reasons to 'book' rather than 'look'.
- Host the 2008 Australian Tourism Exchange. The Exchange provides a forum for Australian tourism businesses (sellers) to meet with international wholesalers (buyers) to conduct business through a series of pre-arranged appointments. The event attracts 2,000 delegates, including 1,400 sellers representing over 1,000 companies, and 800 international buyers, representing over 40 countries.

## Service 2: Event Tourism

The Commission develops, attracts, supports and, where appropriate, manages events that are capable of generating substantial economic benefit; visitor expenditure and can cost-effectively market Western Australia nationally and internationally.

	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> .....	21,936	21,114	21,412	13,284	The 2006-07 figure includes additional funding to conduct the final Rally Australia and the initial Red Bull Air Race. Income for this service is mainly generated by Rally Australia. The final rally was conducted in 2006-07.
Less Income.....	5,366	5,121	4,543	147	
Net Cost of Service <sup>(a)</sup> .....	16,570	15,993	16,869	13,137	
Adjustments <sup>(b)</sup> .....	521	(31)	14	583	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>17,091</b>	<b>15,962</b>	<b>16,883</b>	<b>13,720</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
Ratio of the Commission's spend to the value of projected direct expenditure generated by events (future years).....	\$1:\$2.84	\$1:\$5.15	\$1:\$2.90	\$1:\$2.90	Difference between the 2006-07 budget and 2006-07 estimated actual is the effect of the Rugby World Cup that has been removed from the target.
Ratio of the Commission's spend to the value of direct expenditure and media impact generated by events (current year).....	\$1:\$3.01	\$1:\$4.88	\$1:\$2.78	\$1:\$2.78	
<b>Full Time Equivalents (FTEs) <sup>(a)</sup></b>	<b>26</b>	<b>26</b>	<b>23</b>	<b>23</b>	Five year target

- (a) The budget for 2006-07 excluded staff employed on the Tourism eMarketplace capital project. The project staff have been allocated against each service as the eMarketplace contributes to all services.

## Major Achievements For 2006-07

- EventsCorp supported 16 major events in 2006-07, which generated \$51 million in economic impact, an estimated \$6.6 million in media impact and attracted hundreds of thousands of Western Australian spectators. Events included: The Hyundai Hopman Cup XIX; Ironman Western Australia Triathlon; Rugby Test – Australia v Fiji; 3 Mobile Third Ashes Cricket Test, and the Australian Surf Life Saving Championships.
- The Regional Events Scheme supported 29 events, including: the Ningaloo Whale Shark Festival, Ord Valley Muster, Busselton Jetty Swim, Crabfest Mandurah, and the Kalbarri Canoe and Cray Carnival.



- EventsCorp won the right to host the elite, innovative and spectacular international Red Bull Air Race and Festival in Perth in 2006, 2007 and 2008. In 2006, the event was watched by millions of viewers worldwide and attracted over 300,000 spectators, including 8,700 additional interstate and international visitors.
- EventsCorp bid for and/or secured several new and exciting major events, including Lexus Cup International Women's Golf Tournament, In The City AAA music event, Interhash 2008, the Australian Safari and the XXXX Gold Tri-nations Beach Cricket.

### Major Initiatives For 2007-08

- The 2007 Red Bull Air Race will be significantly enhanced and expanded upon with more flying (more pilots), a new knockout-style competition across two days (instead of one), a new circuit engaging the north side of the river as well as South Perth and a range of new air show activities.
- Continue to plan and stage events including the second of three Australian Surf Life Saving Championships (2007-2009), the inaugural Australian Safari, Lexus Cup International Golf, Clipper Round the World Yacht Race and Hyundai Hopman Cup XX.
- Finalise a Special Events Protocol to improve the collaboration, planning and delivery of major events.
- Further new and engaging major events will be targeted that generate significant economic, media and/or social benefits for Western Australia.

### Service 3: Convention and Incentive Travel

The Commission has contracted the Perth Convention Bureau to identify, develop and convert leads for potential new national and international meetings and incentive travel business, bid for new business, support the tourist industry and work with meeting planners and the local tourist industry to boost delegate numbers at confirmed national and international conferences and increase pre- and post-conference touring 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> .....	1,010	1,010	1,110	3,210	Additional funding has been provided to attract large conventions, conferences and meetings.
Less Income.....	-	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	1,010	1,010	1,110	3,210	
Adjustments <sup>(b)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,010</b>	<b>1,010</b>	<b>1,110</b>	<b>3,210</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
Ratio of the Commission's spend to the value of projected direct expenditure generated by conventions and incentive travel groups to Western Australia.....	\$1:\$65.69	\$1:\$80.00	\$1:\$55.00	\$1:\$70.00	Increased conventions resulting from the injection of additional funding will be realised in future years.

**Major Achievements For 2006-07**

- Additional funding of \$11.9 million over five years was secured to attract big conventions, conferences and meetings in excess of 900 delegates.
- Under the Convention Bid Fund agreement, 36 bids were approved, resulting in more than \$38.9 million worth of business secured from 13 bid wins. A further 13 bids are pending.
- Initiated a Business Tourism Expansion Program, working with specific groups including local governments, chamber of commerce, universities and local businesses to increase business tourism.
- The City of Perth increased sponsorship of the Perth Convention Bureau Scholarship and Awards program.

**Major Initiatives For 2007-08**

- Implement a five year marketing strategy to attract big conventions, corporate meetings and incentives.

**Service 4: Industry Development**

The objective of this output is to promote, foster and facilitate investment in and the development of new tourist infrastructure and products, and the improvement of existing tourist facilities and services in Western Australia.

	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> .....	5,114	6,075	6,404	6,492	
Less Income.....	254	161	131	146	
Net Cost of Service <sup>(a)</sup> .....	4,860	5,914	6,273	6,346	
Adjustments <sup>(b)</sup> .....	134	(31)	14	(111)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,994</b>	<b>5,883</b>	<b>6,287</b>	<b>6,235</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
Ratio of the Commission's spend to the value of tourism projects progressed.....	\$1:\$86.00	\$1:\$30.00	\$1:\$78.13	\$1:\$80.00	
<b>Full Time Equivalents (FTEs) <sup>(a)</sup></b>	36	28	35	36	

(a) The budget for 2006-07 excluded staff employed on the Tourism eMarketplace capital project. The project staff have been allocated against each service as the eMarketplace contributes to all services.

**Major Achievements For 2006-07**

- Implementation of the 28 recommendations of the Ministerial Taskforce on Tourism Planning started in partnership with the Department for Planning and Infrastructure. Collectively, these recommendations represent a significant reform of tourism planning and aim to ensure high value tourism land is preserved, and potential conflicts between residential and tourism use of strata titled developments are dealt with in a fair and equitable manner.
- Destination Development Strategies for each tourism region (Australia's North West, Australia's Coral Coast, Experience Perth, Australia's Golden Outback, and Australia's South West) were updated in consultation with stakeholders. These strategies are now key drivers for future tourism development.
- The Better Business Blitz program was extended State-wide and focussed on issues such as yield management. Blitzes attracted nearly 450 tourism industry participants and are intended to improve product quality.
- Launched and started implementation of the 'Listening Looking Learning: An Aboriginal Tourism Strategy for Western Australia'. Western Australia is a national leader in Indigenous tourism development and the additional support provided through this strategy will encourage Indigenous tourism businesses to become more export ready, as well as foster new tourism development opportunities.
- In partnership with LandCorp and the Rottnest Island Authority, the first Landbank site was released at Rottnest Island. Landbank is aimed at securing identified Crown Lands for tourism development.
- Delivered specially designed Better Business Blitzes to regional and metro hoteliers to assist with the adoption of new non-smoking regulations through business planning.

**Major Initiatives For 2007-08**

- With \$500,000 allocated by Government, significant inroads will be made in the promotion and delivery of tourism accreditation in Western Australia. This will be achieved in association with Tourism Council Western Australia. Special emphasis will be on adventure tourism, cruises and holiday homes.
- Additional Landbank sites will be released. In partnership with the Departments of Environment and Conservation and Land Management, sites suitable for low-key, environmentally sensitive tourism development will be identified in selected national parks.
- As part of the Tourism Planning Taskforce implementation, Albany, Augusta/Margaret River, Broome and Busselton local governments will be supported with the preparation of Local Tourism Planning Strategies to guide tourism planning and development at a local level.

### Service 5: Visitor Servicing

This outcome ensures the provision of destinational and product information, and booking facilities to make it easier for visitors travelling regionally and to encourage them to increase their length of stay.

The Commission coordinates a State-wide visitor servicing network, and operates a central call centre to provide coordination for enquiries.

	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> .....	4,759	4,680	5,041	4,647	
Less Income .....	2,008	1,169	1,531	1,546	
Net Cost of Service <sup>(a)</sup> .....	2,751	3,511	3,510	3,101	
Adjustments <sup>(b)</sup> .....	440	4	14	(111)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>3,191</b>	<b>3,515</b>	<b>3,524</b>	<b>2,990</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
Ratio of the Commission's spend to the level of visitor satisfaction with visitor servicing ..	\$116,652 per percentage point	\$95,000 per percentage point	\$95,000 per percentage point	\$90,000 per percentage point	
<b>Full Time Equivalents (FTEs) <sup>(a)</sup></b>	<b>31</b>	<b>31</b>	<b>28</b>	<b>29</b>	

(a) The budget for 2006-07 excluded staff employed on the Tourism eMarketplace capital project. The project staff have been allocated against each service as the eMarketplace contributes to all services.

### Major Achievements For 2006-07

- Progressed implementation of the Visitor Servicing Study recommendations. Action has been completed on 70 per cent of the recommendations including:
  - 50 visitor centres have achieved accreditation. Visitor centres were provided with funding support to upgrade their infrastructure, signage and implement new telephone and booking systems. The Visitor Centre Indigenous Traineeship Scheme commenced a third intake of trainees with several graduates gaining employment. Local Government Options Kit was finalised and distributed;
  - there are now some 1,300 tourism businesses that are members of the Western Australian Tourism Network distributing product information via [westernaustralia.com](http://westernaustralia.com); and
  - Completed the first full year of the new business model at the Western Australian Visitor Centre with a retail sales partner, Best of Australia Travel Centre. Gross sales have increased by 7 per cent over the corresponding period June-December 2005.

**Major Initiatives For 2007-08**

- Implementation of the 2003-04 Visitor Servicing Study's 65 key recommendations will be completed. Focus for 2007-08 will be the delivery of improved capacity and retention of visitor centre staff through skills recognition and formal qualifications. The effectiveness of the programs implemented over the past three years will be reviewed to formulate programs to ensure sustainability.
- A campaign aimed at increasing Western Australian Tourism Network membership to 1,500 members will be undertaken. It is estimated this will then be the 'saturation level' for membership (i.e. the optimum level).

**CAPITAL WORKS PROGRAM**

The Capital Works program provides funding for:

- continuation of the asset replacement program, primarily computing equipment used to support the delivery of the Commission's outcomes; and
- the Commission's Tourism eMarketplace 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>				
Tourism eMarketplace 2006-07 Program .....	3,765	1,756	1,423	1,222
<b>COMPLETED WORKS</b>				
Donnelly River Remediation 2006-07 Program .....	650	650	650	-
Purchase of Computer Hardware 2006-07 Program .....	424	424	424	-
<b>NEW WORKS</b>				
Purchase of Computer Hardware 2007-08 Program .....	424	-	-	424
	5,263	2,830	2,497	1,646

**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>	1,347	2,497	2,497	1,646	1,211	747	475
	1,347	2,497	2,497	1,646	1,211	747	475
<b>LESS</b>							
Drawdowns from the Holding Account .....	424	424	424	424	424	475	475
Internal Funds and Balances .....	333	-	-	-	-	-	-
<b>Capital Contribution .....</b>	590	2,073	2,073	1,222	787	272	-

## 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> .....	9,645	10,495	10,730	11,143	11,532	11,933	12,578
Superannuation .....	960	910	1,020	1,063	1,100	1,140	1,180
Grants and subsidies <sup>(b)</sup> .....	1,316	1,127	500	-	-	-	-
Supplies and services .....	45,141	45,156	45,066	39,677	35,164	35,176	33,958
Accommodation .....	1,514	1,651	1,594	1,650	1,707	1,767	1,829
Capital user charge <sup>(c)</sup> .....	221	237	237	-	-	-	-
Depreciation and amortisation .....	1,161	1,542	1,542	1,598	1,831	1,351	1,351
State taxes .....	4	24	2	3	4	4	5
Loss on disposal of non-current assets .....	10	-	-	-	-	-	-
Other expenses .....	66	71	75	85	95	100	105
<b>TOTAL COST OF SERVICES</b> .....	<b>60,038</b>	<b>61,213</b>	<b>60,766</b>	<b>55,219</b>	<b>51,433</b>	<b>51,471</b>	<b>51,006</b>
<b>Income</b>							
User charges and fees .....	287	-	55	60	62	65	66
Grants and subsidies .....	1,000	1,000	1,000	1,000	-	-	-
Interest revenue .....	554	175	243	250	250	250	250
Other revenue .....	8,172	9,704	6,782	2,440	3,338	3,595	3,709
<b>Total Income</b> .....	<b>10,013</b>	<b>10,879</b>	<b>8,080</b>	<b>3,750</b>	<b>3,650</b>	<b>3,910</b>	<b>4,025</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>50,025</b>	<b>50,334</b>	<b>52,686</b>	<b>51,469</b>	<b>47,783</b>	<b>47,561</b>	<b>46,981</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	51,932	50,230	52,762	51,558	45,253	47,586	47,701
Resources received free of charge .....	101	229	100	100	100	100	100
Liabilities assumed by the Treasurer .....	35	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>52,068</b>	<b>50,459</b>	<b>52,862</b>	<b>51,658</b>	<b>45,353</b>	<b>47,686</b>	<b>47,801</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>2,043</b>	<b>125</b>	<b>176</b>	<b>189</b>	<b>(2,430)</b>	<b>125</b>	<b>820</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 169, 163 and 167 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 .....	7,600	1,644	5,109	5,151	3,030	3,087	3,607
Restricted cash .....	70	127	82	123	164	205	246
Investments .....	-	1,020	1,350	1,350	602	402	708
Receivables .....	1,450	515	1,476	1,503	1,880	1,630	1,630
Amounts receivable for services .....	424	424	424	424	475	475	-
Prepayments .....	1,340	584	594	594	594	594	594
Other .....	101	-	101	101	101	101	101
<b>Total current assets .....</b>	<b>10,985</b>	<b>4,314</b>	<b>9,136</b>	<b>9,246</b>	<b>6,846</b>	<b>6,494</b>	<b>6,886</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	644	1,787	1,787	2,961	4,317	5,193	6,544
Land and buildings .....	1,831	2,555	2,481	2,481	2,481	2,481	2,481
Investments .....	-	109	-	-	-	-	-
Plant and equipment .....	441	2,248	544	592	641	1,176	1,046
Intangibles .....	1,137	-	1,606	1,864	1,440	954	214
Other .....	2,180	1,022	1,913	1,655	1,410	1,232	1,140
<b>Total non-current assets .....</b>	<b>6,233</b>	<b>7,721</b>	<b>8,331</b>	<b>9,553</b>	<b>10,289</b>	<b>11,036</b>	<b>11,425</b>
<b>TOTAL ASSETS .....</b>	<b>17,218</b>	<b>12,035</b>	<b>17,467</b>	<b>18,799</b>	<b>17,135</b>	<b>17,530</b>	<b>18,311</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	1,790	3,980	1,420	1,420	1,425	1,430	1,430
Provision for employee entitlements .....	2,099	1,529	2,067	2,126	2,184	2,260	2,339
Accrued salaries .....	185	74	175	216	257	298	298
Other .....	4,574	334	3,112	3,074	3,073	3,072	3,076
<b>Total current liabilities .....</b>	<b>8,648</b>	<b>5,917</b>	<b>6,774</b>	<b>6,836</b>	<b>6,939</b>	<b>7,060</b>	<b>7,143</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	851	828	880	894	925	957	990
Other .....	1,163	1,221	1,008	853	698	543	388
<b>Total non-current liabilities .....</b>	<b>2,014</b>	<b>2,049</b>	<b>1,888</b>	<b>1,747</b>	<b>1,623</b>	<b>1,500</b>	<b>1,378</b>
<b>TOTAL LIABILITIES .....</b>	<b>10,662</b>	<b>7,966</b>	<b>8,662</b>	<b>8,583</b>	<b>8,562</b>	<b>8,560</b>	<b>8,521</b>
<b>EQUITY</b>							
Contributed equity .....	4,200	6,273	6,273	7,495	8,282	8,554	8,554
Accumulated surplus/(deficit) .....	336	(3,869)	512	701	(1,729)	(1,604)	(784)
Reserves .....	2,020	1,665	2,020	2,020	2,020	2,020	2,020
<b>Total equity .....</b>	<b>6,556</b>	<b>4,069</b>	<b>8,805</b>	<b>10,216</b>	<b>8,573</b>	<b>8,970</b>	<b>9,790</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>17,218</b>	<b>12,035</b>	<b>17,467</b>	<b>18,799</b>	<b>17,135</b>	<b>17,530</b>	<b>18,311</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 .....	50,864	48,688	51,220	49,960	43,422	46,235	46,350
Capital contribution .....	590	2,073	2,073	1,222	787	272	-
Holding account drawdowns .....	424	424	424	424	424	475	475
<b>Net cash provided by State government .....</b>	<b>51,878</b>	<b>51,185</b>	<b>53,717</b>	<b>51,606</b>	<b>44,633</b>	<b>46,982</b>	<b>46,825</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(9,244)	(10,445)	(10,732)	(11,023)	(11,396)	(11,778)	(12,419)
Superannuation .....	(867)	(910)	(1,025)	(1,063)	(1,100)	(1,140)	(1,180)
Grants and subsidies .....	(1,316)	(1,127)	(500)	-	-	-	-
Supplies and services .....	(40,856)	(39,083)	(44,798)	(38,870)	(34,770)	(34,535)	(33,242)
Accommodation .....	(1,354)	(3,008)	(1,437)	(1,493)	(1,550)	(1,610)	(1,672)
Capital user charge <sup>(a)</sup> .....	(221)	(237)	(237)	-	-	-	-
State taxes .....	(4)	(24)	(2)	(3)	(4)	(4)	(5)
Goods and services tax .....	(4,143)	(4,309)	(4,311)	(3,750)	(3,750)	(3,750)	(3,750)
Other .....	(66)	(71)	(70)	(75)	(80)	(85)	(90)
<b>Receipts</b>							
User charges and fees .....	249	-	55	60	62	65	66
Grants and subsidies .....	1,000	1,000	1,000	1,000	-	-	-
Interest received .....	545	195	243	250	250	250	250
Goods and services tax .....	4,641	4,309	4,247	3,750	3,750	3,750	3,750
Other receipts .....	5,365	4,588	5,218	1,340	2,338	2,500	2,809
<b>Net cash from operating activities .....</b>	<b>(46,271)</b>	<b>(49,122)</b>	<b>(52,349)</b>	<b>(49,877)</b>	<b>(46,250)</b>	<b>(46,337)</b>	<b>(45,483)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(1,347)	(2,497)	(2,497)	(1,646)	(1,211)	(747)	(475)
Proceeds from sale of non-current assets .....	3	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(1,344)</b>	<b>(2,497)</b>	<b>(2,497)</b>	<b>(1,646)</b>	<b>(1,211)</b>	<b>(747)</b>	<b>(475)</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>4,263</b>	<b>(434)</b>	<b>(1,129)</b>	<b>83</b>	<b>(2,828)</b>	<b>(102)</b>	<b>867</b>
Cash assets at the beginning of the reporting period .....	3,407	3,225	7,670	6,541	6,624	3,796	3,694
<b>Cash assets at the end of the reporting period .....</b>	<b>7,670</b>	<b>2,791</b>	<b>6,541</b>	<b>6,624</b>	<b>3,796</b>	<b>3,694</b>	<b>4,561</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.....	60,038	61,213	60,766	55,219	51,433	51,471	51,006
Less Capital User Charge.....	221	237	237	-	-	-	-
Adjusted Total Cost of Services .....	59,817	60,976	60,529	55,219	51,433	51,471	51,006
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	51,932	50,230	52,762	51,558	45,253	47,586	47,701
Less Capital User Charge.....	221	237	237	-	-	-	-
Adjusted net amount appropriated to deliver services .....	51,711	49,993	52,525	51,558	45,253	47,586	47,701

**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
Regional Tourism Authorities .....	396	627	-	-	-	-	-
Broome Visitor Centre.....	500	500	500	-	-	-	-
Other grants.....	420	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,316</b>	<b>1,127</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ROTTNEST ISLAND AUTHORITY

### CAPITAL WORKS PROGRAM

In December 2003, the Government established the Rottnest Island Taskforce to deliver an infrastructure plan consistent with sound management and commercial principles, and that reflected the Island's unique eco-systems. In accordance with the Taskforce recommendations, capital funding totalling \$26.1 million over five years was approved to support economic, environmental and social sustainability.

Further expenditure will continue in 2007-08 to continue the upgrade and improvement of accommodation, public facilities, utility services, heritage and environmental projects on the Island. An additional \$3.7 million will be spent by the Authority on its ongoing program to upgrade holiday and tourism facilities, infrastructure and operations.

	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>				
Rottnest Island Taskforce Program				
Accommodation Refurbishment .....	5,208	3,541	1,391	1,667
Infrastructure Waste .....	2,723	2,657	717	22
<b>COMPLETED WORKS</b>				
Asbestos Management Program - 2004-05 Program .....	3,000	3,000	445	-
Holiday and Tourism Facilities - 2006-07 Program .....	1,550	1,550	1,550	-
Infrastructure and Operation - 2006-07 Program .....	2,150	2,150	2,150	-
Rottnest Island Taskforce Program				
2005-06 Accommodation Refurbishment Program .....	4,955	4,955	2,942	-
Heritage Works .....	2,542	2,542	1,483	-
Infrastructure Power .....	1,672	1,672	70	-
Infrastructure Water .....	1,771	1,771	736	-
Infrastructure Water Medium Priority .....	550	550	375	-
Remove Bitumen catchment .....	140	140	140	-
Utilities Rectification .....	383	383	383	-
<b>NEW WORKS</b>				
Holiday and Tourism Facilities - 2007-08 Program .....	1,550	-	-	1,550
Infrastructure and Operation - 2007-08 Program .....	2,150	-	-	2,150
	30,344	24,911	12,382	5,389

### 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>	16,744	10,156	12,382	5,389	3,722	3,722	3,700
	16,744	10,156	12,382	5,389	3,722	3,722	3,700
<b>LESS</b>							
Commonwealth Grants .....	455	-	-	-	-	-	-
Internal Funds and Balances .....	1,045	3,700	5,543	3,700	3,700	3,700	3,700
<b>Capital Contribution .....</b>	15,244	6,456	6,839	1,689	22	22	-

## CULTURE AND THE ARTS

### PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION

#### DIVISION 49

#### 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>							
Item 91 Net amount appropriated to deliver services <sup>(a)</sup> .....	56,306	58,436	61,144	<b>53,536</b>	76,512	77,620	78,748
Item 92 Art Gallery of Western Australia ...	3,505	3,626	3,626	<b>3,569</b>	-	-	-
Item 93 Library Board of Western Australia .....	13,101	13,520	13,520	<b>12,115</b>	-	-	-
Item 94 Perth Theatre Trust .....	1,198	1,958	1,958	<b>2,308</b>	-	-	-
Item 95 Western Australian Museum .....	6,056	6,645	6,645	<b>6,317</b>	-	-	-
<b>Amount Authorised by Other Statutes</b>							
- Lotteries Commission Act 1990 .....	10,229	10,252	10,561	<b>11,112</b>	11,424	11,742	12,070
- Salaries and Allowances Act 1975 <sup>(b)</sup> .....	603	568	635	<b>654</b>	674	694	715
Total appropriations provided to deliver services .....	90,998	95,005	98,089	<b>89,611</b>	88,610	90,056	91,533
<b>CAPITAL</b>							
Item 168 Capital Contribution .....	969	7,382	8,182	<b>54,626</b>	7,585	1,930	1,930
Item 169 Art Gallery of Western Australia .	421	295	295	<b>1,053</b>	-	-	-
Item 170 Library Board of Western Australia .....	4,032	4,515	4,515	<b>21,357</b>	-	-	-
Item 171 Perth Theatre Trust .....	1,751	85	85	<b>1,059</b>	-	-	-
Item 172 Western Australian Museum .....	219	70	70	<b>981</b>	-	-	-
<b>GRAND TOTAL</b> .....	<b>98,390</b>	<b>107,352</b>	<b>111,236</b>	<b>168,687</b>	<b>96,195</b>	<b>91,986</b>	<b>93,463</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.

#### EFFECTIVE ALLOCATION BY SERVICE AGENCY

	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
Art Gallery of Western Australia .....	8,688	8,370	8,168	8,281	8,133	8,331	8,499
Development and Strategy .....	22,887	26,240	28,952	23,571	23,007	23,248	23,672
Library Board of Western Australia .....	27,998	27,749	27,527	26,529	26,528	26,893	27,219
Perth Theatre Trust .....	5,769	5,476	5,647	5,669	5,421	5,572	5,703
ScreenWest .....	4,496	5,400	6,116	3,776	3,309	3,344	3,373
State Records Office .....	1,877	1,812	1,788	1,800	1,837	1,876	1,911
Western Australian Museum .....	19,283	19,958	19,891	19,985	20,375	20,792	21,156
<b>TOTAL</b> .....	<b>90,998</b>	<b>95,005</b>	<b>98,089</b>	<b>89,611</b>	<b>88,610</b>	<b>90,056</b>	<b>91,533</b>

**MISSION**

*To provide leadership, support and services to ensure that current and future Western Australians are informed and have access to a diverse range of innovative ideas, knowledge and cultural experiences.*

**SIGNIFICANT ISSUES AND TRENDS**

- An increasing number of Western Australian artists and cultural organisations are developing international reputations and markets which are being expanded further through the use of new technologies.
- New technologies are creating many opportunities for communication resulting in demand for access, services and challenges for the preservation of our cultural, artistic, documentary and digital heritage.
- The creative industries, especially fashion design, contemporary music, film and television, digital art and animation are of special interest in terms of economic potential.
- The screen industry is enjoying unprecedented growth which is creating some skill shortages and substantially increased demand for investment funding.
- Traditional and contemporary Indigenous cultural products are becoming increasingly more important in promoting Western Australia.
- The number of Western Australians accessing cultural venues, collections and events continues to increase.
- As the State's cultural exhibitions and facilities age there is a need to maintain, refresh and update buildings, exhibitions and public programmes.
- Cultural and arts infrastructure and products will be increasingly important to the success of promoting the 'life style' benefits of the State within a highly competitive global environment and in order to attract overseas employees.
- Western Australia's environment and biodiversity has been recognised as globally significant and major development within the resources and development sector is resulting in significant workload for museum scientists in providing expert analysis on the implications of developments on our environment.
- The boom in the resources sector has led to greatly increased interest in cultural exchange programs with China.
- Global terrorism has dramatically increased the costs for importing and exporting international travelling exhibitions, artworks and performing arts touring.

**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
ScreenWest Production Attraction Fund .....	500	-	-	-

**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>							
Arts Industry Support .....	20,066	26,409	29,090	24,043			
<i>Service 2:</i>							
Screen Production Industry Support.....	8,802	10,159	10,869	8,595			
<i>Service 3:</i>							
Venue Management Services .....	16,528	15,344	15,254	15,610			
<i>Service 4:</i>							
Art Gallery Services.....	10,786	12,308	11,845	12,292			
<i>Service 5:</i>							
Library and Information Services.....	30,150	31,605	30,976	29,593			
<i>Service 6:</i>							
Museum Services .....	24,174	25,013	27,857	25,099			
<i>Service 7:</i>							
Government Recordkeeping and Archival Services .....	2,029	1,977	1,947	2,025			
<b>Total Cost of Services <sup>(a)</sup></b> .....	112,535	122,815	127,838	117,257	114,615	116,181	118,730
<i>Less Income</i> .....	31,699	29,173	29,173	25,027	25,348	25,348	25,348
<b>Net Cost of Services <sup>(a)</sup></b> .....	80,836	93,642	98,665	92,230	89,267	90,833	93,382
Adjustments <sup>(b)</sup> .....	10,162	1,363	(576)	(2,619)	(657)	(777)	(1,849)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	90,998	95,005	98,089	89,611	88,610	90,056	91,533
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	7,392	12,347	13,147	79,076	7,585	1,930	1,930
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	98,390	107,352	111,236	168,687	96,195	91,986	93,463

(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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	A creative, sustainable and accessible culture and arts sector.	1. Arts Industry Support 2. Screen Production Industry Support 3. Venue Management Services
	Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.	4. Art Gallery Services 5. Library and Information Services 6. Museum Services 7. Government Recordkeeping and Archival Services

### Outcomes and Key Effectiveness Indicators <sup>(a) (b)</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 creative, sustainable and accessible culture and arts sector.</b>					
Proportion of funding applicants satisfied with the key elements of the 'creative' funding programs <sup>(c)</sup> .....	80%	82%	82%	82%	
Perceived value of culture and the arts (including the Screen Industry) to the Western Australian Community .....	79%	80%	80%	80%	
Proportion of triennially funded organisations within the culture and arts sector regarded as financially healthy <sup>(d)</sup> .....	24%	27%	27%	28%	
<b>Outcome: Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.</b>					
Extent to which Western Australia's natural, cultural and documentary collections, that require preservation, are preserved .....	92%	96%	96%	97%	
The number of accesses to Western Australia's natural, cultural and documentary collections per capita <sup>(e)</sup> .....	1.898	2.085	1.682	1.748	
Percentage of clients satisfied with the services associated with accessing Western Australia's natural, cultural and documentary collections..	86%	86%	86%	86%	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Value of collection renewal, content development, expansion and/or maintaining the physical integrity of the collection as a proportion of collection value.....	6%	6%	6%	6%	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) A new Outcome and Key Performance Indicator Structure for the Department was endorsed by the Government's Outcome Structure Review Group on 7 February 2007. The data collection system for some indicators is still being refined therefore, in some cases, the required data is not available or may not be final. It is expected that the full complement of data will be available for reporting in the 2006-07 Annual report.
- (c) This indicator is measured via a survey of funding applicants. The measurement of the 'creative' funding program element is based on 'the cultural values, preferences, and realities of residents and other stakeholders in a given community' (Arts, culture, creativity and communities: a framework for measurement: The Urban Institute 2002).
- (d) In order to meet the 'financial health' indicator, triennially funded organisations must be able to demonstrate they meet all of the following criteria: that reserves held are greater than 20 per cent of turnover; that Current Assets are at least two times the value of Current Liabilities; and that cash reserves are sufficient to meet expenses for a minimum of 10 weeks.
- (e) Population (Per Capita) based on ABS Data table 3218 (WA): 2005-06 = 2,050,884; 2006-07 = 2,081,647; and 2007-08 = 2,112,872

### Service 1: Arts Industry Support

Development, funding and promotion of the arts 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> .....	20,066	26,409	29,090	24,043	
Less Income.....	350	51	51	79	
Net Cost of Service <sup>(a)</sup> .....	19,716	26,358	29,039	23,964	
Adjustments <sup>(b)</sup> .....	3,171	(118)	(87)	(393)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>22,887</b>	<b>26,240</b>	<b>28,952</b>	<b>23,571</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 grant application processed ..	\$229	\$233	\$250	\$267	
<b>Full Time Equivalents (FTEs)</b>	<b>50</b>	<b>50</b>	<b>48</b>	<b>47</b>	

**Major Achievements For 2006-07**

- Introduced indexation for funded arts organisations (including indexation to regional arts organisations) ensuring an overall \$6.0 million additional allocation for funded organisations until 2011.
- Implemented the Indigenous Contemporary Music Business Unit as part of the Indigenous Contemporary Music Strategy.
- The West Australian Symphony Orchestra tour of China was supported through additional funding and support services.
- Western Australia contributed to the national evaluation of the Visual Arts and Crafts Strategy and introduced five new Western Australian Mid-Career Fellowships.
- The Designer Fashion Grants Program was extended for a further two years.
- The first pilot year of the Multicultural Arts Marketing Ambassadors Strategy in partnership with the Australia Council and the Australian Institute of Management was completed.
- The Australian National Playwrights Conference, held in Perth as part of stage one of a re-building theatre strategy, was supported.
- The 'Artists in Schools Guide' publication was launched.
- Through a new partnership with the Disability Services Commission, the Department developed a two year strategy (Disability Arts Inclusion Initiatives) to assist people with disabilities to access mainstream arts and culture.
- The Sound Attenuation Program was developed and implemented to assist live music venues secure opportunities for the performance of live original contemporary music. The program consists of funding support for attenuation works, information materials for venues and residents, and reviewing of relevant legislation regarding noise complaints.
- The Indian Ocean Territories Arts Services Contract was negotiated with the Australian Government.
- A Regional Arts Touring Program of the four Major Performing Arts Companies (West Australian Ballet, West Australian Opera, West Australian Symphony Orchestra and Black Swan Theatre Company) was implemented through a new funding partnership with the Department of Local Government and Regional Development.

**Major Initiatives For 2007-08**

- The International Puppetry Conference to be held in Perth in April 2008 - the first time this world event will be seen in the Southern Hemisphere.
- Progress the Rebuilding Theatre Strategy. This will include a feasibility study of production house concept, major organisation support and organisations working with individual artists and independent producers.
- Final evaluation of eight years of the Department's Contemporary Music Industry Funding and Development Strategy.
- Implementation of the 'Arts and Wellbeing' – Australian Research Council partnership project, (with the University of Western Australia and Country Arts Western Australia) examining the relationship of wellbeing through arts participation in the Mid-West Region.
- 'Australian Performing Arts Market 2008' - showcase and support Western Australian performing artists and arts organisations in Adelaide at this key international marketing convention.
- Implement the management and artistic programming policies of the New Performing Arts Venue.
- As part of the Community Cultural and Arts Facilities Fund develop, publish and distribute a community guide for the planning and development of culture and arts facilities.



**Service 2: Screen Production Industry Support**

Delivery of strategic support and funding to advance the development of the screen production industry in Western Australia.

	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> .....	8,802	10,159	10,869	8,595	
Less Income .....	4,680	4,735	4,735	4,741	
Net Cost of Service <sup>(a)</sup> .....	4,122	5,424	6,134	3,854	
Adjustments <sup>(b)</sup> .....	374	(24)	(18)	(78)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,496</b>	<b>5,400</b>	<b>6,116</b>	<b>3,776</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 grant application processed ..	\$2,005	\$2,738	\$2,492	\$2,965	
<b>Full Time Equivalents (FTEs)</b>	<b>17</b>	<b>16</b>	<b>18</b>	<b>18</b>	

**Major Achievements For 2006-07**

- The ABC Film and Television Production Fund of \$3.2 million over two years supported five projects in 2006-07 (three documentary projects, ABC TV studio co-production series 'Can We Help' and telemovie 'Three Acts of Murder').
- 'WA On Screen', a major initiative aimed at developing the Western Australian screen industry, entered its third year of funding. Low budget feature 'Last Train to Freo' was shortlisted for numerous AFI Awards and voted best Australian film by audiences at the Melbourne International Film Festival. Feature films 'Dirty Girls' and 'Run Dingo Run' continued to be developed.
- \$500,000 was provided to ensure Director Baz Luhrmann committed to film the epic feature 'Australia' in Western Australia. Negotiations are underway to attach three local industry workers to this production.
- Major series supported included 'World of Colours' a co-production with France, 'StressBuster' for the ABC, 'Eco House Challenge' for SBS, 'Wormwood' and 'Stormworld' for the Nine and Ten Networks.
- 'Deadly Yarns 2' won the Media Arts Award at the 2006 Australia Business Arts Foundation Awards.
- 'The Circuit', a major six part Adult Indigenous Drama Series was filmed and produced in Broome and employed local Indigenous writers as well as a large number of Western Australian crew. This is the first adult series to be produced since 2002-03.
- Under the mentorship of an experienced producer, three emerging local producers and five local directors produced 'Marx & Venus', a 25 x 5 minute studio based drama for SBS. ScreenWest partnered with the Australian Film Commission and SBS under the 'Bit of Black Business' initiative to enable two local indigenous directors to produce two short dramas.

- ScreenWest, the South Australian Film Corporation and the Northern Territory Film Office created an indigenous workshop, 'Write Solid' to give 12-15 Indigenous filmmakers training to write, research and capture community stories. The 'Making Movies Roadshow', supported by ScreenWest, conducted filmmaking workshops and outdoor cinema screenings in remote regional Indigenous communities.

### Major Initiatives For 2007-08

- Negotiations will be progressed for a major feature film to be shot in Western Australia.
- The 2008 Australian International Documentary Conference will be held in Fremantle in February 2008 with an estimated 500 participants.
- The Baz Luhrmann film 'Australia' starring Nicole Kidman and Hugh Jackman is set to film in and around Kununurra in late July 2007. The Western Australian Government committed \$500,000 to the project to secure filming in the Kimberley region.
- It will be the 10th anniversary of the Revelation International Film Festival, (supported by ScreenWest) in 2007, which has a 'Revolution, Retrospective, Revelation' theme.
- The 'Y Generation' series (in conjunction with South Australian Film Commission) will allow three local emerging producers and three early career documentary directors to produce documentaries under the mentorship of an experienced local producer. The series will screen on ABC.

### Service 3: Venue Management Services

Management and promotion of performing arts venues.

	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> .....	16,528	15,344	15,254	15,610	
Less Income .....	10,165	9,520	9,520	9,548	
Net Cost of Service <sup>(a)</sup> .....	6,363	5,824	5,734	6,062	
Adjustments <sup>(b)</sup> .....	(594)	(348)	(87)	(393)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>5,769</b>	<b>5,476</b>	<b>5,647</b>	<b>5,669</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 performance .....	\$24,378	\$22,665	\$18,246	\$18,561	
<b>Full Time Equivalents (FTEs)</b>	<b>47</b>	<b>47</b>	<b>46</b>	<b>44</b>	

**Major Achievements For 2006-07**

- The Subiaco Arts Centre was reopened after a major refurbishment of the building. The State Government and the Subiaco City Council supported its transformation into an accessible, contemporary centre for the arts and the community.
- As part of the Perth Theatre Trust's audience development strategy for theatre, The Playhouse brought a season of national productions to Perth.
- In its inaugural year, the Brainbox Project 'Downstairs at His Majesty's Theatre' gave local audiences a greater range of performance experiences and offered showcase opportunities to the local performing arts industry.
- A creative partnership between His Majesty's Theatre and Perth Theatre Company led to the presentation of a successful new and locally based production of 'Amadeus', giving audiences a large and renowned dramatic work.
- To enhance marketing services for Western Australians, BOCS Ticketing conducted a major review of its software options in order to implement a state of the art ticketing system.

**Major Initiatives For 2007-08**

- BOCS Ticketing will be substantially improving ticketing and marketing services by implementing new state-of-the-art software.
- The Perth Theatre Trust will develop quality music programming at Perth Concert Hall in association with Asian and Australian music touring circuits.
- The Perth Theatre Trust will continue the promotion and presentation of the national flagship performing arts companies for Western Australian audiences. This will include Bell Shakespeare Company, Sydney Dance Company, and new initiatives with the Australian Ballet and Bangarra Dance companies.
- The Perth Theatre Trust will commence operational management of the New Performing Arts Venue prior to its opening in 2008-09.

**Service 4: Art Gallery Services**

Delivery of the State Art Collection and access to art gallery services and programs through visual arts advocacy, collection development, facilities and services. Services ensure that primary access to art, heritage and ideas locally, regionally and internationally are preserved and displayed for future generations.

	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> .....	10,786	12,308	11,845	12,292	
Less Income.....	6,252	3,590	3,590	3,618	
Net Cost of Service <sup>(a)</sup> .....	4,534	8,718	8,255	8,674	
Adjustments <sup>(b)</sup> .....	4,154	(348)	(87)	(393)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>8,688</b>	<b>8,370</b>	<b>8,168</b>	<b>8,281</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 Art Gallery services per Art Gallery access .....	\$27	\$37	\$36	\$30	
<b>Full Time Equivalents (FTEs)</b>	70	69	69	67	

**Major Achievements For 2006-07**

- The Art Gallery presented three major exhibitions: 'Western Desert Satellites', an exhibition of the State Arts Collection's holdings of Western Desert Art; 'Raised by Wolves' and; 'Norman Lindsay: Drawn to Women' (in collaboration with a local collector). The exhibition catalogues facilitated the promotion of the Gallery's curatorial activities nationally and, in the case of 'Raised by Wolves', created opportunities for significant international exposure.
- The portfolio of over 200 works shown in 'Norman Lindsay: Drawn to Women' was generously gifted to the Gallery.
- The Gallery presented five exhibitions in its 'Artist in Focus' series. Formatted as medium scale exhibitions they offered an analysis of a single artist or work practice. Western Australian artists and content were included, with a focus on increasing the audience of the State Collection.
- The Indigenous Curatorial Graduate Program was awarded the Arts Development Award in the 2006 Western Australian Business and the Arts Partnership Awards. This ground breaking program was established to assist in expanding the number of Indigenous staff in the arts and cultural industries across Australia.
- The Gallery's Disability Access and Inclusion Programs enabled sight impaired visitors to book guided tours and optional art workshops to explore the State Art Collection through touch.
- Now in its 15th year, 'Year 12 Perspectives' provided Western Australian students with an opportunity to display their art work in the State Gallery.
- A new Volunteer Gallery Guide training and assessment system was successfully implemented to ensure consistent quality of service.
- A web page upgrade was initiated and a new fortnightly e-newsletter has a fast growing list of subscribers. A new pedestrian counting system was installed to accurately record visitor numbers.
- The Art Gallery of Western Australia Foundation enjoyed a 10 per cent increase in membership and also welcomed one new Patron. To qualify as a Patron, a donor's gift must be valued at over \$1.0 million. This can be achieved by cash donations, or gifts of art works via the Cultural Gifts Program.

**Major Initiatives For 2007-08**

- A refurbishment of the upper level and Centenary galleries will be taking place. The State Art Collection will be re-presented and promoted to the public as innovative and integrated displays. It will be supported by comprehensive visitor information, collection publications, merchandising, audio-visual and literary material, activity trails and online information.
- The Egyptian Antiquities from the Louvre will be the central feature of the Gallery's temporary exhibition program and the 2007 City of Perth Winter Arts Festival. The exhibition is anticipating 100,000 visitors to Perth.
- The Gallery will undertake research to enable the acquisition of a significant international historical work of art; a major contemporary indigenous work, as well as further Australian and Western Australian works.

**Service 5: Library and Information Services**

Delivery of library and information services through the Internet, the State Library and the public library system. Partnering with local governments and associated bodies to provide leadership, resources, information and other public library services. Provision of programs to ensure that Western Australia's documentary and digital heritage is collected, organised and preserved for access by future generations.

	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> .....	30,150	31,605	30,976	29,593	
Less Income .....	4,095	3,283	3,283	2,303	
Net Cost of Service <sup>(a)</sup> .....	26,055	28,322	27,693	27,290	
Adjustments <sup>(b)</sup> .....	1,943	(573)	(166)	(761)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>27,998</b>	<b>27,749</b>	<b>27,527</b>	<b>26,529</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 State Library services per State Library access/client interaction .....	\$11	\$10	\$13	\$12	
Average cost of State Library services per new collection item .....	\$56	\$65	\$70	\$56	
<b>Full Time Equivalents (FTEs)</b>	<b>257</b>	<b>251</b>	<b>249</b>	<b>246</b>	

**Major Achievements For 2006-07**

- The State Library was awarded the 2006 Premier's Award for Excellence in Public Sector Management - Better Services Category - Large Agency, for the 'Better Beginnings' early intervention family literacy program. The Program is now reaching 86 per cent of metropolitan and 50 per cent of country Local Governments. 25,000 'Better Beginnings' kits were distributed to families State-wide with newborn babies.
- A significant proportion of the most 'at risk' Western Australian heritage materials were preserved and made accessible through the Historical Records Rescue Consortium, funded by Lotterywest.
- A major trial in conjunction with public libraries to streamline the acquisition of library materials was completed and a stock-take of all 238 public library collections was undertaken to better manage State assets.
- A creative competition in conjunction with Central TAFE was launched to capture a significant collection of contemporary photographic images of Western Australian social life and culture.

**Major Initiatives For 2007-08**

- The 'National Treasures' exhibition, an initiative of National and State Libraries Australasia will be presented in partnership with the Western Australian Museum, showcasing Australian cultural artefacts.

- Research into the State Library's unique Western Australian heritage collections will be fostered by the establishment of the 'James Sykes Battye Memorial Fellowship'.
- Refresh policies to drive the acquisition of quality material for public and State Library collections with a strong focus on Western Australian materials.
- Develop a single portal for access to electronic library resources State-wide.
- Enable the digitisation of the Western Australian newspaper as a part of the National Library of Australia's national plan for Australian newspapers project, giving access to a vast store of Western Australia's social, political and cultural history to people everywhere.
- Expansion of the 'Better Beginnings' early intervention family literacy program targeting indigenous families in the North-West that are isolated and have special needs.
- Continue work on the structural reform of public library services to the Western Australian community through the development of a new Framework Agreement with Local Government.

### Service 6: Museum Services

Delivery and promotion of museum services through collection development and management, research, education and visitor 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> .....	24,174	25,013	27,857	25,099	
Less Income .....	6,074	7,853	7,853	4,591	
Net Cost of Service <sup>(a)</sup> .....	18,100	17,160	20,004	20,508	
Adjustments <sup>(b)</sup> .....	1,183	2,798	(113)	(523)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>19,283</b>	<b>19,958</b>	<b>19,891</b>	<b>19,985</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 Museum services per Museum access .....	\$28	\$29	\$32	\$29	
<b>Full Time Equivalents (FTEs)</b>	<b>225</b>	<b>224</b>	<b>224</b>	<b>222</b>	

**Major Achievements For 2006-07**

- Business case for new Museum of Western Australia finalised.
- ‘Howzat – Western Australians and Cricket’ opened. Over 34,500 people visited the Western Australian Museum – Perth to see ‘Howzat and The Ashes’.
- Sixteen exhibitions, four major public programs and school holiday activities were developed at every site during each of the four school breaks and resulted in increased visitors to sites of the Western Australian Museum. This included a partnership with Spare Parts Puppet Theatre resulting in performances and workshops at the Maritime Museum.
- A new species of frog – the ‘Chattering Rock Frog’ was discovered as a result of the collaborative research project studying native Kimberley frogs at risk from predatory cane toads.
- Developed an overall retail strategy for its seven retail outlets, branding itself as one group, ‘The Western Australian Museum Shop’. A common point of sale software program was also introduced across all outlets to enhance group buying and improve stock control.
- Improved analysis of visitation and data collection was undertaken as part of an Audience Research Strategy.
- The Museum is working with the Department of Environment and Conservation to place environmental research into a common data portal called Nature Map.

**Major Initiatives For 2007-08**

- Continue to develop a range of engaging and popular public programs at all Museum sites as well as those that showcase the Museum’s scientific research and discoveries.
- Undertake collaborative research projects including a project with the Australian Institute of Marine Science into the deep water biodiversity off the Ningaloo Reef.
- Complete the interpretation and conservation management plans for the Submarine/Slipway Precinct and commence implementation of the same.
- Tour the ‘Howzat – Western Australians and Cricket’ exhibition to the regional sites of the Museum in Kalgoorlie and Albany.
- Complete the relocation of the Willetton Store objects, which will result in 95 per cent of the Museum’s Collection being stored at the Collection and Research Centre, Welshpool.
- Detailed planning for a new museum for Western Australia will continue.

### Service 7: Government Recordkeeping and Archival Services

Delivery of recordkeeping services to State and Local Government agencies, improving the quality of current record management systems and provision of access to State Archives Collections by government agencies 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> .....	2,029	1,977	1,947	2,025	
Less Income.....	83	141	141	147	
Net Cost of Service <sup>(a)</sup> .....	1,946	1,836	1,806	1,878	
Adjustments <sup>(b)</sup> .....	(69)	(24)	(18)	(78)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,877</b>	<b>1,812</b>	<b>1,788</b>	<b>1,800</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 State Records Office (SRO) services per access to the State archives collection .....	\$23	\$20	\$19	\$19	
Average cost of SRO services per regulatory service .....	\$334	\$376	\$428	\$445	
<b>Full Time Equivalents (FTEs)</b>	<b>24</b>	<b>24</b>	<b>26</b>	<b>26</b>	

### Major Achievements For 2006-07

- After listing in the Automated Archives Management System, approximately 98 per cent of records held in the State archives collection are now searchable via Archives Explored Online (AEON) through the SRO website.
- Western Australia is currently the only Australian jurisdiction to have comprehensive coverage of the keeping, retention and the legal disposal of Government records with the finalisation of the Retention and Disposal Schedules and Associated Recordkeeping Plans for 312 government agencies.
- The SRO released a set of draft State Records Commission (SRC) Guidelines for Making and Managing Digital Records in Government Organisations, SRC Standard 7 Storage of State Archives in Government Agencies and Standard 8 Digital Recordkeeping for stakeholder comment and consultation.
- The SRO opened up 50 per cent of restricted access archives from indefinite or unnecessary restrictions after a review of restricted access archives held in the State archives collection.
- Funding for the development of an online system for the management of Recordkeeping Plans/Disposal Schedules was sourced.



**Major Initiatives For 2007-08**

- Complete the listing of all 2.5 million records by adding the previously unlisted material from the State archives.
- Finalise the review of the access status of restricted archives held in the collection.
- Further explore facilities to enable digital images of archives to be accessible through AEON.
- Further develop and implement strategies for State Records Commission Standards, Principles and Guidelines for digital recordkeeping.
- Processing of revised Recordkeeping Plans and Retention and Disposal Schedules.

**CAPITAL WORKS PROGRAM**

The planned capital works expenditure for 2007-08 is \$73.1 million and includes funding for the new theatre, asset upgrades and replacement, strategic building maintenance, minor works and one-off capital projects. A further \$17.2 million has been provided to fully repay the Library Board of Western Australia loan.

An amount of \$49.4 million has been provided in 2007-08 towards the construction of a new performing arts venue in Northbridge, for which forward works commenced in February 2007.

The program also includes funding for the ongoing works of art and book acquisition programs.

	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>				
Art Gallery -				
Works of Art - Acquisition Program .....	1,840	1,380	230	230
Department -				
Broome Performing Arts and Cultural Centre.....	5,000	2,250	2,129	2,750
Community Cultural Facilities Fund .....	2,750	1,850	1,834	900
New Theatre - Construction.....	66,200	11,155	10,480	49,390
Western Australian Symphony Orchestra - Contribution towards Relocation.....	8,000	7,600	7,600	400
Library -				
Additional Public Library Resources .....	10,300	7,550	2,612	2,750
Book Purchase Program.....	65,776	50,332	7,169	7,722
<b>COMPLETED WORKS</b>				
Art Gallery -				
Upgrade of Early Warning Indicator and Fire Detection .....	750	750	750	-
Department -				
Blue Room Theatre .....	950	950	98	-
Bunbury Heritage Museum.....	1,000	1,000	1,000	-
Capital Maintenance and Minor Works 2004-05 .....	2,870	2,870	444	-
Global Provision -				
Capital Maintenance and Minor Works 2006-07 .....	2,870	2,870	2,870	-
Global Provision - Capital Maintenance and Minor Works 2005-06 .....	2,870	2,870	967	-
His Majestys Electrical Upgrade .....	1,500	1,500	34	-
<b>NEW WORKS</b>				
Department -				
Global Provision -				
Capital Maintenance and Minor Works 2007-08 .....	5,520	-	-	5,520
Global Provision - Asset Management.....	1,750	-	-	1,750
Heritage and Maintenance Program 2007-08.....	6,800	-	-	1,700
	186,746	94,927	38,217	73,112

**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>	19,305	31,982	38,217	73,112	18,307	12,883	14,638
<b>Working capital requirement</b>							
Loan and Other Repayments .....	1,390	1,434	1,434	17,210	-	-	-
	20,695	33,416	39,651	90,322	18,307	12,883	14,638
<b>LESS</b>							
Asset Sales .....	-	3,300	3,300	-	-	-	-
Drawdowns from the Holding Account .....	9,341	10,439	10,439	9,946	10,722	10,953	12,708
Funding Included in Service Appropriations <sup>(a)</sup> .....	3,170	7,330	7,330	1,300	-	-	-
Internal Funds and Balances .....	792	-	5,435	-	-	-	-
<b>Capital Contribution .....</b>	7,392	12,347	13,147	79,076	7,585	1,930	1,930

(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> .....	42,487	40,064	40,206	40,687	43,474	44,264	45,424
Superannuation .....	2,394	4,278	4,345	4,307	4,503	4,572	4,575
Cost of goods sold .....	2,188	2,039	2,039	2,054	2,070	2,070	2,070
Grants and subsidies <sup>(b)</sup> .....	25,502	32,954	36,417	26,094	24,121	24,290	25,118
Consultancies expense .....	1,365	1,056	1,056	976	976	976	976
Supplies and services .....	17,075	20,508	21,741	20,831	18,693	19,073	19,595
Accommodation .....	5,303	5,511	5,629	6,533	5,315	5,473	5,509
Finance costs .....	1,224	1,181	1,181	316	-	-	-
Capital user charge <sup>(c)</sup> .....	29,562	32,963	32,963	-	-	-	-
Depreciation and amortisation .....	13,923	14,756	14,756	14,986	14,986	14,986	14,986
State taxes .....	266	206	206	207	211	211	211
Loss on disposal of non-current assets .....	26	-	-	-	-	-	-
Doubtful debts .....	57	-	-	-	-	-	-
Other expenses .....	725	262	262	266	266	266	266
<b>TOTAL COST OF SERVICES</b> .....	<b>142,097</b>	<b>155,778</b>	<b>160,801</b>	<b>117,257</b>	<b>114,615</b>	<b>116,181</b>	<b>118,730</b>
<b>Income</b>							
User charges and fees .....	13,800	11,678	11,678	11,730	11,783	11,783	11,783
Gain on disposal of non-current assets .....	1	3,300	3,300	-	-	-	-
Grants and subsidies .....	7,069	7,677	7,677	6,651	6,187	6,187	6,187
Interest revenue .....	1,221	834	834	834	834	834	834
Donations .....	2,627	400	400	400	400	400	400
Other revenue .....	6,981	5,284	5,284	5,412	6,144	6,144	6,144
<b>Total Income</b> .....	<b>31,699</b>	<b>29,173</b>	<b>29,173</b>	<b>25,027</b>	<b>25,348</b>	<b>25,348</b>	<b>25,348</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>110,398</b>	<b>126,605</b>	<b>131,628</b>	<b>92,230</b>	<b>89,267</b>	<b>90,833</b>	<b>93,382</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	120,560	127,968	131,052	89,611	88,610	90,056	91,533
Resources received free of charge .....	150	-	-	-	-	-	-
Initial recognition of assets not previously recognised .....	650	-	-	-	-	-	-
Liabilities assumed by the Treasurer .....	(1,355)	600	600	600	600	600	600
Change in equity arising from transfer of assets/liabilities .....	418	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>120,423</b>	<b>128,568</b>	<b>131,652</b>	<b>90,211</b>	<b>89,210</b>	<b>90,656</b>	<b>92,133</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>10,025</b>	<b>1,963</b>	<b>24</b>	<b>(2,019)</b>	<b>(57)</b>	<b>(177)</b>	<b>(1,249)</b>
Extraordinary items .....	(2,751)	(500)	(500)	(500)	(500)	(500)	-
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>7,274</b>	<b>1,463</b>	<b>(476)</b>	<b>(2,519)</b>	<b>(557)</b>	<b>(677)</b>	<b>(1,249)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 690, 680 and 670 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 .....	20,867	11,486	14,459	14,089	13,912	13,735	10,538
Restricted cash .....	11,845	11,200	11,965	12,085	12,205	12,325	12,325
Receivables .....	3,523	3,416	3,523	3,523	3,523	3,523	3,523
Inventories .....	1,243	1,121	1,243	1,243	1,243	1,243	1,243
Interest receivable .....	280	47	280	280	280	280	280
Amounts receivable for services .....	10,439	9,946	9,946	10,722	10,953	12,708	10,953
Prepayments .....	956	707	956	956	956	956	956
Other .....	356	1	356	335	335	335	505
<b>Total current assets .....</b>	<b>49,509</b>	<b>37,924</b>	<b>42,728</b>	<b>43,233</b>	<b>43,407</b>	<b>45,105</b>	<b>40,323</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	22,523	27,623	27,623	32,189	36,524	39,104	43,439
Land and buildings .....	221,333	229,111	242,668	302,522	314,814	322,051	323,751
Investments .....	4,471	7	4,471	4,471	4,471	4,471	4,471
Plant and equipment .....	10,388	11,242	9,519	10,526	10,448	9,770	9,770
Intangibles .....	605	786	425	445	565	685	685
Other .....	447,753	232,216	452,171	457,258	459,245	461,463	461,463
<b>Total non-current assets .....</b>	<b>707,073</b>	<b>500,985</b>	<b>736,877</b>	<b>807,411</b>	<b>826,067</b>	<b>837,544</b>	<b>843,579</b>
<b>TOTAL ASSETS .....</b>	<b>756,582</b>	<b>538,909</b>	<b>779,605</b>	<b>850,644</b>	<b>869,474</b>	<b>882,649</b>	<b>883,902</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	3,190	2,963	3,190	3,190	3,190	3,190	3,190
Provision for employee entitlements .....	6,144	4,912	6,312	6,487	6,662	6,837	7,087
Borrowings .....	1,434	1,478	1,478	-	-	-	-
Monies in trust .....	3,893	2,300	3,893	3,893	3,893	3,893	3,893
Interest payable .....	21	299	21	-	-	-	-
Accrued salaries .....	716	301	701	851	1,001	1,121	1,221
Other .....	24,292	24,621	24,303	24,064	23,914	23,914	23,914
<b>Total current liabilities .....</b>	<b>39,690</b>	<b>36,874</b>	<b>39,898</b>	<b>38,485</b>	<b>38,660</b>	<b>38,955</b>	<b>39,305</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	2,846	3,842	2,968	3,095	3,222	3,349	3,571
Borrowings .....	17,210	15,731	15,732	-	-	-	-
Other .....	70	7	70	70	70	70	70
<b>Total non-current liabilities .....</b>	<b>20,126</b>	<b>19,580</b>	<b>18,770</b>	<b>3,165</b>	<b>3,292</b>	<b>3,419</b>	<b>3,641</b>
<b>TOTAL LIABILITIES .....</b>	<b>59,816</b>	<b>56,454</b>	<b>58,668</b>	<b>41,650</b>	<b>41,952</b>	<b>42,374</b>	<b>42,946</b>
<b>EQUITY</b>							
Contributed equity .....	66,561	78,908	79,708	158,784	166,369	168,299	170,229
Accumulated surplus/(deficit) .....	167,914	160,735	167,438	164,919	164,362	163,685	162,436
Reserves .....	462,291	242,812	473,791	485,291	496,791	508,291	508,291
<b>Total equity .....</b>	<b>696,766</b>	<b>482,455</b>	<b>720,937</b>	<b>808,994</b>	<b>827,522</b>	<b>840,275</b>	<b>840,956</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>756,582</b>	<b>538,909</b>	<b>779,605</b>	<b>850,644</b>	<b>869,474</b>	<b>882,649</b>	<b>883,902</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 .....	106,409	112,922	116,006	74,323	73,322	74,768	76,245
Capital contribution .....	7,392	12,347	13,147	79,076	7,585	1,930	1,930
Holding account drawdowns .....	9,341	10,439	10,439	9,946	10,722	10,953	12,708
<b>Net cash provided by State government .....</b>	<b>123,142</b>	<b>135,708</b>	<b>139,592</b>	<b>163,345</b>	<b>91,629</b>	<b>87,651</b>	<b>90,883</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(40,837)	(39,624)	(39,915)	(40,235)	(43,022)	(43,692)	(44,852)
Superannuation .....	(3,710)	(3,678)	(3,761)	(3,707)	(3,903)	(3,972)	(3,975)
Grants and subsidies .....	(25,456)	(32,906)	(36,369)	(26,046)	(24,073)	(24,242)	(25,190)
Consultancies payments.....	(1,721)	(1,056)	(1,056)	(976)	(1,034)	(1,034)	(1,034)
Supplies and services .....	(20,513)	(22,584)	(23,817)	(23,172)	(20,903)	(21,283)	(21,705)
Accommodation .....	(5,253)	(5,511)	(5,629)	(6,533)	(5,315)	(5,473)	(5,509)
Finance costs .....	(1,214)	(1,181)	(1,181)	(316)	-	-	-
Capital user charge <sup>(a)</sup> .....	(29,562)	(32,963)	(32,963)	-	-	-	-
State taxes .....	(266)	(206)	(206)	(207)	(211)	(211)	(211)
Goods and services tax .....	(6,384)	(6,388)	(6,388)	(6,388)	(6,388)	(6,388)	(6,388)
Other.....	76	(262)	(262)	(266)	(266)	(266)	(266)
<b>Receipts</b>							
User charges and fees.....	13,745	11,678	11,678	11,730	11,783	11,783	11,783
Grants and subsidies .....	6,620	7,677	7,677	6,651	6,187	6,187	6,187
Interest received.....	992	834	834	834	834	834	834
Donations receipts.....	2,523	400	400	400	400	400	400
Goods and services tax .....	6,328	6,388	6,388	6,388	6,388	6,388	6,388
Other receipts .....	6,245	5,284	5,284	5,412	6,144	6,144	6,144
<b>Net cash from operating activities.....</b>	<b>(98,387)</b>	<b>(114,098)</b>	<b>(119,286)</b>	<b>(76,431)</b>	<b>(73,379)</b>	<b>(74,825)</b>	<b>(77,394)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(16,583)	(23,529)	(28,460)	(69,954)	(18,307)	(12,883)	(16,686)
Proceeds from sale of non-current assets .....	5	3,300	3,300	-	-	-	-
<b>Net cash from investing activities.....</b>	<b>(16,578)</b>	<b>(20,229)</b>	<b>(25,160)</b>	<b>(69,954)</b>	<b>(18,307)</b>	<b>(12,883)</b>	<b>(16,686)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(1,390)	(1,434)	(1,434)	(17,210)	-	-	-
<b>Net cash from financing activities .....</b>	<b>(1,390)</b>	<b>(1,434)</b>	<b>(1,434)</b>	<b>(17,210)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>6,787</b>	<b>(53)</b>	<b>(6,288)</b>	<b>(250)</b>	<b>(57)</b>	<b>(57)</b>	<b>(3,197)</b>
Cash assets at the beginning of the reporting period .....	30,396	22,746	37,183	30,895	30,645	30,588	30,531
<b>Cash assets at the end of the reporting period.....</b>	<b>37,183</b>	<b>22,693</b>	<b>30,895</b>	<b>30,645</b>	<b>30,588</b>	<b>30,531</b>	<b>27,334</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.....	142,097	155,778	160,801	117,257	114,615	116,181	118,730
Less Capital User Charge.....	29,562	32,963	32,963	-	-	-	-
Adjusted Total Cost of Services .....	112,535	122,815	127,838	117,257	114,615	116,181	118,730
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	120,560	127,968	131,052	89,611	88,610	90,056	91,533
Less Capital User Charge.....	29,562	32,963	32,963	-	-	-	-
Adjusted net amount appropriated to deliver services.....	90,998	95,005	98,089	89,611	88,610	90,056	91,533

## 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
Arts projects and organisations.....	17,641	16,893	19,606	17,813	16,740	16,909	17,737
Film projects and screen organisations.....	7,105	8,781	9,531	7,181	6,681	6,681	6,681
Other.....	756	700	700	700	700	700	700
Public non-financial corporations.....	-	6,580	6,580	400	-	-	-
<b>TOTAL</b>	<b>25,502</b>	<b>32,954</b>	<b>36,417</b>	<b>26,094</b>	<b>24,121</b>	<b>24,290</b>	<b>25,118</b>

## AGENCY SPECIAL PURPOSE ACCOUNT DETAILS

## Arts Lotteries Special Purpose Account

The Consolidated Account Estimates for the Department provide for payments to the Arts Lotteries Special Purpose Account.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	-	-	-	-
Receipts:				
Appropriations .....	10,229	10,252	10,561	11,112
Other.....	-	-	-	-
	10,229	10,252	10,561	11,112
Payments .....	10,229	10,252	10,561	11,112
<b>CLOSING BALANCE .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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
Rental income from the Kings Street Arts Centre.....	54	50	50	50
GST input credits .....	5,982	5,988	5,988	5,988
GST receipts on sales.....	1,605	1,424	1,424	1,424
<b>TOTAL .....</b>	<b>7,641</b>	<b>7,462</b>	<b>7,462</b>	<b>7,462</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 11

### Minister for Education and Training; South West

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
911	Education and Training			
	– Delivery of Services .....	2,509,790	2,549,637	<b>2,767,315</b>
	– Capital Contribution .....	245,210	237,210	<b>226,963</b>
	Total .....	2,755,000	2,786,847	<b>2,994,278</b>
932	Country High School Hostels Authority			
	– Delivery of Services .....	4,820	4,771	<b>5,328</b>
	– Capital Contribution .....	6,695	6,570	<b>3,070</b>
	Total .....	11,515	11,341	<b>8,398</b>
941	Curriculum Council			
	– Delivery of Services .....	19,686	19,913	<b>24,169</b>
	– Capital Contribution .....	1,634	1,634	<b>229</b>
	Total .....	21,320	21,547	<b>24,398</b>
954	Education Services			
	– Delivery of Services .....	16,188	16,278	<b>18,618</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	233,729	234,929	<b>257,721</b>
	Total .....	249,917	251,207	<b>276,339</b>
968	South West Development Commission			
	– Delivery of Services .....	6,177	8,709	<b>8,943</b>
	– Capital Contribution .....	876	876	<b>905</b>
	Total .....	7,053	9,585	<b>9,848</b>
	GRAND TOTAL			
	– Delivery of Services .....	2,556,661	2,599,308	<b>2,824,373</b>
	– Administered Grants, Subsidies and Other Transfer Payments .....	233,729	234,929	<b>257,721</b>
	– Capital Contribution .....	254,415	246,290	<b>231,167</b>
	Total .....	3,044,805	3,080,527	<b>3,313,261</b>

## EDUCATION AND TRAINING

### PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

#### DIVISION 50

#### 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 96 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	2,392,816	2,509,229	2,548,328	<b>2,766,492</b>	2,821,768	2,873,139	2,915,572
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	573	561	1,309	<b>823</b>	848	873	899
Total appropriations provided to deliver services .....	2,393,389	2,509,790	2,549,637	<b>2,767,315</b>	2,822,616	2,874,012	2,916,471
<b>CAPITAL</b>							
<b>Item 173 Capital Contribution .....</b>	163,238	245,210	237,210	<b>226,963</b>	145,479	113,577	99,432
<b>GRAND TOTAL .....</b>	<b>2,556,627</b>	<b>2,755,000</b>	<b>2,786,847</b>	<b>2,994,278</b>	<b>2,968,095</b>	<b>2,987,589</b>	<b>3,015,903</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 provide world-class education and training that meets the needs of individuals, the community and the economy of Western Australia.*

#### SIGNIFICANT ISSUES AND TRENDS

- The community expects high standards of academic excellence and quality teaching in public schools, especially in literacy and numeracy. In particular, the outcomes for Aboriginal learners must be improved.
- Parental involvement in children's education is an important element in preparing young children for learning and maximising the effectiveness of schooling.
- The completion of Year 12 or its equivalent is now regarded by many as the minimum standard for entry to employment, training or further education, and involves the attainment of high levels of literacy and numeracy as well as competencies that are recognised in the workplace.
- Significant changes in demographic and social structures are creating the need for a greater emphasis in public schools on behaviour management, values education, pastoral care and citizenship.
- The development of more flexible and improved pathways between schools, Vocational Education and Training (VET), universities and employment is essential to support the growing demand for more diverse and varied learning opportunities for school leavers.

- Skills shortages are being experienced across a range of industries, occupations and regions due to the State's unprecedented economic boom. These skills shortages are placing significant pressure on the VET sector as the demand for training, particularly apprenticeships and traineeships, increases to meet industry's skills needs.
- The rapid changes in, and widespread use of, information and communication technologies in the workplace require students to be technology-smart and teachers and lecturers to be skilled in the use of technology in teaching.
- Factors driving the construction of new schools and placing significant pressure on the need to upgrade or refurbish existing facilities include major demographic changes, ageing facilities and the reform of teaching approaches, especially the introduction of new technologies.
- The strong labour market, low unemployment rates and the ageing population are having an impact on the staffing of schools and Technical and Further Education (TAFE) colleges with staff shortages emerging. This is increasing the debate around alternative methods of staffing and service delivery.
- Community expectations of standards of staff conduct and probity in public education and training continue to rise, with a demand for high levels of risk management and close monitoring and management of misconduct.
- There is continued pressure on Western Australia and other States and Territories to conform to a national agenda that is driven by current Commonwealth Government policy.

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

- Public schooling was provided to 252,029 students (February 2007 census figures excluding part-time secondary students). Kindergarten education was provided to 17,062 students (excluding students enrolled in kindergarten programs at community kindergartens) and pre-primary education to 19,825 students.
- New senior school engagement programs were developed and staff were assisted in supporting young people in their 16th year to participate in education (school), training or employment in 2006. The Year 11 retention rate in public and private schools increased from 87.6 per cent in 2005 to 91.7 per cent in 2006.
- The median Tertiary Entrance Rank (TER) of the public school student cohort has increased by 2.2 points in 2006 with improved performance at the top end.
- In 2006, 56,457 public school students in Years 3, 5 and 7 were assessed in aspects of literacy and numeracy as part of the Western Australian Literacy and Numeracy Assessment.
- In 2006, 16,490 Year 9 students in public schools were assessed in aspects of English, Mathematics and Science as part of the Monitoring Standards in Education program.
- Working versions of syllabus framework statements were completed in December 2006 and a range of resources were published to support implementation in classrooms.
- State-wide professional learning was provided to teachers to increase consistency in assessment, moderation and reporting.
- A total of 128.5 Literacy and 102.9 Numeracy Getting it Right specialist Full Time Equivalents (FTEs) were allocated to schools to support teachers to improve student achievement.
- The Literacy and Numeracy review was completed and the final report published on the Department's website.
- Teachers delivering the 17 courses of study implemented in 2006-07 (Phase Two) were supported through the provision of mentoring, resources and professional learning by 95 practising teachers.
- The Aboriginal Literacy Strategy provided support to Remote Teaching Service schools to improve the literacy outcomes of Aboriginal students.

- Students in Years 1 to 10 now participate in a minimum of two hours of physical activity each week, during the school day as part of student learning programs.
- In 2007, the first intake of academically talented Year 8, 10 and 11 students from across Western Australia commenced secondary schooling at Perth Modern School as part of the re-establishment of the school as the State's only fully select school.
- The Best and Brightest initiative extended to recognise excellence in Year 12 student achievement in both the Tertiary Entrance Examination and Wholly School Assessed/VET performance with a \$1,000 award for each.
- The Online Teaching and Learning System was piloted and evaluated in 17 schools during 2006. The system has more than 17,000 items of digital content which are currently available to teachers.
- Schools have been provided with funding for a total of 1,632 new workstations. An estimated 17,000 additional student email accounts will be created by the end of 2006-07.
- Two metropolitan and 48 regional schools have had infrastructure and computer resources upgraded in 2006-07 and Curriculum Information and Communications Technology Coordinators have access to a comprehensive professional learning program.
- An Industry Training Brokerage Team has been established and is working with small and medium enterprises in industries critical to the State's economy.
- At December 2006, there were 563 Fast Track apprentices registered in the metals, automotive, building and construction and hospitality industries.
- Contracts have been established with six Registered Training Organisations (RTOs), including TAFE colleges, to provide Trade Skills Recognition services.
- Preliminary data on training delivery for 2006 shows that training places in the traditional trades and in other areas of skills shortage have increased by approximately 1,500 places. Currently in Western Australia, 56 per cent of apprentices in training are in traditional trades compared to 39 per cent nationally.
- Current data on training delivery for 2006 shows an increase in training places for youth, people with a disability, Aboriginal people in regional/remote areas and Aboriginal people in higher level qualifications.
- Football Academies to support Indigenous students to stay on at schools were established in Bunbury and Kununurra.
- Aboriginal students were supported to gain university entry based on their TER through the Follow the Dream program that operates at 25 school sites for students in Years 6 to 12.
- The Building Inclusive Classrooms initiative provided additional professional learning and teacher support to 560 schools for students with disabilities and learning difficulties.
- Additional resources were provided under the Behaviour Management and Discipline Strategy to schools and district education offices to address behaviour management issues.
- The review of school accountability processes, including an independent evaluation, was completed.
- Established the Professional Standards and Conduct division to enhance the misconduct management (child protection, misconduct and complaints) framework.
- Staff from all secondary schools were engaged in Child Protection professional learning.
- The nutritional value of food sold in school canteens has been reviewed and a policy and strategies to improve the standard of the food sold in schools introduced.

- All 10 TAFE colleges integrated their Human Resources functions into Shared Services. Eight of the TAFE colleges' finance functions were also successfully integrated into Shared Services.
- Replacement enterprise agreements were finalised for teachers and school administrators, and education assistants.
- 88 schools were nominated for local selection for teaching vacancies in 2006, taking the total of local selection schools to 430.
- Continued the four year program to build 40 new schools at an estimated cost of \$400 million, improve existing schools at an estimated cost of more than \$300 million and maintain schools at a cost of \$300 million.

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

- Complete the development of Kindergarten to Year 10 syllabus by the end of 2007.
- Provide consistent and clear information on student achievement and progress through improved templates and electronic reporting software used for reporting to parents.
- Develop a plan and progressively implement the findings of the Literacy and Numeracy review. The focus of the review was to develop recommendations for children's literacy and numeracy development in early childhood and primary school in public schools.
- Improve access and participation for kindergarten and pre-primary children to early learning programs in local public schools.
- Provide teachers with additional professional learning opportunities on standards in science, society and environment, Language Other Than English programs and the arts.
- Establish and fund additional school based experts to provide mentoring, resources and professional learning to support teachers to implement the next roll out of Courses of Study (Phase Three).
- The Online Teaching and Learning system for schools will be extended during 2007. Digital content will continue to be procured and developed.
- Implement the Community Service Program, which requires all Year 10 students to complete 20 hours community service by the time they complete Year 12.
- Develop a resources package to support the policy and standards for healthy food and drink sold in school canteens.
- Continue to develop programs to assist staff to support young people in their 17th year to participate in education (school), training or employment in 2008.
- Support teachers to create more culturally inclusive classrooms for Aboriginal students through the development and launch of an 'Aboriginal Perspectives Across the Curriculum' website which contains support materials for teachers.
- Provide for an increase in training places for apprentices and trainees in training to 34,600.
- Introduce school-based and part-time apprenticeship arrangements where there is industry demand.
- Progress implementation of the endorsed recommendations of the Skills Formation Task Force, including the development of strategies to increase the number of Indigenous apprentices and trainees, with the aim to reform the quality, flexibility and responsiveness of apprenticeship and traineeship training delivery in Western Australia.
- Review and amend the *Vocational Education and Training Act 1996* to ensure it addresses current and future requirements for the training sector.
- Upgrade and refresh plant and equipment in TAFE colleges with a particular focus on the traditional trade delivery areas.

- Implement the Graduate Teacher Professional Learning and Collegial Support Programs for new teacher recruits to enhance their skills and confidence to become effective classroom practitioners.
- Finalise and implement the misconduct management (child protection, misconduct and complaints) framework.
- Complete the roll-in to Shared Services of all Education and Training cluster agencies during 2007.

## 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
Additional apprentices and trainees.....	10,045	5,776	6,008	6,008
Travel and training costs for apprentices.....	536	536	536	536
Skills Formation Taskforce - Indigenous apprentices and trainees .....	3,868	4,472	-	-
Skills Formation Taskforce - streamlining processes .....	300	150	-	-
Skills Formation Taskforce - additional field officers to support apprentices and trainees .....	486	740	770	800
Skills Formation Taskforce - attracting people into trades .....	826	564	587	610
Skills Formation Taskforce - skills recognition .....	500	500	500	500
Skills Formation Taskforce - quality and consistency of assessment .....	1,000	1,000	-	-
Skills Formation Taskforce - skills reform leaders .....	309	318	328	337
Halls Creek Response .....	181	189	197	204

## 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>							
Primary Education .....	1,462,060	1,524,278	1,582,735	1,673,337			
<i>Service 2:</i>							
Secondary Education .....	999,252	1,045,235	1,055,980	1,124,790			
<i>Service 3:</i>							
Vocational Education and Training Services ...	479,062	475,955	479,949	497,513			
<b>Total Cost of Services <sup>(a)</sup></b> .....	2,940,374	3,045,468	3,118,664	3,295,640	3,361,050	3,439,071	3,470,454
<i>Less Income</i> .....	595,082	557,415	581,258	578,384	587,911	600,872	616,966
<b>Net Cost of Services <sup>(a)</sup></b> .....	2,345,292	2,488,053	2,537,406	2,717,256	2,773,139	2,838,199	2,853,488
Adjustments <sup>(b)</sup> .....	48,097	21,737	12,231	50,059	49,477	35,813	62,983
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	2,393,389	2,509,790	2,549,637	2,767,315	2,822,616	2,874,012	2,916,471
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	163,238	245,210	237,210	226,963	145,479	113,577	99,432
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	2,556,627	2,755,000	2,786,847	2,994,278	2,968,095	2,987,589	3,015,903

- (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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Quality education for all Western Australians who choose public schooling.	1. Primary Education 2. Secondary Education
	A responsive vocational education and training sector which meets the needs of Western Australian students and employers.	3. Vocational Education and Training Services

### Outcomes and Key Effectiveness Indicators <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: Quality education for all Western Australians who choose public schooling.</b>					
Participation rate (proportion of persons aged 15 to 17 years in some form of education).....	87.6%	88%	88%	88%	
Secondary graduation rate (proportion of Year 8 cohort achieving secondary graduation in Year 12) .....	55.0%	55%	54.3%	55%	
Apparent retention rate (proportion of Year 8 cohort studying in Year 12) .....	63.4%	63%	63.1%	63%	
Benchmark performance in literacy and numeracy:					
Year 3 students achieving national benchmarks:					
- reading .....	92.7%	94%	92.8%	93%	
- writing .....	84.0%	84%	87.5%	87%	
- numeracy .....	87.7%	88%	87.3%	88%	
Year 5 students achieving national benchmarks:					
- reading .....	89.3%	91%	90.5%	90%	
- writing .....	84.4%	84%	82.1%	84%	
- numeracy .....	85.1%	85%	83.7%	85%	
Year 7 students achieving national benchmarks:					
- reading .....	84.6%	86%	81.0%	85%	
- writing .....	85.1%	85%	82.8%	85%	
- numeracy .....	80.7%	81%	81.4%	81%	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Year 9 students achieving the State benchmarks:					
- reading .....	88.7%	89%	87.0%	89%	
- writing .....	85.0%	85%	89.0%	89%	
- mathematics .....	89.4%	89%	86.1%	89%	
<b>Outcome: A responsive vocational education and training sector which meets the needs of Western Australian students and employers.</b>					
Proportion of the Western Australian population aged 15 to 64 years enrolled in publicly-funded vocational education and training through the Department.....	7.9%	8%	8%	8%	
Successful training completions - Module Load Completion Rate (proportion of Student Curriculum Hours) successfully completed)....	74.7%	74%	75%	75%	
Employer satisfaction .....	83.8%	- (b)	- (c)	- (b)	
Student satisfaction .....	85.4%	85%	86%	86%	
Graduate achieved or partly achieved main reason for undertaking the course.....	84.5%	84%	84%	84%	

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

(b) Measurement of employer satisfaction enables comparison of trends over time but does not provide for the construction of targets because it is not measured every year.

(c) Data are not available because employer satisfaction is not measured every year.

### Service 1: Primary Education

This service provides access to education in public schools for eligible persons aged generally from four years and six months to 12 years.

Primary education includes pre-compulsory and is structured in terms of primary, district high and remote community schools, as well as the Schools of Isolated and Distance Education, and education support centres and schools.

The intellectual, moral, social and physical development of students is encouraged in inclusive, safe and stimulating environments. Activities in the primary years are integrated across eight learning areas and schools have the capacity to offer specialist programs to cater for the needs of a diverse range of students including students with disabilities, students from language backgrounds other than English and gifted and talented students.

	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> .....	1,462,060	1,524,278	1,582,735	1,673,337	
Less Income .....	277,526	228,692	240,387	239,938	
Net Cost of Service <sup>(a)</sup> .....	1,184,534	1,295,586	1,342,348	1,433,399	
Adjustments <sup>(b)</sup> .....	5,210	(40,799)	(48,396)	(28,316)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,189,744</b>	<b>1,254,787</b>	<b>1,293,952</b>	<b>1,405,083</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 student FTE <sup>(a)</sup> .....	\$9,315	\$9,673	\$10,044	\$10,716	Increased employee expenses.
<b>Full Time Equivalents (FTEs)</b>	17,833	18,226	18,434	18,773	

- (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.

**Service 2: Secondary Education**

This service provides access to education in public schools for eligible persons aged generally 12 years and over.

Historically, government secondary education was provided by senior high schools (Years 8 to 12), high schools (Years 8 to 10), district high schools (Kindergarten to Year 10), a small number of primary schools and the Schools of Isolated and Distance Education. Since the 1980s, different forms of secondary education have been developed providing more flexibility to better cater for the diverse needs of students.

In the middle years, within the context of the eight learning areas, the educational focus is on the development of learning process skills such as investigating, planning, producing, evaluating and communicating.

In the senior years, the aim is to provide students with a wide range of programs to continue their schooling to the end of Year 12 and to gain TAFE or university entry, traineeships, apprenticeships or full-time employment.

	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> .....	999,252	1,045,235	1,055,980	1,124,790	
Less Income .....	186,810	188,481	197,553	197,350	
Net Cost of Service <sup>(a)</sup> .....	812,442	856,754	858,427	927,440	
Adjustments <sup>(b)</sup> .....	11,427	968	4,880	17,035	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>823,869</b>	<b>857,722</b>	<b>863,307</b>	<b>944,475</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 student FTE <sup>(a)</sup> .....	\$12,234	\$12,672	\$12,803	\$13,408	Increased employee expenses.
<b>Full Time Equivalents (FTEs)</b>	11,128	11,165	11,037	11,240	

- (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.

### Service 3: Vocational Education and Training Services

This service provides the strategic management of the investment of government resources in the State's VET system, including the planning, purchasing and monitoring of VET services.

The objective of the Department is to identify and meet industry, regional and community training needs and priorities.

In line with the strategic directions and policies of the State and Commonwealth Governments, and through extensive consultative processes and targeted research studies, an Annual State Training Profile is developed to ensure that the needs of Western Australian clients, employers and students are met.

The Department funds training delivered by RTOs, which are monitored for quality, compliance and agreed outcomes. The quality of training services and outcomes is monitored through client surveys and other means to identify strategic areas for improvement and trends over time.

The role of the Department is to ensure that training services are efficiently and effectively deployed to provide appropriate training and skills for all clients within the State.

	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> .....	479,062	475,955	479,949	497,513	
Less Income.....	130,746	140,242	143,318	141,096	
Net Cost of Service <sup>(a)</sup> .....	348,316	335,713	336,631	356,417	
Adjustments <sup>(b)</sup> .....	31,460	61,568	55,747	61,340	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>379,776</b>	<b>397,281</b>	<b>392,378</b>	<b>417,757</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 Student Curriculum Hour (SCH) <sup>(a)</sup> .....	\$15.57	\$15.85	\$15.57	\$15.57	
<b>Full Time Equivalents (FTEs)</b>	<b>633</b>	<b>597</b>	<b>643</b>	<b>655</b>	

(a) The average cost per SCH is calculated by dividing the total expenditure for VET delivered through the Department under the terms of the Skilling Australia's Workplace Agreement (SAW Scope), by the total SAW Scope SCH.

## **CAPITAL WORKS PROGRAM**

The Department's planned capital works expenditure in 2007-08 is \$295 million and relates primarily to the provision of adequate infrastructure for public schools and training throughout the State. The program includes:

### ***New Primary Schools***

Construction will continue on five new primary schools at Ellenbrook (Coolamon), Hocking, Southern River, South Halls Head and Waikiki and a replacement school will be constructed at Wiluna. The schools are scheduled to open in 2008 and will be constructed at a total cost of \$47.9 million.

In addition, stage one of the phased replacement of Mount Barker Primary School on the secondary site will be completed at a cost of \$7.8 million.

The 2007-08 Budget also provides funding to commence construction of four new primary schools at Kingston, Madeley, Somerly and Success at a total cost of \$52.7 million. These schools are scheduled for completion for the 2009 school year. In addition, work on the completion of Bertram, Caladenia and Tapping Primary Schools will be undertaken during 2007.

### ***New Secondary Schools***

Construction will continue at Cape Naturaliste College (Vasse) and Atwell High School (to open in 2008), and Dalyellup Secondary College and the new Manea College on the Edith Cowan University site in Bunbury (to open in 2009). The four secondary schools will be completed at a total cost of \$98.5 million. Funding of \$34 million is also provided to commence construction of the replacement Fitzroy Crossing District High School and the new Landsdale High School which are scheduled to open in 2009.

The 2007-08 Budget also provides funding to continue the construction of the \$35 million replacement of Kwinana Senior High School. Completion is expected in early 2008.

In addition, work at Ellenbrook Secondary College and Comet Bay College will be completed during 2007.

### ***Additional Stages to High Schools***

Funding of \$7 million has been provided to continue the \$27 million redevelopment of Karratha Senior High School to provide a senior campus on the Pilbara College of TAFE site.

Major work at a cost of \$9.5 million will also continue at Geraldton Secondary College and John Willcock College together with the final stages at Canning Vale College and Mindarie Senior College.

### ***Major Additions and Improvements***

Work at Perth Modern School, which will be transformed into a School for Academic Excellence at a cost of \$16.9 million, will continue.

An allocation of \$10.8 million will fund the completion of major additions and improvements at Bunbury, Carnarvon and Newton Moore Senior High Schools, at Kalbarri and Bullsbrook District High Schools, and enable an upgrade of facilities at Belridge, Padbury, Safety Bay, Rockingham and Wanneroo Senior High Schools to be commenced.

### ***Other School Facilities***

The 2007-08 Budget provides \$6.8 million for administration upgrades, covered assembly areas, library/resource centres and toilet upgrades at various schools.

\$0.5 million will be allocated to improve traffic management and parking around schools.

\$2 million will be allocated to provide early childhood education facilities and improvements for rural integration classes in schools.

\$2.9 million will be allocated to upgrade the power supply, communications, fire compliance, security and sewer connections in schools.

A \$5.6 million commitment to purchase additional transportable classrooms will support the Government's plan to increase the school leaving age and cater for increasing enrolments at schools.

An allocation of \$20.7 million will be made to purchase and develop land for the construction of new schools.

The \$22 million seatbelts in school buses program will commence.

### ***New Buildings and Additions at TAFE Colleges***

The Department's planned capital works expenditure for TAFE colleges in 2007-08 is \$44.5 million and relates primarily to the provision of improved infrastructure for training throughout the State.

\$13.1 million will be allocated to continue the redevelopment of Central Metropolitan College of TAFE in Northbridge. An allocation of \$2.8 million will be provided to continue the construction of the Challenger TAFE Automotive Centre at Kwinana.

New work will commence at Curtin University's Vocational Training and Education Centre in Kalgoorlie with an allocation of \$1.1 million for a new metal fabrication, electrical and automotive trades workshop. Pilbara College of TAFE will receive \$2.4 million to commence the metals and automotive workshop extension and South West Regional College of TAFE will be allocated \$1.3 million to commence the extension of the building and construction workshop.

Swan TAFE will receive an allocation of \$8.9 million for trade realignment at Thornlie, Midland and Balga campuses (\$5.5 million) and construction of a metals and advanced trade workshop at Midland (\$3.5 million).

Construction will commence on the West Coast College of TAFE building and construction, metals and electrical trades facilities at Clarkson with an initial allocation of \$1.1 million. These facilities will be located on the high school site.

An allocation of \$10 million will commence a two year upgrade of trade equipment across the training sector with a total cost of \$13.4 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 <sup>(a)</sup></b>				
Additional Stages at High Schools -				
Canning Vale College - Stage 2.....	17,957	15,957	10,758	2,000
Geraldton Secondary College (Redevelopment) and John Willcock College .....	15,000	9,000	8,380	6,000
Karratha SHS - Redevelopment.....	27,000	8,500	7,443	7,000
Mindarie SC - Stage 2.....	5,700	4,200	3,486	1,500
Additions and Improvements to District High Schools -				
Bullsbrook DHS.....	7,000	6,386	5,859	614
Fitzroy Crossing DHS - Replacement .....	32,500	9,000	9,000	23,000
Kalbarri DHS .....	8,000	7,400	6,541	600
Additions and Improvements to High Schools -				
Bunbury SHS .....	1,500	500	496	1,000
Carnarvon SHS .....	1,500	1,000	851	500
Carnarvon SHS - Science Upgrade.....	1,000	500	500	500
Newton Moore SHS.....	9,500	8,100	7,961	1,400
Perth Modern School .....	16,900	9,000	8,827	7,900
Miscellaneous -				
Transportable Classrooms -				
2005-06 Program - Election Commitment.....	3,200	1,600	1,600	1,600
New High Schools -				
Atwell HS.....	35,970	12,900	11,564	21,070
Cape Naturaliste College .....	20,541	13,001	11,900	6,500
Comet Bay College .....	25,031	24,031	15,154	1,000
Dalyellup SC .....	25,000	11,000	10,689	12,626
Ellenbrook Secondary College .....	26,000	23,000	12,394	3,000
Kwinana Senior High School Replacement .....	35,010	18,954	16,930	14,556
Landsdale HS .....	30,000	2,000	2,000	11,000
Manea College .....	17,000	6,600	6,500	10,400

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>New Primary Schools -</b>				
Bertram PS .....	8,100	7,100	6,419	1,000
Caladenia .....	9,000	8,000	6,463	1,000
Coolamon PS .....	8,800	750	646	7,300
Hocking PS .....	8,800	750	632	7,300
Mt Barker PS (Stage 1 Replacement) .....	7,800	4,700	4,556	3,100
South Halls Head PS .....	8,800	750	633	7,300
Southern River PS .....	7,720	750	635	6,220
Success PS .....	20,262	2,162	2,162	9,250
Tapping PS .....	8,200	7,200	5,828	1,000
Waikiki PS .....	8,800	500	395	7,300
Wiluna RCS - Replacement .....	5,000	1,420	1,420	3,580
<b>Other School Facilities -</b>				
Administration Upgrade -				
2006-07 Program .....	2,000	100	100	1,500
Covered Assembly Areas -				
2006-07 Program .....	2,000	500	500	1,000
Library Resource Centres -				
2006-07 Program .....	2,000	500	500	1,000
Student Services - Improvements				
2006-07 Program .....	1,500	600	600	900
Toilet Replacement Program -				
2006-07 Program .....	1,500	100	100	1,400
<b>Training</b>				
<b>New Buildings and Additions at TAFE Colleges and Centres -</b>				
Central TAFE - Perth Campus - Redevelopment Stage 2 .....	6,100	3,600	3,600	2,500
Central TAFE - Perth Campus - Redevelopment Stage 3 .....	31,942	5,722	5,722	10,575
<b>COMPLETED WORKS <sup>(a)</sup></b>				
<b>Additional Stages at High Schools -</b>				
Kinross College - Stage 2 .....	4,000	4,000	3,575	-
<b>Additions and Improvements to District High Schools -</b>				
Exmouth DHS .....	3,000	3,000	2,240	-
Ravensthorpe .....	500	500	481	-
<b>Additions and Improvements to High Schools -</b>				
Cecil Andrews .....	3,000	3,000	94	-
Collie SHS .....	1,000	1,000	745	-
Collie SHS - Science Upgrade .....	1,000	1,000	1,000	-
Eastern Hills SHS .....	2,000	2,000	390	-
Esperance .....	7,200	7,200	1,732	-
Hedland SHS .....	6,500	6,500	5,556	-
Kelmscott SHS .....	1,000	1,000	572	-
Kelmscott SHS - Science Upgrade .....	1,000	1,000	1,000	-
Lynwood SHS - Science Upgrade .....	1,000	1,000	903	-
Mount Lawley - Sports Hall and Performing Arts Facilities .....	9,327	9,327	148	-
Narrogin SHS .....	2,000	2,000	1,703	-
Pinjarra SHS .....	5,000	5,000	4,443	-
Rossmoyne SHS .....	5,200	5,200	4,799	-
Willetton SHS .....	4,700	4,700	4,394	-
<b>Additions and Improvements to Primary Schools -</b>				
Bicton PS .....	2,400	2,400	1,541	-
College Row Bunbury - Hydrotherapy Pool .....	1,500	1,500	977	-
Darlington PS .....	2,000	2,000	1,776	-
Mt Helena PS .....	250	250	190	-
Pinjarra PS .....	2,500	2,500	2,279	-
South Kalgoorlie .....	2,000	2,000	150	-
Upgrade Program .....	12,689	12,689	405	-
<b>Miscellaneous -</b>				
City Beach High School Site - Boarding Facilities .....	5,350	5,350	5,350	-
Consultants Fees -				
2006-07 Program .....	500	500	500	-
Contaminated Sites Investigation -				
2005-06 Program .....	115	115	115	-
2006-07 Program .....	250	250	250	-
Contingencies -				
2006-07 Program .....	550	550	550	-
Fire Compliance Upgrade -				
2006-07 Program .....	500	500	500	-
Joondalup Campus .....	25,000	25,000	25,000	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
Land Acquisition -				
2006-07 Program.....	6,529	6,529	6,529	-
Motor Vehicles -				
2004-05 Program.....	250	250	149	-
2005-06 Program.....	250	250	250	-
2006-07 Program.....	250	250	250	-
Office Refurbishment -				
2004-05 Program.....	500	500	10	-
2005-06 Program.....	500	500	88	-
2006-07 Program.....	500	500	500	-
Physical Activity - Playground Equipment				
2005-06 Election Commitment.....	2,213	2,213	636	-
Girrawheen PS.....	10	10	10	-
Waroon PS.....	15	15	15	-
Planning Fees - New High Schools -				
2006-07 Program.....	500	500	500	-
Point Peron Camp School.....	325	325	325	-
Power Supply Upgrade -				
2005-06 Program.....	3,004	3,004	696	-
2006-07 Program.....	500	500	500	-
Security Alarm Systems -				
2006-07 Program.....	432	432	432	-
Sewer Connections -				
2004-05 Program.....	313	313	39	-
2006-07 Program.....	248	248	248	-
Traffic Management -				
2004-05 Program.....	427	427	10	-
2006-07 Program.....	450	450	450	-
East Victoria Park PS.....	50	50	50	-
Transportable Classrooms -				
2006-07 Program.....	1,795	1,795	1,749	-
Transportable Relocation -				
2006-07 Program.....	4,653	4,653	4,653	-
New Primary Schools -				
Comet Bay (Secret Harbour South).....	7,400	7,400	560	-
East Butler.....	9,000	9,000	7,613	-
Hopetoun.....	5,000	5,000	3,317	-
Koorilla Replacement.....	7,238	7,238	412	-
Manjimup Replacement.....	9,300	9,300	94	-
Neerabup.....	6,200	6,200	5,120	-
Remote Community Schools				
2004-05 Program.....	1,400	1,400	14	-
2005-06 Program.....	200	200	200	-
Settlers Hill (Baldivis) - Stage 2.....	5,752	5,752	5,482	-
Shark Bay Replacement.....	9,300	9,300	8,080	-
Two Rocks.....	8,000	8,000	6,614	-
Other School Facilities -				
Administration Upgrade -				
2005-06 Program.....	1,615	1,615	1,450	-
Central Reserve Schools -				
2006-07 Program.....	400	400	400	-
Communication Upgrades -				
2004-05 Program.....	700	700	175	-
2006-07 Program.....	800	800	800	-
Covered Assembly Areas -				
2005-06 Program.....	838	838	815	-
Early Childhood Program -				
2006-07 Program.....	1,500	1,500	1,500	-
Ground Developments -				
2006-07 Program.....	200	200	200	-
Library Resource Centres -				
2003-04 Program.....	2,178	2,178	52	-
2005-06 Program.....	996	996	664	-
Rural Integration Program -				
2004-05 Program.....	3	3	3	-
2005-06 Program.....	141	141	141	-
2006-07 Program.....	500	500	500	-
Toilet Replacement Program -				
2005-06 Program.....	1,589	1,589	1,445	-
Secondary School Refurbishment Program				

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
Esperance SHS .....	1,500	1,500	223	-
Hedland SHS .....	500	500	85	-
Safety Bay SHS .....	1,000	1,000	67	-
Training				
New Buildings and Additions at TAFE Colleges and Centres -				
Central TAFE - Music Refurbishment .....	250	250	250	-
Central TAFE - Perth Campus - Redevelopment Stage 1 .....	8,400	8,400	6,607	-
Central West TAFE - Geraldton - Batavia Coast Marine Centre .....	11,976	11,976	919	-
Challenger TAFE - Australian Centre for Energy and Process Training (Henderson Oil and Gas) .....	19,046	19,046	14,171	-
Challenger TAFE - Fremantle Stage 1 - Maritime .....	8,756	8,756	126	-
Challenger TAFE - Peel - Wet Trades .....	100	100	100	-
Kimberley College - Broome Stage 2B .....	6,000	6,000	2,723	-
Kimberley TAFE - Kununurra Workshop .....	450	450	450	-
Swan College - Bentley - Air Conditioning Upgrade .....	1,100	1,100	37	-
West Coast College Hospitality Centre .....	8,543	8,543	34	-
West Coast TAFE - Joondalup - Environmental Shed .....	100	100	100	-
Other Projects -				
Great Southern Regional College - Landcare Project .....	750	750	736	-
Minor Works - 2004-05 to 2006-07 Program .....	459	459	246	-
Plant and Equipment - 2005-06 to 2006-07 .....	3,733	3,733	1,866	-
Project Initiation Planning - 2004-05 to 2006-07 Program .....	870	870	296	-
Skills Centres - 2004-05 to 2006-07 Program .....	2,437	2,437	500	-
Swan TAFE - Balga Realignment .....	1,200	1,200	1,107	-
Systemwide Upgrades of Roofing and Plant - 2004-05 to 2006-07 Program .....	2,200	2,200	789	-
Universal Access Program - 2004-05 Program .....	836	836	565	-
Universal Access Program - 2005-06 - 2006-07 Program .....	130	130	130	-
<b>NEW WORKS <sup>(a)</sup></b>				
Additions and Improvements to High Schools -				
Belridge SHS improvements .....	1,100	-	-	1,100
Padbury SHS improvements .....	1,100	-	-	1,100
Rockingham SHS .....	1,500	-	-	1,000
Safety Bay SHS .....	1,500	-	-	1,000
Wanneroo SHS .....	6,000	-	-	2,000
Miscellaneous -				
Automatic Reticulation -				
2007-08 Program .....	150	-	-	150
Consultants Fees -				
2007-08 Program .....	800	-	-	800
Contaminated Sites Investigation -				
2007-08 Program .....	500	-	-	500
Contingencies -				
2007-08 Program .....	750	-	-	750
Fire Compliance Upgrade -				
2007-08 Program .....	500	-	-	500
Land Acquisition -				
2007-08 Program .....	25,004	-	-	20,704
Motor Vehicles -				
2007-08 Program .....	250	-	-	250
Office Refurbishment -				
2007-08 Program .....	500	-	-	500
Planning Fees - New High Schools -				
2007-08 Program .....	1,300	-	-	1,300
Power Supply Upgrade -				
2007-08 Program .....	500	-	-	500
Seatbelts in School Buses				
2007-08 - 2010-11 Program .....	22,053	-	-	494
Security Alarm Systems -				
2007-08 Program .....	600	-	-	600
Sewer Connections -				
2007-08 Program .....	500	-	-	500
Traffic Management -				
2007-08 Program .....	1,550	-	-	500
Transportable Classrooms -				
2007-08 Program .....	4,000	-	-	4,000
Transportable Relocation -				
2007-08 Program .....	6,000	-	-	6,000
New Primary Schools -				
Interim schools				

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
2007-08 Program.....	250	-	-	250
Kingston PS.....	10,800	-	-	1,950
Madeley PS.....	10,800	-	-	1,950
Remote Community Schools				
2007-08 Program.....	700	-	-	700
Somerly PS.....	10,800	-	-	1,950
Other School Facilities -				
Administration Upgrade -				
2007-08 Program.....	2,000	-	-	500
Canteens -				
2007-08 Program.....	100	-	-	100
Central Reserve Schools -				
2007-08 Program.....	400	-	-	400
Communication Upgrades -				
2007-08 Program.....	800	-	-	800
Covered Assembly Areas -				
2007-08 Program.....	2,044	-	-	144
Early Childhood Program -				
2007-08 Program.....	1,500	-	-	1,500
Ground Developments -				
2007-08 Program.....	200	-	-	200
Library Resource Centres -				
2007-08 Program.....	2,000	-	-	500
Rural Integration Program -				
2007-08 Program.....	500	-	-	500
Student Services - Improvements				
2007-08 Program.....	1,000	-	-	100
Toilet Replacement Program -				
2007-08 Program.....	3,000	-	-	800
Training				
New Buildings and Additions at TAFE Colleges and Centres -				
Challenger TAFE - Kwinana - Automotive Centre.....	10,000	-	-	2,800
Curtin V-Tech - Kalgoorlie - Metal, Electrical and Automotive.....	3,670	-	-	1,120
Pilbara TAFE - Karratha - Metals and Automotive Workshop Extension.....	2,400	-	-	2,400
South West Regional TAFE - Bunbury - Building and Construction				
Workshop Extension.....	2,288	-	-	1,296
Swan TAFE - Midland - Metals and Advanced Trade CNC Workshop				
Extension.....	3,450	-	-	3,450
Swan TAFE - Thornlie, Midland and Balga - Trades Realignment.....	5,450	-	-	5,450
Trade Equipment Industry Upgrade (Refresh).....	13,350	-	-	10,013
West Coast TAFE - Clarkson - Wet Trades North Corridor.....	12,435	-	-	1,120
Other Projects -				
Minor Works - 2007-08 Program.....	200	-	-	200
Plant and Equipment - 2007-08 Program.....	1,775	-	-	1,775
Project Initiation Planning - 2007-08 Program.....	210	-	-	210
Skills Centres - 2007-08 Program.....	1,000	-	-	1,000
Systemwide Upgrades of Roofing and Plant - 2007-08 Program.....	600	-	-	600
	986,843	535,164	368,969	295,017

(a) Some of these projects may be partly funded by the Commonwealth Government.



**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>	188,967	312,681	368,969	295,017	215,228	180,992	165,402
	188,967	312,681	368,969	295,017	215,228	180,992	165,402
<b>LESS</b>							
Commonwealth Grants .....	45,426	46,471	45,371	48,054	51,749	49,415	47,970
Drawdowns from the Holding Account .....	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Internal Funds and Balances .....	(37,697)	-	65,388	2,000	-	-	-
Other.....	-	3,000	3,000	-	-	-	-
<b>Capital Contribution .....</b>	163,238	245,210	237,210	226,963	145,479	113,577	99,432

**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> .....	1,691,832	1,699,794	1,777,238	1,927,727	1,985,072	2,024,237	2,050,678
Superannuation .....	161,278	179,749	179,286	189,421	192,844	194,682	199,370
Grants and subsidies <sup>(b)</sup> .....	381,835	428,329	373,931	337,096	335,297	337,437	317,146
Finance lease charges .....	1,490	2,310	2,342	2,487	2,504	2,494	2,442
Capital user charge <sup>(c)</sup> .....	322,345	465,172	465,172	-	-	-	-
Depreciation and amortisation .....	131,504	136,843	135,930	147,089	154,656	163,801	170,267
Direct schools expenses .....	235,291	231,701	239,368	224,444	235,242	244,685	246,960
Schools support services .....	110,802	127,552	111,411	121,837	115,440	114,605	116,273
Loss on disposal of non-current assets .....	9,282	1,564	163	1,924	2,530	2,495	1,000
Other supplies and services .....	259,378	280,630	342,517	343,615	337,465	354,635	366,318
<b>TOTAL COST OF SERVICES <sup>(d)</sup> .....</b>	<b>3,305,037</b>	<b>3,553,644</b>	<b>3,627,358</b>	<b>3,295,640</b>	<b>3,361,050</b>	<b>3,439,071</b>	<b>3,470,454</b>
<b>Income</b>							
User charges and fees .....	31,812	27,150	30,974	31,819	32,563	32,922	33,131
Grants and subsidies .....	423,471	412,112	419,948	418,923	427,909	439,153	453,420
Interest revenue .....	7,211	5,292	7,413	7,475	7,238	7,149	7,278
School contributions, charges and recoveries ..	96,449	91,981	94,972	96,319	97,764	99,230	100,719
Other revenue .....	36,139	20,880	27,951	23,848	22,437	22,418	22,418
<b>Total Income .....</b>	<b>595,082</b>	<b>557,415</b>	<b>581,258</b>	<b>578,384</b>	<b>587,911</b>	<b>600,872</b>	<b>616,966</b>
<b>NET COST OF SERVICES <sup>(c)</sup> .....</b>	<b>2,709,955</b>	<b>2,996,229</b>	<b>3,046,100</b>	<b>2,717,256</b>	<b>2,773,139</b>	<b>2,838,199</b>	<b>2,853,488</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	2,758,052	3,017,966	3,058,331	2,767,315	2,822,616	2,874,012	2,916,471
Resources received free of charge .....	2,652	633	633	633	633	633	633
Liabilities assumed by the Treasurer .....	10,124	16,764	16,764	17,774	18,846	19,983	21,188
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	<b>2,770,828</b>	<b>3,035,363</b>	<b>3,075,728</b>	<b>2,785,722</b>	<b>2,842,095</b>	<b>2,894,628</b>	<b>2,938,292</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b>	<b>60,873</b>	<b>39,134</b>	<b>29,628</b>	<b>68,466</b>	<b>68,956</b>	<b>56,429</b>	<b>84,804</b>

- (a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 29,594, 30,114 and 30,668 respectively.
- (b) Refer Details of Controlled Grants and Subsidies table for more information. The appropriation of funds for the delivery of vocation and education training services by TAFE Colleges, Curtin University Kalgoorlie Vocational Training and Education Centre and the Western Australian Academy of Performing Arts is provided in this table.
- (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.
- (d) Includes the following amounts to be appropriated to public schools in 2007-08 as School Grants (\$88 million), School Utilities Grant (\$42 million), Foundation Grants (\$7 million) and various other program grants (\$42.5 million).

**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.....	300,593	253,132	242,655	276,069	323,194	318,072	309,612
Receivables .....	21,853	23,741	22,061	22,130	22,201	22,272	22,343
Inventories.....	3,031	2,889	3,031	3,031	3,031	3,031	3,031
Prepayments.....	6,072	5,290	5,542	5,542	5,542	5,542	5,542
Amounts receivable for services.....	19,144	19,144	19,144	19,144	19,144	19,144	19,144
IFRS Non-current assets held for sale .....	5,705	-	5,705	5,705	5,705	5,705	5,705
<b>Total current assets .....</b>	<b>356,398</b>	<b>304,196</b>	<b>298,138</b>	<b>331,621</b>	<b>378,817</b>	<b>373,766</b>	<b>365,377</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	438,641	565,935	561,650	713,489	870,118	1,036,937	1,197,655
Property, plant and equipment .....	5,782,916	5,737,582	5,991,610	6,120,568	6,149,855	6,130,697	6,135,187
Intangibles.....	2,142	406	2,118	2,094	2,070	2,046	2,022
Restricted cash .....	6,500	11,300	13,753	21,660	30,324	39,771	50,146
<b>Total non-current assets .....</b>	<b>6,230,199</b>	<b>6,315,223</b>	<b>6,569,131</b>	<b>6,857,811</b>	<b>7,052,367</b>	<b>7,209,451</b>	<b>7,385,010</b>
<b>TOTAL ASSETS.....</b>	<b>6,586,597</b>	<b>6,619,419</b>	<b>6,867,269</b>	<b>7,189,432</b>	<b>7,431,184</b>	<b>7,583,217</b>	<b>7,750,387</b>
<b>CURRENT LIABILITIES</b>							
Accounts payable .....	23,163	49,355	39,025	39,481	39,905	39,905	39,905
Finance leases .....	11,802	15,326	14,341	14,574	15,773	14,739	14,739
Provisions.....	342,490	327,061	353,901	375,046	384,889	392,286	400,936
Accrued salaries.....	9,447	6,320	6,700	14,069	22,159	31,022	-
Other Liabilities .....	3,544	3,637	3,544	3,544	3,544	3,544	3,544
<b>Total current liabilities.....</b>	<b>390,446</b>	<b>401,699</b>	<b>417,511</b>	<b>446,714</b>	<b>466,270</b>	<b>481,496</b>	<b>459,124</b>
<b>NON-CURRENT LIABILITIES</b>							
Provisions.....	150,395	158,126	140,097	143,746	152,824	163,563	171,182
Finance leases .....	16,971	17,132	17,325	17,207	15,890	15,607	15,324
<b>Total non-current liabilities .....</b>	<b>167,366</b>	<b>175,258</b>	<b>157,422</b>	<b>160,953</b>	<b>168,714</b>	<b>179,170</b>	<b>186,506</b>
<b>TOTAL LIABILITIES.....</b>	<b>557,812</b>	<b>576,957</b>	<b>574,933</b>	<b>607,667</b>	<b>634,984</b>	<b>660,666</b>	<b>645,630</b>
<b>EQUITY</b>							
Contributed equity .....	480,957	702,196	714,880	935,843	1,081,322	1,151,244	1,248,646
Accumulated surplus/(deficit) .....	407,449	448,340	437,077	505,543	574,499	630,928	715,732
IFRS Non-current assets held for sale .....	1,605	0	1,605	1,605	1,605	1,605	1,605
Reserves .....	5,138,774	4,891,926	5,138,774	5,138,774	5,138,774	5,138,774	5,138,774
<b>Total equity.....</b>	<b>6,028,785</b>	<b>6,042,462</b>	<b>6,292,336</b>	<b>6,581,765</b>	<b>6,796,200</b>	<b>6,922,551</b>	<b>7,104,757</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>6,586,597</b>	<b>6,619,419</b>	<b>6,867,269</b>	<b>7,189,432</b>	<b>7,431,184</b>	<b>7,583,217</b>	<b>7,750,387</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 .....	2,624,871	2,871,528	2,912,806	2,596,332	2,646,843	2,688,049	2,736,609
Capital contribution .....	163,238	245,210	237,210	226,963	145,479	113,577	99,432
Holding account drawdowns .....	19,144	19,144	22,516	19,144	19,144	19,144	19,144
<b>Net cash provided by State government .....</b>	<b>2,807,253</b>	<b>3,135,882</b>	<b>3,172,532</b>	<b>2,842,439</b>	<b>2,811,466</b>	<b>2,820,770</b>	<b>2,855,185</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,645,920)	(1,676,572)	(1,764,241)	(1,895,571)	(1,958,061)	(1,997,238)	(2,065,431)
Superannuation .....	(152,931)	(162,870)	(162,407)	(171,647)	(173,998)	(174,699)	(178,182)
Grants and subsidies .....	(384,019)	(428,329)	(373,931)	(337,096)	(335,297)	(337,437)	(317,146)
Capital user charge <sup>(a)</sup> .....	(322,345)	(465,172)	(465,172)	-	-	-	-
Direct schools payments .....	(235,717)	(231,701)	(238,986)	(224,520)	(235,318)	(244,685)	(246,960)
Schools support services .....	(108,819)	(127,533)	(111,573)	(121,818)	(115,421)	(114,605)	(116,273)
Other supplies and services.....	(243,886)	(279,516)	(333,184)	(335,591)	(329,576)	(351,218)	(365,685)
Goods and Services Tax .....	(77,378)	(74,902)	(78,151)	(78,932)	(79,722)	(80,519)	(81,324)
Finance lease charges.....	(1,490)	(2,310)	(2,342)	(2,487)	(2,504)	(2,494)	(2,442)
<b>Receipts</b>							
User charges and fees.....	14,515	27,116	30,940	31,819	32,563	32,922	33,131
Grants and subsidies .....	429,348	412,112	419,948	418,923	427,909	439,153	453,420
School contributions, charges and recoveries.	100,186	91,905	94,896	96,319	97,764	99,230	100,719
Interest received.....	6,958	5,292	7,413	7,475	7,238	7,149	7,278
Goods and Services Tax .....	77,712	74,833	78,053	78,863	79,651	80,448	81,253
Other receipts .....	36,774	20,880	27,951	23,848	22,437	22,418	22,418
<b>Net cash from operating activities.....</b>	<b>(2,507,012)</b>	<b>(2,816,767)</b>	<b>(2,870,786)</b>	<b>(2,510,415)</b>	<b>(2,562,335)</b>	<b>(2,621,575)</b>	<b>(2,675,224)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(193,231)	(283,014)	(336,112)	(271,846)	(174,251)	(174,580)	(158,790)
<b>Net cash from investing activities.....</b>	<b>(193,231)</b>	<b>(283,014)</b>	<b>(336,112)</b>	<b>(271,846)</b>	<b>(174,251)</b>	<b>(174,580)</b>	<b>(158,790)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Other payments for financing activities.....	(13,808)	(17,299)	(16,319)	(18,858)	(19,091)	(20,290)	(19,256)
<b>Net cash from financing activities.....</b>	<b>(13,808)</b>	<b>(17,299)</b>	<b>(16,319)</b>	<b>(18,858)</b>	<b>(19,091)</b>	<b>(20,290)</b>	<b>(19,256)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>93,202</b>	<b>18,802</b>	<b>(50,685)</b>	<b>41,320</b>	<b>55,789</b>	<b>4,325</b>	<b>1,915</b>
Cash assets at the beginning of the reporting period .....	213,891	245,630	307,093	256,408	297,728	353,517	357,842
<b>Cash assets at the end of the reporting period.....</b>	<b>307,093</b>	<b>264,432</b>	<b>256,408</b>	<b>297,728</b>	<b>353,517</b>	<b>357,842</b>	<b>359,757</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.....	3,305,037	3,553,644	3,627,358	3,295,640	3,361,050	3,439,071	3,470,454
Less Capital User Charge.....	322,345	465,172	465,172	-	-	-	-
Less Capital User Charge Grants to TAFE colleges.....	42,318	43,004	43,522	-	-	-	-
Adjusted Total Cost of Services .....	2,940,374	3,045,468	3,118,664	3,295,640	3,361,050	3,439,071	3,470,454
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	2,758,052	3,017,966	3,058,331	2,767,315	2,822,616	2,874,012	2,916,471
Less Capital User Charge.....	322,345	465,172	465,172	-	-	-	-
Less Capital User Charge Grants to TAFE colleges.....	42,318	43,004	43,522	-	-	-	-
Adjusted net amount appropriated to deliver services .....	2,393,389	2,509,790	2,549,637	2,767,315	2,822,616	2,874,012	2,916,471

## 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
Contracts and Agreements for Delivery of Training and Employment Services: - TAFE colleges; Curtin University Kalgoorlie Vocational Training and Education Centre; and the Western Australian Academy of Performing Arts .....	342,596	347,874	339,239	300,920	301,772	308,095	287,804
- Other .....	39,239	80,455	34,692	36,176	33,525	29,342	29,342
<b>TOTAL</b>	<b>381,835</b>	<b>428,329</b>	<b>373,931</b>	<b>337,096</b>	<b>335,297</b>	<b>337,437</b>	<b>317,146</b>

**AGENCY SPECIAL PURPOSE ACCOUNT DETAILS****School Development and Improvement Special Purpose Account**

The School Development and Improvement Special Purpose Account is controlled through the Primary and Secondary Education Services. It is utilised to provide for the maintenance and renovation of school facilities.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	7,807	1,727	2,340	730
Receipts:				
Appropriations .....	-	-	-	-
Other .....	33	290	290	290
	7,840	2,017	2,630	1,020
Payments .....	5,500	70	1,900	1,000
CLOSING BALANCE .....	2,340	1,947	730	20

**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
<b>Departmental</b>				
Fees - Agricultural Colleges .....	3,348	3,053	3,070	3,147
Fees - Senior Colleges .....	2,658	2,802	2,802	3,037
Fees - Swimming Classes .....	513	501	521	521
Fees - Other .....	6,314	2,891	6,707	6,830
Farm School Revenue .....	711	880	800	800
Physical Education Camp Schools Revenue .....	1,682	1,691	1,700	1,742
Proceeds from Commercial Activities of Institutions .....	15,524	16,140	16,140	16,542
Recoveries and Refunds - Teachers Salaries and Other .....	11,587	5,002	10,650	10,650
Refunds - Workers Compensation .....	6,706	3,945	5,000	5,000
Revenue - Other .....	9,854	8,091	8,502	7,397
Revenue - Other Capital .....	4,980	3,000	3,000	-
<b>Commonwealth Programs</b>				
Aboriginal Program .....	34,616	15,037	22,125	22,209
Indian Ocean Territories .....	8,577	8,335	8,723	9,038
Schools Assistance .....	199,907	214,121	210,693	220,837
Schools Capital Program .....	29,761	28,676	29,076	34,704
Special Projects .....	37,134	25,602	32,092	14,765
Vocational Education and Training .....	94,191	99,117	97,287	100,368
Vocational Education and Training - Capital Program .....	15,665	17,795	16,295	13,350
Vocational Education and Training - Other .....	3,518	3,429	3,656	3,653
GST input credits .....	71,319	69,350	69,629	70,354
GST receipts on sales .....	6,393	5,483	8,424	8,509
<b>TOTAL <sup>(a)</sup> .....</b>	<b>564,958</b>	<b>534,941</b>	<b>556,892</b>	<b>553,453</b>

(a) This table excludes user contributions, and fees and charges in respect of schools.

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

# COUNTRY HIGH SCHOOL HOSTELS AUTHORITY

## PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

### DIVISION 51

#### 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 97 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	3,840	4,820	4,771	<b>5,328</b>	5,695	5,080	5,186
Total appropriations provided to deliver services .....	3,840	4,820	4,771	<b>5,328</b>	5,695	5,080	5,186
<b>CAPITAL</b>							
<b>Item 174 Capital Contribution .....</b>	2,029	6,695	6,570	<b>3,070</b>	1,932	3,054	910
<b>GRAND TOTAL .....</b>	<b>5,869</b>	<b>11,515</b>	<b>11,341</b>	<b>8,398</b>	<b>7,627</b>	<b>8,134</b>	<b>6,096</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.

#### MISSION

*To provide an opportunity for students in remote areas to attend primary and secondary schools and TAFE colleges by providing affordable, good quality, supervised student accommodation, care and services in strategic locations.*

#### SIGNIFICANT ISSUES AND TRENDS

- The increase in the school leaving age has seen an increase in the Year 11 and 12 boarding population.
- An increase in the population in Hopetoun in support of a new mining venture will add to the demand on boarding services in this region.
- Changing community expectations are being reflected in the redevelopment of both public and private sector boarding facilities with more students being housed in single rather than in shared bedrooms or dormitories.
- Families are increasingly being attracted by boarding options closer to home where these give them access to quality secondary schooling.
- The number of country students at-risk of non-engagement in education is increasing and placing higher demands on residential college staff and the need for adequate support 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>							
<b>Service 1:</b>							
Establishment, Operation and Maintenance of Residential Colleges.....	8,946	10,492	10,542	12,220			
<b>Total Cost of Services <sup>(a)</sup></b> .....	8,946	10,492	10,542	12,220	12,927	13,266	13,862
<b>Less Income</b> .....	6,441	6,343	7,872	9,093	9,135	8,076	8,502
<b>Net Cost of Services <sup>(a)</sup></b> .....	2,505	4,149	2,670	3,127	3,792	5,190	5,360
<b>Adjustments <sup>(b)</sup></b> .....	1,335	671	2,101	2,201	1,903	(110)	(174)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	3,840	4,820	4,771	5,328	5,695	5,080	5,186
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	2,029	6,695	6,570	3,070	1,932	3,054	910
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	5,869	11,515	11,341	8,398	7,627	8,134	6,096

- (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	Service
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Quality accommodation, care and services for isolated students who have to board away from home to attend school.	1. Establishment, Operation and Maintenance of Residential Colleges



**Outcomes and Key Effectiveness Indicators <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: Quality accommodation, care and services for isolated students who have to board away from home to attend school.</b>					
Average residential college occupancy rate .....	84%	82%	83%	83%	

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

**Service 1: Establishment, Operation and Maintenance of Residential Colleges**

	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> .....	8,946	10,492	10,542	12,220	The increase in Total Cost and Income in 2007-08 is due to additional operating costs and revenue associated with the opening of the Broome Residential College in July 2007 and an increase in enrolments at City Beach Residential College in 2008.
Less Income .....	6,441	6,343	7,872	9,093	
Net Cost of Service <sup>(a)</sup> .....	2,505	4,149	2,670	3,127	
Adjustments <sup>(b)</sup> .....	1,335	671	2,101	2,201	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>3,840</b>	<b>4,820</b>	<b>4,771</b>	<b>5,328</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**

	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 (efficiency) average cost per student .....	12,618	14,083	14,188	15,667	Delay in opening of Broome Residential College from January 2007 until July 2007.
<b>Full Time Equivalents (FTEs)</b>	<b>95</b>	<b>108</b>	<b>102</b>	<b>109</b>	

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

- Commencement of a new boarding service at City Beach in 2007 for students from rural and remote locations who gained places in gifted and talented education programs at Perth Modern School and other metropolitan senior high schools.
- Near completion of a new residential college in Broome, which is being developed as a public-private sector capital initiative, and which will commence operations in third term with 40 student bedrooms and provide for students attending Broome Senior High School and St Mary's College.
- Completion of tender documentation for the works associated with the redevelopment of the Albany Residential College to provide for 145 boarders. A Catholic Education Office capital contribution will secure 24 of the beds for students attending St Joseph's College.
- Improvements to staff accommodation and student recreation facilities at the Northam and St James (Moora) Residential Colleges.

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

- A 32 student bedroom addition to the Broome Residential College to help meet the high demand for this new boarding service and the addition of live-in staff accommodation.
- Construction of additions and improvements to the Albany Residential College in time for the commencement of the 2008 school year.
- Focus on partnerships to assist upper school students pursue and achieve relevant education, training and employment goals.

**CAPITAL WORKS PROGRAM**

The major focus of the 2007-08 Capital Works Program is the redevelopment of Albany and Broome Residential Colleges and general maintenance of infrastructure.

	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>				
Motor Vehicles -				
Bus Replacement Program - Seat Belts .....	106	20	20	-
Redevelopment Programs				
Albany Residential College .....	14,180	2,000	2,000	8,900
<b>COMPLETED WORKS</b>				
Family Accommodation for Residential Colleges				
Adamson House - Northam .....	120	120	120	-
Northam .....	220	220	220	-
Maintenance Program - Residential Colleges				
2005-06 Program .....	500	500	378	-
2006-07 Program .....	500	500	500	-
Merredin Residential College				
Planning, Design and Analysis .....	25	25	25	-
Motor Vehicles -				
Purchase of College Buses 2005-06 Program .....	45	45	45	-
Purchase of College Buses 2006-07 Program .....	112	112	112	-
Narrogin Residential College				
College Improvements - Stage 1 .....	7,499	7,499	65	-
Redevelopment Programs				
Broome Residential College Stage 1 .....	9,000	9,000	8,449	-
<b>NEW WORKS</b>				
Maintenance Program - Residential Colleges				
2007-08 Program .....	500	-	-	500
Motor Vehicles -				
Purchase of College Buses 2007-08 Program .....	235	-	-	235
Redevelopment Programs				
Broome Residential College Stage 2 .....	4,000	-	-	4,000
	37,042	20,041	11,934	13,635

**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>	1,159	12,552	11,934	13,635	5,182	2,914	810
<b>Working capital requirement</b>							
Loan and Other Repayments .....	506	675	550	670	890	910	910
	1,665	13,227	12,484	14,305	6,072	3,824	1,720
<b>LESS</b>							
Asset Sales .....	122	-	-	-	-	-	-
Borrowings .....	-	5,920	2,220	8,900	2,000	-	-
Drawdowns from the Holding Account .....	400	400	400	400	424	440	456
Funding Included in Service Appropriations <sup>(a)</sup> .....	100	100	100	100	106	110	114
Internal Funds and Balances .....	(1,537)	112	1,545	235	210	220	240
Other .....	551	-	1,649	1,600	1,400	-	-
<b>Capital Contribution .....</b>	2,029	6,695	6,570	3,070	1,932	3,054	910

(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> .....	3,890	4,823	4,860	5,527	5,678	5,833	6,147
Superannuation .....	359	391	404	462	468	495	526
Supplies and services .....	2,744	2,994	3,094	3,495	3,573	3,544	3,781
Accommodation .....	-	45	45	95	132	138	137
Finance costs .....	750	920	820	990	1,250	1,315	1,315
Capital user charge <sup>(b)</sup> .....	1,363	1,836	1,836	-	-	-	-
Depreciation and amortisation .....	847	1,039	1,039	1,339	1,508	1,576	1,583
Doubtful debts .....	29	10	10	10	10	10	10
Other expenses .....	327	270	270	302	308	355	363
<b>TOTAL COST OF SERVICES</b> .....	<b>10,309</b>	<b>12,328</b>	<b>12,378</b>	<b>12,220</b>	<b>12,927</b>	<b>13,266</b>	<b>13,862</b>
<b>Income</b>							
User charges and fees .....	5,318	5,815	5,815	7,033	7,233	7,648	8,070
Gain on disposal of non-current assets .....	6	-	-	-	-	-	-
Interest revenue .....	57	49	49	49	49	50	55
Other revenue .....	1,060	479	2,008	2,011	1,853	378	377
<b>Total Income</b> .....	<b>6,441</b>	<b>6,343</b>	<b>7,872</b>	<b>9,093</b>	<b>9,135</b>	<b>8,076</b>	<b>8,502</b>
<b>NET COST OF SERVICES</b> <sup>(b)</sup> .....	<b>3,868</b>	<b>5,985</b>	<b>4,506</b>	<b>3,127</b>	<b>3,792</b>	<b>5,190</b>	<b>5,360</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(b)</sup> .....	5,203	6,656	6,607	5,328	5,695	5,080	5,186
Resources received free of charge .....	13	10	10	10	10	10	15
Liabilities assumed by the Treasurer .....	8	-	10	10	10	10	10
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>5,224</b>	<b>6,666</b>	<b>6,627</b>	<b>5,348</b>	<b>5,715</b>	<b>5,100</b>	<b>5,211</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,356</b>	<b>681</b>	<b>2,121</b>	<b>2,221</b>	<b>1,923</b>	<b>(90)</b>	<b>(149)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 95, 102 and 109 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 .....	3,914	2,747	3,028	3,371	3,705	3,434	3,109
Restricted cash .....	41	43	42	43	44	44	44
Receivables .....	393	245	388	398	393	414	414
Amounts receivable for services .....	400	400	400	424	440	456	456
Prepayments .....	9	6	9	9	9	9	9
<b>Total current assets .....</b>	<b>4,757</b>	<b>3,441</b>	<b>3,867</b>	<b>4,245</b>	<b>4,591</b>	<b>4,357</b>	<b>4,032</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	3,286	3,944	3,944	4,878	5,966	7,097	8,235
Land and buildings .....	27,540	40,319	37,720	49,749	53,155	54,161	52,996
Plant and equipment .....	442	551	957	1,124	1,286	1,508	1,786
<b>Total non-current assets .....</b>	<b>31,268</b>	<b>44,814</b>	<b>42,621</b>	<b>55,751</b>	<b>60,407</b>	<b>62,766</b>	<b>63,017</b>
<b>TOTAL ASSETS .....</b>	<b>36,025</b>	<b>48,255</b>	<b>46,488</b>	<b>59,996</b>	<b>64,998</b>	<b>67,123</b>	<b>67,049</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	171	258	188	145	121	116	116
Provision for employee entitlements .....	421	491	437	452	467	475	483
Borrowings .....	675	675	675	745	670	670	910
Interest payable .....	193	316	253	313	363	413	463
Accrued salaries .....	63	32	69	20	36	51	65
Other .....	330	557	330	330	305	305	305
<b>Total current liabilities .....</b>	<b>1,853</b>	<b>2,329</b>	<b>1,952</b>	<b>2,005</b>	<b>1,962</b>	<b>2,030</b>	<b>2,342</b>
<b>NON-CURRENT LIABILITIES</b>							
Payables .....	41	-	41	41	41	41	41
Provision for employee entitlements .....	171	272	174	178	183	186	189
Borrowings .....	11,313	17,031	12,983	21,143	22,328	21,418	20,268
Other .....	-	1,980	-	-	-	-	-
<b>Total non-current liabilities .....</b>	<b>11,525</b>	<b>19,283</b>	<b>13,198</b>	<b>21,362</b>	<b>22,552</b>	<b>21,645</b>	<b>20,498</b>
<b>TOTAL LIABILITIES .....</b>	<b>13,378</b>	<b>21,612</b>	<b>15,150</b>	<b>23,367</b>	<b>24,514</b>	<b>23,675</b>	<b>22,840</b>
<b>EQUITY</b>							
Contributed equity .....	3,850	9,942	10,420	13,490	15,422	18,476	19,386
Accumulated surplus/(deficit) .....	9,411	8,961	11,532	13,753	15,676	15,586	15,437
Reserves .....	9,386	7,740	9,386	9,386	9,386	9,386	9,386
<b>Total equity .....</b>	<b>22,647</b>	<b>26,643</b>	<b>31,338</b>	<b>36,629</b>	<b>40,484</b>	<b>43,448</b>	<b>44,209</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>36,025</b>	<b>48,255</b>	<b>46,488</b>	<b>59,996</b>	<b>64,998</b>	<b>67,123</b>	<b>67,049</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 .....	4,360	5,598	5,549	3,970	4,167	3,493	3,592
Capital contribution .....	2,029	6,695	6,570	3,070	1,932	3,054	910
Holding account drawdowns .....	400	400	400	400	424	440	456
<b>Net cash provided by State government .....</b>	<b>6,789</b>	<b>12,693</b>	<b>12,519</b>	<b>7,440</b>	<b>6,523</b>	<b>6,987</b>	<b>4,958</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(3,933)	(4,787)	(4,833)	(5,508)	(5,642)	(5,807)	(6,122)
Superannuation .....	(347)	(399)	(414)	(475)	(487)	(502)	(523)
Supplies and services .....	(2,749)	(2,924)	(3,024)	(3,410)	(3,478)	(3,518)	(3,705)
Accommodation .....	-	(45)	(45)	(95)	(132)	(138)	(137)
Finance costs .....	(758)	(860)	(760)	(930)	(1,200)	(1,265)	(1,265)
Capital user charge <sup>(a)</sup> .....	(1,363)	(1,836)	(1,836)	-	-	-	-
Goods and services tax .....	(259)	(500)	(500)	(500)	(500)	(500)	(500)
Other .....	(347)	(300)	(300)	(342)	(353)	(360)	(397)
<b>Receipts</b>							
User charges and fees .....	5,116	5,755	5,755	6,954	7,168	7,608	8,030
Interest received .....	57	49	49	49	49	50	55
Goods and services tax .....	218	500	500	500	500	500	500
Other receipts .....	509	419	419	366	453	388	387
<b>Net cash from operating activities .....</b>	<b>(3,856)</b>	<b>(4,928)</b>	<b>(4,989)</b>	<b>(3,391)</b>	<b>(3,622)</b>	<b>(3,544)</b>	<b>(3,677)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(508)	(12,452)	(10,085)	(11,935)	(3,676)	(2,804)	(696)
Proceeds from sale of non-current assets .....	122	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(386)</b>	<b>(12,452)</b>	<b>(10,085)</b>	<b>(11,935)</b>	<b>(3,676)</b>	<b>(2,804)</b>	<b>(696)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings .....	(506)	(675)	(550)	(670)	(890)	(910)	(910)
Proceeds from borrowings .....	-	5,920	2,220	8,900	2,000	-	-
<b>Net cash from financing activities .....</b>	<b>(506)</b>	<b>5,245</b>	<b>1,670</b>	<b>8,230</b>	<b>1,110</b>	<b>(910)</b>	<b>(910)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>2,041</b>	<b>558</b>	<b>(885)</b>	<b>344</b>	<b>335</b>	<b>(271)</b>	<b>(325)</b>
Cash assets at the beginning of the reporting period .....	1,914	2,232	3,955	3,070	3,414	3,749	3,478
<b>Cash assets at the end of the reporting period .....</b>	<b>3,955</b>	<b>2,790</b>	<b>3,070</b>	<b>3,414</b>	<b>3,749</b>	<b>3,478</b>	<b>3,153</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.....	10,309	12,328	12,378	12,220	12,927	13,266	13,862
<i>Less Capital User Charge</i> .....	1,363	1,836	1,836	-	-	-	-
Adjusted Total Cost of Services .....	8,946	10,492	10,542	12,220	12,927	13,266	13,862
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	5,203	6,656	6,607	5,328	5,695	5,080	5,186
<i>Less Capital User Charge</i> .....	1,363	1,836	1,836	-	-	-	-
Adjusted net amount appropriated to deliver services .....	3,840	4,820	4,771	5,328	5,695	5,080	5,186

## CURRICULUM COUNCIL

### PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

#### DIVISION 52

#### 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 98 Net amount appropriated to deliver services <sup>(a)</sup></b> .....	15,197	19,484	19,711	<b>23,955</b>	20,300	17,129	17,847
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup></b> .....	144	202	202	<b>214</b>	225	239	239
Total appropriations provided to deliver services .....	15,341	19,686	19,913	<b>24,169</b>	20,525	17,368	18,086
<b>CAPITAL</b>							
<b>Item 175 Capital Contribution</b> .....	79	1,634	1,634	<b>229</b>	725	68	-
<b>GRAND TOTAL</b> .....	15,420	21,320	21,547	<b>24,398</b>	21,250	17,436	18,086

- (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 set curriculum policy directions for Kindergarten to Year 12 schooling in Western Australia.*

#### SIGNIFICANT ISSUES AND TRENDS

- The implementation of the senior secondary school reform as outlined in the report *Our Youth, Our Future* continues through to 2010. This reform addresses:
  - the provision of courses and assessments that will allow schools to provide programs to all students, particularly those staying on at school as a result of the raising of the compulsory school leaving age to 17 in 2008;
  - the provision of programs that prepare students for transition from school to further education, training and/or employment;
  - the skills shortage and changing school-leaver labour market expectations and requirements, including the growth of vocational education in schools and the need to accommodate this within the Western Australian Certificate of Education (WACE); and
  - more flexible university entrance requirements.
- The need to build community and teacher trust and confidence in the senior secondary school reform, particularly in relation to assessment and reporting of student achievement.
- Implementation of examinations in all courses. About two thirds of Year 12 students will complete examinations.
- Responsibility for assessment and curriculum for all government and non-government schools from Kindergarten to Year 12 (K-12) will transfer to the Curriculum Council in response to proposed amendments to the Council's legislation.



- Implications of the move towards greater national consistency in curriculum and assessment and the integration of national statements of learning into the Western Australian curriculum documents.
- The need to maintain widespread communication and consultation on the implementation of the Curriculum Framework and the changes to senior secondary education.
- Provision of education opportunities for children in the early years is part of a national and State focus on the development of children from zero to eight years.

#### 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>							
Curriculum Implementation and Maintenance.	3,471	3,397	3,230	3,500			
<i>Service 2:</i>							
Course Development and Approval .....	4,970	5,996	9,440	10,873			
<i>Service 3:</i>							
Student Assessment and Certification .....	7,116	11,256	8,206	10,914			
<b>Total Cost of Services <sup>(a)</sup></b> .....	15,557	20,649	20,876	25,287	22,089	18,884	19,588
<i>Less Income</i> .....	1,202	793	793	811	811	810	870
<b>Net Cost of Services <sup>(a)</sup></b> .....	14,355	19,856	20,083	24,476	21,278	18,074	18,718
Adjustments <sup>(b)</sup> .....	986	(170)	(170)	(307)	(753)	(706)	(632)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	15,341	19,686	19,913	24,169	20,525	17,368	18,086
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	79	1,634	1,634	229	725	68	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	15,420	21,320	21,547	24,398	21,250	17,436	18,086

- (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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Continuous development of student learning and curriculum for Western Australian schools.	1. Curriculum Implementation and Maintenance 2. Course Development and Approval
	An equitable student assessment system to ensure confidence is maintained in Western Australian education standards.	3. Student Assessment and Certification

**Outcomes and Key Effectiveness Indicators <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: Continuous development of student learning and curriculum for Western Australian schools.</b>					
Schools that are monitoring students' progressive achievement of the Curriculum Framework comprising the achievements below:					
- implemented the Curriculum Framework supported by whole-school planning .....	93%	100%	97%	100%	
- mechanisms in place to monitor and review the effectiveness of implementation of the Curriculum Framework on an ongoing basis .....	86%	100%	96%	100%	
- monitored students' progressive achievement of the outcomes in the Curriculum Framework .....	87%	100%	97%	100%	
Acceptance by stakeholders that the courses developed or reviewed and approved were relevant to student learning needs .....	74%	100%	74%	75%	
<b>Outcome: An equitable student assessment system to ensure confidence is maintained in Western Australian education standards.</b>					
Acceptance by stakeholders that the measures of student achievement were valid and credible .....	100%	100%	100%	100%	

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

### Service 1: Curriculum Implementation and Maintenance

The development and support provided for implementation of the Curriculum Framework for schooling, which, taking account of the needs of students, sets out the knowledge, understandings, skills, values and attitudes that students are expected to acquire.

	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> .....	3,471	3,397	3,230	3,500	
Less Income .....	85	50	150	150	
Net Cost of Service <sup>(a)</sup> .....	3,386	3,347	3,080	3,350	
Adjustments <sup>(b)</sup> .....	285	21	(33)	(10)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>3,671</b>	<b>3,368</b>	<b>3,047</b>	<b>3,340</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 teacher for documents, advice, information, consultation and monitoring .....	\$112	\$132	\$126	\$124	
Average cost per teacher for professional development .....	\$23	n/a	n/a	\$12	Part of the professional development funding transferred to Services 2 and 3 in 2006-07 to offset training costs associated with senior secondary school reform revert back to Service 1 in 2007-08.
<b>Full Time Equivalents (FTEs)</b>	<b>19</b>	<b>23</b>	<b>25</b>	<b>26</b>	

### Major Achievements For 2006-07

- Integration of national statements of learning into State curriculum materials will be completed to meet national requirements for curriculum consistency by the end of 2007.
- Collaboration with the Department of Education and Training on the development of Kindergarden to Year 10 syllabuses to support the ongoing development and implementation of the Curriculum Framework.
- Publication and distribution of a CD-ROM to all teachers containing the 'Curriculum Framework Progress Maps' (Outcomes and Standards Framework for the Department of Education and Training version) and the 'Curriculum Framework Curriculum Guides K-12', including further within phase sequencing of content for particular outcomes in all learning areas and the completion of the national statements of learning by the end of 2007.
- Refinements made to outcomes and course standards for new senior secondary courses.

**Major Initiatives For 2007-08**

- Ongoing development and implementation of the Curriculum Framework to be reviewed according to proposed changes made to the Council legislation.
- Revision of accountability requirements for schools reporting on their implementation of the Curriculum Framework.

**Service 2: Course Development and Approval**

Course development facilitates the adjustment of courses to ensure they are relevant to the continuously changing requirements of student learning needs.

	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> .....	4,970	5,996	9,440	10,873	Higher costs for 2007-08 Budget Estimate and 2006-07 Estimated Actual compared to 2006-07 Budget and 2005-06 Actual reflect the impact of course development costs for the implementation of the senior secondary school reform.
Less Income .....	77	12	12	12	
Net Cost of Service <sup>(a)</sup> .....	4,893	5,984	9,428	10,861	
Adjustments <sup>(b)</sup> .....	57	(66)	(319)	(471)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,950</b>	<b>5,918</b>	<b>9,109</b>	<b>10,390</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 course developed or reviewed and approved .....	\$17,942	\$119,920	\$236,000	\$217,468	Higher costs for 2007-08 Budget Estimate and 2006-07 Estimated Actual compared to 2006-07 Budget and 2005-06 Actual reflect the impact of course development costs for the implementation of the senior secondary school reform.
<b>Full Time Equivalents (FTEs)</b>	<b>47</b>	<b>31</b>	<b>60</b>	<b>65</b>	

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

- Assessment, Review and Moderation panels have been re-established with refined terms of reference.
- New courses modified in response to teacher and community feedback, and a syllabus statement written for all units within each course and assessment tables with weightings incorporated.
- Plans for the phased removal of existing subjects from the accredited list communicated to schools.
- Support materials prepared for Phase Two and Phase Three courses.
- 46 courses went through an extensive consultation and review process and 44 were revised and either accredited or re-accredited by the Council.
- Further review of accredited courses was undertaken and information was prepared for teacher juries.
- Materials were developed and endorsed by the Council to support school delivery of Vocational Education and Training (VET) competencies and work commenced on materials for further VET versions of courses.
- Professional development on the new courses for teachers and administrators continued.
- A process for quality assurance programs of learning developed by schools, training providers, universities and community organisations and presenting them for the Council's endorsement was negotiated and implemented. The first endorsed programs were added to the Council's website.
- A public information program for parents and the community about the new accredited courses and endorsed programs commenced.
- Procedures for the recognition of community service programs were endorsed.

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

- All courses to be finally revised based on teacher jury feedback and any final re-accreditation will take place.
- Two mathematics courses will be finalised in response to formal consultation responses and then presented for accreditation.
- Additional course units will be developed across many courses to accommodate needs of students in education support contexts and with identified learning needs.
- VET courses and endorsed programs will be identified and developed for implementation.
- Development and publication of support materials will continue for the new senior secondary courses.
- Professional development on the senior secondary school reform and courses for teachers and administrators will continue.
- Professional development for education support teachers, fourth year university graduates and relevant university staff will be undertaken.
- Online professional development modules will be developed and made available for all courses.
- The process for quality assurance programs of learning developed by schools, training providers, universities and community organisations and presenting them for the Council's endorsement will be managed.
- Guidelines and administrative processes for the implementation of the community service initiative will be developed and implemented.

### Service 3: Student Assessment and Certification

To ensure that valid and credible information on student achievement of schooling in their post-compulsory courses of study is provided to facilitate their post-school choice and to inform the community.

	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> .....	7,116	11,256	8,206	10,914	Re-scheduling of the implementation of courses from 2006-07 to 2007-08.
Less Income .....	1,040	731	631	649	
Net Cost of Service <sup>(a)</sup> .....	6,076	10,525	7,575	10,265	
Adjustments <sup>(b)</sup> .....	644	(125)	182	174	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,720</b>	<b>10,400</b>	<b>7,757</b>	<b>10,439</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 school subject/course combination.....	\$157	\$410	\$309	\$433	Combined impact of new courses re-scheduled from 2006-07 to 2007-08 on the costs of moderation and examinations and the change in the unit of measurement from subjects to subjects plus courses.
Average cost per student receiving a statement of results .....	\$123	\$146	\$99	\$128	
<b>Full Time Equivalents (FTEs)</b>	<b>46</b>	<b>47</b>	<b>54</b>	<b>61</b>	

### Major Achievements For 2006-07

- Moderation strategies were implemented for Year 11 and 12 to ensure stakeholders' acceptance of school assessment and grading in accredited subjects.
- Moderation policies and procedures were finalised for implementation in four new courses.
- Quality assurance arrangements for VET in schools were implemented.
- Australian Vocational Education and Training Management Information System Standards compliant data on VET achievement was gathered for national reporting purposes.
- Procedures for accrediting and moderating overseas Australian Matriculation programs and registering non-school providers of the WACE were implemented.
- The English language competence standard for the new WACE was negotiated.

- Procedures for assessment and statistical adjustment of student achievement to meet tertiary admission requirements in the new senior secondary system were negotiated and published.
- Policies for school assessment, examinations and moderation were drafted, endorsed and published.
- Procedures for reporting a WACE course score to students was negotiated.
- The format of the new WACE Statement of Results was negotiated with industry and parent organisations.
- 17,000 students studying a new WACE course unit sat the General Achievement Test (GAT). The results of this test were analysed to provide comparability of school assessments.
- The first WACE examination, in Aviation, was successfully implemented.
- In 2006, 19,951 Year 12 students received a Statement of Results, 18,028 full-time eligible students achieved a WACE and 10,953 students sat for at least one Tertiary Entrance Examination (TEE) subject.
- Student records for Years 8 to 11 in light of the Raising of the School Leaving Age legislation were established.
- 1,086 Curriculum Council Exhibitions and Awards were granted to 800 students.

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

- Finalise procedures for implementation of moderation partnerships for all providers of courses.
- Evaluation of GAT undertaken and reported.
- Administer the GAT to Year 12 students enrolled in at least one new course and report results to schools.
- Finalise and implement the moderation module of the new Student Information Records System database.
- Quality assurance strategies for VET versions of courses will be further developed to ensure comparability of assessment of student achievement of competencies and be certificated on the WACE and possibly counted for university entrance.
- Item scaling in preparation for item banks commenced.
- Processes established for developing an empirical basis for the awarding of grades and develop grading procedures for all new courses.
- School personnel will be trained in the transfer of student certification data to the Council.
- Student records for Years 8 to 11 students will be maintained in accordance with the Raising of the School Leaving Age legislation.
- A procedures document for schools outlining the processes they need to follow for the transfer of student data and the types of reports they can generate will be distributed to schools.
- The policy and guidelines for special provisions for examination students will be refined.
- The process for reporting an alleged breach of examination rules will be refined.
- The policy for the WACE examinations, graduation requirements and exhibitions and awards will be negotiated with system/sectors.
- Produce sample Phase Two and Phase Three examinations in all courses, including practical and performance examinations in relevant courses and the use of information technology where relevant.
- The design of the certificates issued to students will be ratified with schools and employer groups.

**CAPITAL WORKS PROGRAM**

The Information Technology and furniture and equipment replacement program will continue 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>				
Replacement of Student Information Records System .....	4,660	4,336	2,205	131
<b>COMPLETED WORKS</b>				
Computer Hardware and Software				
2005-06 Program .....	70	70	26	-
Information Technology Upgrade and Replacement				
2006-07 Program .....	147	147	147	-
<b>NEW WORKS</b>				
Furniture and Equipment				
2007-08 Program .....	40	-	-	40
Information Technology Upgrade and Replacement				
2007-08 Program .....	150	-	-	150
	5,067	4,553	2,378	321

**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>	1,397	1,772	2,378	321	935	238	170
<b>Working capital requirement</b>							
Loan and Other Repayments .....	7	9	9	98	-	-	-
	1,404	1,781	2,387	419	935	238	170
<b>LESS</b>							
Drawdowns from the Holding Account .....	80	147	147	190	210	170	170
Internal Funds and Balances .....	1,245	-	606	-	-	-	-
<b>Capital Contribution .....</b>	79	1,634	1,634	229	725	68	-



**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> .....	6,826	7,162	9,054	9,337	9,613	10,039	10,489
Superannuation .....	721	907	940	967	991	1,025	1,045
Grants and subsidies <sup>(b)</sup> .....	1,549	2,510	210	315	765	765	910
Supplies and services .....	5,635	9,204	9,834	12,837	8,677	4,943	4,591
Accommodation .....	649	620	620	665	735	880	885
Finance costs .....	7	11	6	-	-	-	-
Capital user charge <sup>(c)</sup> .....	227	341	341	-	-	-	-
Depreciation and amortisation .....	168	188	188	1,141	1,282	1,206	1,641
State taxes .....	-	6	-	-	-	-	-
Other expenses .....	2	41	24	25	26	26	27
<b>TOTAL COST OF SERVICES</b> .....	<b>15,784</b>	<b>20,990</b>	<b>21,217</b>	<b>25,287</b>	<b>22,089</b>	<b>18,884</b>	<b>19,588</b>
<b>Income</b>							
User charges and fees .....	1,092	753	753	771	771	770	820
Grants and subsidies .....	110	40	40	40	40	40	50
<b>Total Income</b> .....	<b>1,202</b>	<b>793</b>	<b>793</b>	<b>811</b>	<b>811</b>	<b>810</b>	<b>870</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>14,582</b>	<b>20,197</b>	<b>20,424</b>	<b>24,476</b>	<b>21,278</b>	<b>18,074</b>	<b>18,718</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	15,568	20,027	20,254	24,169	20,525	17,368	18,086
Resources received free of charge .....	234	274	274	274	274	274	290
Liabilities assumed by the Treasurer .....	32	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>15,834</b>	<b>20,301</b>	<b>20,528</b>	<b>24,443</b>	<b>20,799</b>	<b>17,642</b>	<b>18,376</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,252</b>	<b>104</b>	<b>104</b>	<b>(33)</b>	<b>(479)</b>	<b>(432)</b>	<b>(342)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 112, 139 and 152 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 .....	2,303	492	1,827	1,811	1,349	1,149	701
Receivables .....	118	129	118	118	118	118	200
Inventories.....	476	168	556	556	556	556	464
Amounts receivable for services.....	147	190	190	210	170	170	170
Prepayments.....	59	73	50	50	50	50	50
<b>Total current assets .....</b>	<b>3,103</b>	<b>1,052</b>	<b>2,741</b>	<b>2,745</b>	<b>2,243</b>	<b>2,043</b>	<b>1,585</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	179	180	177	1,108	2,220	3,256	4,727
Plant and equipment.....	273	213	281	332	333	383	433
Intangibles.....	47	48	24	1	-	-	-
Other.....	1,989	4,319	4,194	3,346	2,999	1,981	460
<b>Total non-current assets.....</b>	<b>2,488</b>	<b>4,760</b>	<b>4,676</b>	<b>4,787</b>	<b>5,552</b>	<b>5,620</b>	<b>5,620</b>
<b>TOTAL ASSETS.....</b>	<b>5,591</b>	<b>5,812</b>	<b>7,417</b>	<b>7,532</b>	<b>7,795</b>	<b>7,663</b>	<b>7,205</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	31	165	33	33	33	265	149
Provision for employee entitlements .....	800	710	800	800	800	800	800
Borrowings.....	10	11	10	-	-	-	-
Interest payable .....	2	-	-	-	-	-	-
Accrued salaries .....	23	-	23	23	23	23	23
Other.....	226	114	226	226	226	226	226
<b>Total current liabilities.....</b>	<b>1,092</b>	<b>1,000</b>	<b>1,092</b>	<b>1,082</b>	<b>1,082</b>	<b>1,314</b>	<b>1,198</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	184	331	184	184	184	184	184
Borrowings.....	97	85	88	-	-	-	-
Other.....	37	51	134	151	168	168	168
<b>Total non-current liabilities .....</b>	<b>318</b>	<b>467</b>	<b>406</b>	<b>335</b>	<b>352</b>	<b>352</b>	<b>352</b>
<b>TOTAL LIABILITIES.....</b>	<b>1,410</b>	<b>1,467</b>	<b>1,498</b>	<b>1,417</b>	<b>1,434</b>	<b>1,666</b>	<b>1,550</b>
<b>EQUITY</b>							
Contributed equity .....	3,669	5,303	5,303	5,532	6,257	6,325	6,325
Accumulated surplus/(deficit) .....	512	(958)	616	583	104	(328)	(670)
<b>Total equity.....</b>	<b>4,181</b>	<b>4,345</b>	<b>5,919</b>	<b>6,115</b>	<b>6,361</b>	<b>5,997</b>	<b>5,655</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>5,591</b>	<b>5,812</b>	<b>7,417</b>	<b>7,532</b>	<b>7,795</b>	<b>7,663</b>	<b>7,205</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 .....	15,455	19,839	20,066	23,028	19,243	16,162	16,445
Capital contribution .....	79	1,634	1,634	229	725	68	-
Holding account drawdowns .....	80	147	147	190	210	170	170
<b>Net cash provided by State government .....</b>	<b>15,614</b>	<b>21,620</b>	<b>21,847</b>	<b>23,447</b>	<b>20,178</b>	<b>16,400</b>	<b>16,615</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(6,860)	(7,162)	(9,054)	(9,337)	(9,613)	(10,039)	(10,489)
Superannuation .....	(721)	(854)	(940)	(967)	(991)	(1,025)	(1,045)
Grants and subsidies .....	(1,549)	(2,510)	(210)	(315)	(765)	(765)	(910)
Supplies and services .....	(5,686)	(8,970)	(9,524)	(12,536)	(8,387)	(4,578)	(4,327)
Accommodation.....	(649)	(630)	(630)	(675)	(735)	(740)	(885)
Finance costs .....	(5)	(11)	(6)	-	-	-	-
Capital user charge <sup>(a)</sup> .....	(227)	(341)	(341)	-	-	-	-
Goods and services tax .....	(746)	(471)	(471)	(471)	(476)	(476)	(512)
Other.....	-	(24)	(24)	(25)	(25)	(25)	(25)
<b>Receipts</b>							
User charges and fees.....	1,200	753	753	771	771	770	820
Grants and subsidies .....	110	40	40	40	40	40	50
Goods and services tax .....	677	471	471	471	476	476	430
<b>Net cash from operating activities.....</b>	<b>(14,456)</b>	<b>(19,709)</b>	<b>(19,936)</b>	<b>(23,044)</b>	<b>(19,705)</b>	<b>(16,362)</b>	<b>(16,893)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(1,310)	(1,772)	(2,378)	(321)	(935)	(238)	(170)
<b>Net cash from investing activities.....</b>	<b>(1,310)</b>	<b>(1,772)</b>	<b>(2,378)</b>	<b>(321)</b>	<b>(935)</b>	<b>(238)</b>	<b>(170)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(7)	(9)	(9)	(98)	-	-	-
<b>Net cash from financing activities .....</b>	<b>(7)</b>	<b>(9)</b>	<b>(9)</b>	<b>(98)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(159)</b>	<b>130</b>	<b>(476)</b>	<b>(16)</b>	<b>(462)</b>	<b>(200)</b>	<b>(448)</b>
Cash assets at the beginning of the reporting period .....	2,462	362	2,303	1,827	1,811	1,349	1,149
<b>Cash assets at the end of the reporting period.....</b>	<b>2,303</b>	<b>492</b>	<b>1,827</b>	<b>1,811</b>	<b>1,349</b>	<b>1,149</b>	<b>701</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.....	15,784	20,990	21,217	25,287	22,089	18,884	19,588
<i>Less Capital User Charge</i> .....	227	341	341	-	-	-	-
Adjusted Total Cost of Services .....	15,557	20,649	20,876	25,287	22,089	18,884	19,588
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	15,568	20,027	20,254	24,169	20,525	17,368	18,086
<i>Less Capital User Charge</i> .....	227	341	341	-	-	-	-
Adjusted net amount appropriated to deliver services .....	15,341	19,686	19,913	24,169	20,525	17,368	18,086

**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
Professional Development (PD) grants for the implementation of the Curriculum Framework and senior secondary school reform <sup>(a)</sup> .....	1,539	2,500	200	300	750	750	895
Scholarships and other grants .....	10	10	10	15	15	15	15
<b>TOTAL</b>	<b>1,549</b>	<b>2,510</b>	<b>210</b>	<b>315</b>	<b>765</b>	<b>765</b>	<b>910</b>

- (a) PD grant funding of \$2.5 million was approved in prior years' budgets for 2007-08 and each of the forward years. The table above shows the lump sum grants payments in the Income Statement. The balance of the grant funding is used for payment of PD-related expenses such as travel costs for trainers and teachers, included in supplies and services in the Income Statement.

## EDUCATION SERVICES

### PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

#### DIVISION 53

#### 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 99 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	11,014	16,014	16,091	<b>18,425</b>	18,425	18,718	19,010
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	168	174	187	<b>193</b>	199	211	211
Total appropriations provided to deliver services .....	11,182	16,188	16,278	<b>18,618</b>	18,624	18,929	19,221
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Item 100 Amount provided for Administered Grants, Subsidies and Other Transfer Payments .....</b>	215,595	233,729	234,929	<b>257,721</b>	281,075	307,021	334,356
<b>GRAND TOTAL .....</b>	<b>226,777</b>	<b>249,917</b>	<b>251,207</b>	<b>276,339</b>	<b>299,699</b>	<b>325,950</b>	<b>353,577</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) 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

*Proactively support the development of Western Australia's education and training systems for the benefit of students and the State through provision of relevant regulation, funding and policy advisory services.*

#### SIGNIFICANT ISSUES AND TRENDS

- Strategies for streamlining regulation through improved linkages between licensing bodies and vocational education and training (VET) regulators is being developed in response to the requirements of the Council of Australian Governments to improve national consistency in the VET sector.
- Proposed implementation by Australian and State/Territory Governments of new regulatory frameworks underpinning systemic changes to non self-crediting higher education institutions and education service providers for full fee overseas students will enhance quality assurance and provide nationally consistent regulation.
- Enrolment trends in all schools, planning issues about the opening of new non-government schools, levels of public funding to non-government schools and their accountability for public funding, are important factors influencing the State's policies for the non-government school sector.
- The university sector is facing increasing costs but only partial indexation in Commonwealth funding. From 1996 to 2004 grants fell as a proportion of university revenue from 52 per cent to 39 per cent and student fees and charges rose from 24 per cent to 37 per cent.
- Student demand for university places is being adversely affected by the strong labour market in Western Australia, slowing demand from international students, and increasing competition by non self-accrediting higher education institutions.

- Universities have ageing academic and general staff and face difficulties in recruiting new staff due to national and international competition and skills shortages in many areas.
- Universities have ageing physical infrastructure leading to high maintenance and replacement costs due to technological advancements.

**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>							
Regulation, Funding and Policy Advice.....	16,188	22,562	22,614	25,491			
<b>Total Cost of Services <sup>(a)</sup></b> .....	16,188	22,562	22,614	25,491	25,934	26,743	27,535
<i>Less Income</i> .....	5,482	6,140	6,140	6,639	7,135	7,644	8,144
<b>Net Cost of Services <sup>(a)</sup></b> .....	10,706	16,422	16,474	18,852	18,799	19,099	19,391
Adjustments <sup>(b)</sup> .....	476	(234)	(196)	(234)	(175)	(170)	(170)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	11,182	16,188	16,278	18,618	18,624	18,929	19,221
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	215,595	233,729	234,929	257,721	281,075	307,021	334,356
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	-	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	226,777	249,917	251,207	276,339	299,699	325,950	353,577

- (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.

## 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.	Registered and/or accredited education and training providers comply with the appropriate legislative and/or other regulatory requirements.	1. Regulation, Funding, and Policy 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: Registered and/or accredited education and training providers comply with the appropriate legislative and/or other regulatory requirements.</b>					
Percentage of non self-accrediting higher education institutions complying with accreditation and authorisation requirements of the <i>Higher Education Act 2004</i> .....	100%	100%	100%	100%	
Percentage of non-government schools complying with registration requirements of the <i>School Education Act 1999</i> .....	99.7%	98%	99%	98%	
Percentage of providers of education services to full fee international students complying with registration requirements of the ESPRA <sup>(b)</sup> and the <i>Education Services for Overseas Students Act 2000 (C'th)</i> .....	92.9%	92.9%	95%	98%	
Percentage of Registered Training Organisations (RTO's) compliant with the Australian Quality Training Framework standards for RTO's .....	n/a	n/a	100%	100%	

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

(b) ESPRA: *Education Service Providers (Full Fee Overseas Students) Registration Act 1991*.

**Service 1: Regulation, Funding and Policy Advice**

Provision of regulatory, funding and policy advisory services, as required by legislation or government policy, to support provision of quality services by registered and/or accredited education and training providers.

	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> .....	16,188	22,562	22,614	25,491	
Less Income.....	5,482	6,140	6,140	6,639	
Net Cost of Service <sup>(a)</sup> .....	10,706	16,422	16,474	18,852	
Adjustments <sup>(b)</sup> .....	476	(234)	(196)	(234)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>11,182</b>	<b>16,188</b>	<b>16,278</b>	<b>18,618</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 regulatory services per registered provider/institution.....	\$2,225.65	\$4,335.76	\$6,110.87	\$6,059.10	
Cost of funded services per funded unit.....	\$5.43	\$10.81	\$5.88	\$6.09	
Hourly cost of providing policy advice and support.....	\$77.91	\$157.79	\$83.98	\$86.38	
<b>Full Time Equivalents (FTEs) <sup>(b)</sup></b>	<b>26</b>	<b>26</b>	<b>49</b>	<b>49</b>	

(a) A restructure in 2006-07 has resulted in new key efficiency indicators being developed to enhance reporting.

(b) Responsibility for the Training Accreditation Council (TAC) transferred into the Department from 1 July 2006. The 2006-07 budget reflects funding for TAC but not the FTEs.

**Major Achievements For 2006-07**

- Completed statutory reviews of the *School Education Act 1999* and the *Curriculum Council Act 1997*, had carriage of the *Curriculum Council (Fees and Charges) Act 2006*, and assisted the Department of Education and Training with the Industrial Training Amendment Bill 2006.
- Developed an action plan and commenced implementing recommendations of the Australian Universities Quality Agency's audit of the Department's higher education accreditation and approval processes.
- In concert with all other jurisdictions completed the preparation of the National Guidelines for the implementation of the revised National Protocols for Higher Education Approval Processes following a Ministerial Council for Employment, Education, Training and Youth Affairs resolution.
- Prepared a report on the teaching workforce: Teacher Supply and Demand and Student Placements in Western Australia - Strategic Issues.



- 12 non self-accrediting higher education institutions were accredited and/or authorised and 25 higher education courses were accredited for delivery in Western Australia.
- 118 VET organisations are likely to be registered or re-registered, over 100 extensions to the scope of registration of RTO's are likely to be made, and over 100 VET courses are likely to be accredited or re-accredited in Western Australia by the TAC.
- The Department and TAC were found to be fully compliant when audited by an independent auditor against the Australian Quality Training Framework Standards for Registering/Course Accrediting Bodies.
- Participated in multi-lateral consultations with the Commonwealth/State and Territory regulatory authorities on the new *Education Services for Overseas Students Act 2000* regulatory framework in relation to a National Code of Practice for Registration Authorities (the National Code of Practice) and auditable standards for English Language Intensive Courses for Overseas Students and Foundation Programs.
- 65 existing and five new education service providers were inspected for their compliance with the standards and requirements of the *Education Service Providers (Full Fee Overseas Students) Registration Act 1991* and the National Code of Practice, and were registered for periods of between one and four years as provided for in the Act.
- Ministerial approval was obtained for applications to establish five new non-government schools and to provide additional educational levels at three existing schools.
- 47 independent non-government schools were inspected for their compliance with the standards and requirements of the *School Education Act 1999* and School Education Regulations 2000 and were re-registered for periods of between one and seven years as provided for in the Act.
- 46 Catholic schools were audited and re-registered under the terms and conditions of a System Agreement between the Minister for Education and Training and the Catholic Education Office of Western Australia.
- \$231.8 million in per capita grants for recurrent purposes was allocated to non-government schools in the 2006-07 period consistent with principles agreed to in the 2004 review of the funding model and at levels which maintained the Government's commitment to provide total funding to the sector at not less than 25 per cent of a modified Average Government School Recurrent Cost.
- Loans made available from the Western Australian Treasury Corporation under the Low Interest Loan Scheme to a total value of \$29.2 million were approved to assist capital development projects at 37 non-government schools.

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

- Prepare a report on university provision in the Midland/Armadale area.
- Represent Western Australia's position bilaterally and multilaterally on higher education issues at the national level.
- Implement recommendations of the Australian Universities Quality Agency's audit as part of the Department's continuous quality improvement model for higher education accreditation and authorisation processes.
- Implement revisions to the National Protocols for Higher Education Approval Process approved at the 20th Ministerial Council for Employment, Education, Training and Youth Affairs meeting.
- Prepare for, and implement, the revised Australian Quality Training Framework 2007 across the VET sector in Western Australia.
- Implement new regulatory frameworks and administrative processes arising from national quality assurance and legislative reviews of the *Education Services for Overseas Students Act 2000*, the National Code of Practice, English Language Intensive Courses for Overseas Students standards and Foundation Programs.

- Provide higher per capita grants to non-government schools for Aboriginal students that are sole providers of schooling in remote areas of the State in recognition of the higher costs of service delivery in these areas. This follows a review and calculation of the Average Government School Recurrent Cost in government schools operating at similar remote locations.
- Provide higher rates of supplementation to standard per capita grants for qualifying students with disabilities attending non-government schools in recognition of the higher costs of service delivery to students with special needs. This follows a review and calculation of the Average Government School Recurrent Cost in government schools with education support facilities for students with disabilities.
- Develop strategies to audit the accuracy of non-government schools' claims for per capita grants following a review of current procedures based on use of enrolment and attendance records and a bi-annual student census.

### CAPITAL WORKS PROGRAM

An amount of \$60,000 will be provided in 2007-08 to replace office equipment and computers.

	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>				
Information Technology Upgrade and Replacement 2006-07 Program .....	80	80	80	-
<b>NEW WORKS</b>				
Furniture and Fittings 2007-08 Program .....	16	-	-	16
Information Technology Upgrade and Replacement 2007-08 Program .....	44	-	-	44
	140	80	80	60

### 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>	52	60	80	60	360	36	35
<b>Working capital requirement</b>	52	60	80	60	360	36	35
<b>LESS</b>							
Drawdowns from the Holding Account .....	60	60	60	60	360	36	35
Internal Funds and Balances .....	(8)	-	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> .....	1,863	3,686	3,733	3,822	3,857	3,914	3,966
Superannuation .....	223	447	451	457	405	409	414
Grants and subsidies <sup>(b)</sup> .....	931	13	14	13	15	15	15
Supplies and services .....	1,209	2,602	2,602	2,885	2,843	3,089	3,324
Finance costs .....	11,739	15,628	15,628	18,128	18,628	19,128	19,628
Capital user charge <sup>(c)</sup> .....	158	202	173	-	-	-	-
Depreciation and amortisation .....	151	130	130	130	130	130	130
Other expenses .....	72	56	56	56	56	58	58
<b>TOTAL COST OF SERVICES</b> .....	<b>16,346</b>	<b>22,764</b>	<b>22,787</b>	<b>25,491</b>	<b>25,934</b>	<b>26,743</b>	<b>27,535</b>
<b>Income</b>							
User charges and fees .....	107	456	456	455	459	460	460
Grants and subsidies .....	384	325	325	325	327	325	325
Interest revenue .....	4,970	5,069	5,069	5,569	6,069	6,569	7,069
Other revenue .....	21	290	290	290	280	290	290
<b>Total Income</b> .....	<b>5,482</b>	<b>6,140</b>	<b>6,140</b>	<b>6,639</b>	<b>7,135</b>	<b>7,644</b>	<b>8,144</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>10,864</b>	<b>16,624</b>	<b>16,647</b>	<b>18,852</b>	<b>18,799</b>	<b>19,099</b>	<b>19,391</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	11,340	16,390	16,451	18,618	18,624	18,929	19,221
Resources received free of charge .....	107	180	180	180	130	130	130
Liabilities assumed by the Treasurer .....	37	54	54	54	45	40	40
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>11,484</b>	<b>16,624</b>	<b>16,685</b>	<b>18,852</b>	<b>18,799</b>	<b>19,099</b>	<b>19,391</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>620</b>	<b>-</b>	<b>38</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 26, 49 and 49 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 .....	3,456	2,254	3,136	3,126	3,116	3,106	3,096
Restricted cash .....	10	20	20	30	40	50	60
Investments .....	17,407	17,560	17,560	18,816	20,081	21,850	23,500
Receivables .....	37	144	30	30	30	30	30
Interest receivable .....	753	694	753	753	753	753	753
Amounts receivable for services .....	60	60	60	360	36	35	35
Prepayments .....	3	21	21	21	21	21	21
<b>Total current assets .....</b>	<b>21,726</b>	<b>20,753</b>	<b>21,580</b>	<b>23,136</b>	<b>24,077</b>	<b>25,845</b>	<b>27,495</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	160	230	230	-	94	189	284
Land and buildings .....	660	530	680	700	720	740	760
Plant and equipment .....	100	104	110	120	137	140	142
Loans and advances .....	194,300	205,704	204,657	212,161	218,580	223,230	226,230
Other .....	202	138	122	42	255	158	61
<b>Total non-current assets .....</b>	<b>195,422</b>	<b>206,706</b>	<b>205,799</b>	<b>213,023</b>	<b>219,786</b>	<b>224,457</b>	<b>227,477</b>
<b>TOTAL ASSETS .....</b>	<b>217,148</b>	<b>227,459</b>	<b>227,379</b>	<b>236,159</b>	<b>243,863</b>	<b>250,302</b>	<b>254,972</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	817	144	116	116	116	116	116
Provision for employee entitlements .....	572	723	865	865	865	865	865
Borrowings .....	17,407	17,560	17,560	18,816	20,081	21,850	23,500
Interest payable .....	3,376	3,165	3,376	3,376	3,376	3,376	3,376
Accrued salaries .....	36	-	22	22	22	22	22
<b>Total current liabilities .....</b>	<b>22,208</b>	<b>21,592</b>	<b>21,939</b>	<b>23,195</b>	<b>24,460</b>	<b>26,229</b>	<b>27,879</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	49	309	134	134	134	134	134
Borrowings .....	194,300	205,704	204,657	212,161	218,580	223,230	226,230
<b>Total non-current liabilities .....</b>	<b>194,349</b>	<b>206,013</b>	<b>204,791</b>	<b>212,295</b>	<b>218,714</b>	<b>223,364</b>	<b>226,364</b>
<b>TOTAL LIABILITIES .....</b>	<b>216,557</b>	<b>227,605</b>	<b>226,730</b>	<b>235,490</b>	<b>243,174</b>	<b>249,593</b>	<b>254,243</b>
<b>EQUITY</b>							
Contributed equity .....	(38)	(38)	(38)	(38)	(38)	(38)	(38)
Accumulated surplus/(deficit) .....	399	(208)	437	437	437	437	437
Reserves .....	230	100	250	270	290	310	330
<b>Total equity .....</b>	<b>591</b>	<b>(146)</b>	<b>649</b>	<b>669</b>	<b>689</b>	<b>709</b>	<b>729</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>217,148</b>	<b>227,459</b>	<b>227,379</b>	<b>236,159</b>	<b>243,863</b>	<b>250,302</b>	<b>254,972</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 .....	11,210	16,260	16,321	18,488	18,494	18,799	19,091
Holding account drawdowns .....	60	60	60	60	360	36	35
<b>Net cash provided by State government .....</b>	<b>11,270</b>	<b>16,320</b>	<b>16,381</b>	<b>18,548</b>	<b>18,854</b>	<b>18,835</b>	<b>19,126</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(1,764)	(3,308)	(3,363)	(3,822)	(3,857)	(3,914)	(3,966)
Superannuation .....	(191)	(393)	(399)	(403)	(360)	(369)	(374)
Grants and subsidies .....	(1,009)	(13)	(14)	(13)	(15)	(15)	(15)
Supplies and services .....	(1,046)	(2,422)	(2,421)	(2,705)	(2,713)	(2,959)	(3,194)
Finance costs .....	(11,529)	(15,628)	(15,628)	(18,128)	(18,628)	(19,128)	(19,628)
Capital user charge <sup>(a)</sup> .....	(155)	(202)	(202)	-	-	-	-
Goods and services tax .....	(223)	(158)	(158)	(158)	(170)	(170)	(170)
Other .....	(75)	(56)	(56)	(56)	(56)	(58)	(58)
<b>Receipts</b>							
User charges and fees .....	107	456	456	455	459	460	460
Grants and subsidies .....	384	325	325	325	327	325	325
Interest received .....	4,910	5,069	5,069	5,569	6,069	6,569	7,069
Goods and services tax .....	244	158	158	158	170	170	170
Other receipts .....	125	290	290	290	280	290	290
<b>Net cash from operating activities .....</b>	<b>(10,222)</b>	<b>(15,882)</b>	<b>(15,943)</b>	<b>(18,488)</b>	<b>(18,494)</b>	<b>(18,799)</b>	<b>(19,091)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(52)	(60)	(80)	(60)	(360)	(36)	(35)
<b>Net cash from investing activities .....</b>	<b>(52)</b>	<b>(60)</b>	<b>(80)</b>	<b>(60)</b>	<b>(360)</b>	<b>(36)</b>	<b>(35)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings .....	(15,454)	(16,302)	(17,407)	(17,740)	(18,816)	(20,081)	(21,850)
Other payments for financing activities .....	(24,561)	(26,500)	(28,586)	(26,500)	(26,500)	(26,500)	(26,500)
Proceeds from borrowings .....	25,229	26,500	27,918	26,500	26,500	26,500	26,500
Other proceeds from financing activities .....	15,454	16,302	17,407	17,740	18,816	20,081	21,850
<b>Net cash from financing activities .....</b>	<b>668</b>	<b>-</b>	<b>(668)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,664</b>	<b>378</b>	<b>(310)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	1,802	1,896	3,466	3,156	3,156	3,156	3,156
<b>Cash assets at the end of the reporting period .....</b>	<b>3,466</b>	<b>2,274</b>	<b>3,156</b>	<b>3,156</b>	<b>3,156</b>	<b>3,156</b>	<b>3,156</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.....	16,346	22,764	22,787	25,491	25,934	26,743	27,535
Less Capital User Charge.....	158	202	173	-	-	-	-
Adjusted Total Cost of Services .....	16,188	22,562	22,614	25,491	25,934	26,743	27,535
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	11,340	16,390	16,451	18,618	18,624	18,929	19,221
Less Capital User Charge.....	158	202	173	-	-	-	-
Adjusted net amount appropriated to deliver services .....	11,182	16,188	16,278	18,618	18,624	18,929	19,221

## 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 .....	209,910	233,729	241,679	257,721	281,075	307,021	334,356
Finance costs .....	1,211	914	914	644	391	199	94
<b>TOTAL ADMINISTERED EXPENSES <sup>(a)</sup> ..</b>	<b>211,121</b>	<b>234,643</b>	<b>242,593</b>	<b>258,365</b>	<b>281,466</b>	<b>307,220</b>	<b>334,450</b>
<b>INCOME</b>							
Interest revenue .....	1,211	914	914	644	391	199	94
Administered appropriations.....	215,595	233,729	234,929	257,721	281,075	307,021	334,356
<b>TOTAL ADMINISTERED INCOME <sup>(b)</sup> .....</b>	<b>216,806</b>	<b>234,643</b>	<b>235,843</b>	<b>258,365</b>	<b>281,466</b>	<b>307,220</b>	<b>334,450</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 and cash equivalents .....	6,789	1,290	42	44	46	48	50
Investments .....	8,771	7,603	7,603	6,743	5,344	3,446	847
Receivables .....	185	-	184	184	184	184	184
Interest receivable .....	84	80	60	51	40	20	12
<b>Total Administered Current Assets .....</b>	<b>15,829</b>	<b>8,973</b>	<b>7,889</b>	<b>7,022</b>	<b>5,614</b>	<b>3,698</b>	<b>1,093</b>
<b>ADMINISTERED NON-CURRENT ASSETS</b>							
Loans and advances .....	23,983	16,604	16,380	9,637	4,293	847	-
<b>Total Administered Non-Current Assets .....</b>	<b>23,983</b>	<b>16,604</b>	<b>16,380</b>	<b>9,637</b>	<b>4,293</b>	<b>847</b>	<b>-</b>
<b>TOTAL ADMINISTERED ASSETS.....</b>	<b>39,812</b>	<b>25,577</b>	<b>24,269</b>	<b>16,659</b>	<b>9,907</b>	<b>4,545</b>	<b>1,093</b>
<b>ADMINISTERED CURRENT LIABILITIES</b>							
Borrowings .....	8,771	7,603	7,603	6,743	5,344	3,446	847
Monies in trust .....	39	40	41	43	45	47	49
Interest payable .....	84	80	60	51	40	20	12
<b>Total Administered Current Liabilities.....</b>	<b>8,894</b>	<b>7,723</b>	<b>7,704</b>	<b>6,837</b>	<b>5,429</b>	<b>3,513</b>	<b>908</b>
<b>ADMINISTERED NON-CURRENT LIABILITIES</b>							
Borrowings .....	23,983	16,604	16,380	9,637	4,293	847	-
<b>Total Administered Non-Current Liabilities .....</b>	<b>23,983</b>	<b>16,604</b>	<b>16,380</b>	<b>9,637</b>	<b>4,293</b>	<b>847</b>	<b>-</b>
<b>TOTAL ADMINISTERED LIABILITIES..</b>	<b>32,877</b>	<b>24,327</b>	<b>24,084</b>	<b>16,474</b>	<b>9,722</b>	<b>4,360</b>	<b>908</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 .....	(209,911)	(233,729)	(241,679)	(257,721)	(281,075)	(307,021)	(334,356)
Finance costs .....	(1,237)	(935)	(935)	(651)	(400)	(217)	(100)
Goods and services tax .....	(20,558)	(23,242)	(23,242)	(25,346)	(26,890)	(28,222)	(30,509)
<b>Financing Activities</b>							
Repayment of borrowings.....	(11,075)	(8,841)	(8,771)	(7,603)	(6,743)	(5,344)	(3,446)
<b>Investing Activities</b>							
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(242,781)</b>	<b>(266,747)</b>	<b>(274,627)</b>	<b>(291,321)</b>	<b>(315,108)</b>	<b>(340,804)</b>	<b>(368,411)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Interest received .....	1,239	937	938	653	402	219	102
Goods and services tax .....	20,138	23,242	23,242	25,346	26,890	28,222	30,509
Administered appropriations.....	215,595	233,729	234,929	257,721	281,075	307,021	334,356
<b>Financing Activities</b>							
Other proceeds from financing activities.....	11,075	8,841	8,771	7,603	6,743	5,344	3,446
<b>Investing Activities</b>							
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>248,047</b>	<b>266,749</b>	<b>267,880</b>	<b>291,323</b>	<b>315,110</b>	<b>340,806</b>	<b>368,413</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>5,266</b>	<b>2</b>	<b>(6,747)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</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
Other Scholarships .....	25	13	14	13	15	15	15
College of Teaching Grant.....	906	-	-	-	-	-	-
<b>TOTAL</b>	<b>931</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>15</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>							
Per Capita Grants to Non-Government Schools .....	197,537	219,987	227,937	243,329	266,116	291,239	316,785
Grants for Special Education Students .....	3,725	3,852	3,852	4,166	4,506	4,873	5,270
Psychology Services Grant .....	2,149	2,324	2,324	2,513	2,718	2,940	3,180
Australian Music Examinations Board .....	127	131	131	135	139	143	100
All other grants .....	307	400	400	394	392	384	403
Students At-Risk .....	236	255	255	276	300	325	351
Funding for Western Australian Hospital Services and the Western Australian Institute for Deaf Education .....	1,958	1,741	1,741	1,839	1,839	2,028	3,180
<b>STATUTORY AUTHORITIES</b>							
Curtin University of Technology - Debt Charges .....	60	35	35	30	26	50	48
<b>OTHER STATE SERVICES</b>							
Superannuation - Higher Education Institutions .....	3,811	5,004	5,004	5,039	5,039	5,039	5,039
Finance costs .....	1,211	914	914	644	391	199	94
<b>TOTAL</b>	<b>211,121</b>	<b>234,643</b>	<b>242,593</b>	<b>258,365</b>	<b>281,466</b>	<b>307,220</b>	<b>334,450</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>							
Interest revenue .....	1,211	914	914	644	391	199	94
Service Appropriation .....	215,595	233,729	234,929	257,721	281,075	307,021	334,356
<b>TOTAL</b>	<b>216,806</b>	<b>234,643</b>	<b>235,843</b>	<b>258,365</b>	<b>281,466</b>	<b>307,220</b>	<b>334,450</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
Registration Fees.....	107	456	456	455
Commonwealth Specific Purpose Program - Aboriginal Education and Training Council .....	384	325	325	325
Miscellaneous Revenue .....	125	290	290	290
GST input credits .....	20,371	23,376	23,376	25,480
GST Receipts .....	11	24	24	24
<b>TOTAL .....</b>	<b>20,998</b>	<b>24,471</b>	<b>24,471</b>	<b>26,574</b>

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

## SOUTH WEST DEVELOPMENT COMMISSION

### PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

#### DIVISION 54

#### 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 101 Net amount appropriated to deliver services <sup>(a)</sup></b> .....	4,226	6,177	8,709	<b>8,943</b>	4,074	4,143	4,281
Total appropriations provided to deliver services .....	4,226	6,177	8,709	<b>8,943</b>	4,074	4,143	4,281
<b>CAPITAL</b>							
<b>Item 176 Capital Contribution</b> .....	850	876	876	<b>905</b>	936	967	936
<b>GRAND TOTAL</b> .....	5,076	7,053	9,585	<b>9,848</b>	5,010	5,110	5,217

(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 our vision, we aim to develop the region's economy and enhance those qualities which make the South West the best place in which to live, work and invest.*

#### SIGNIFICANT ISSUES AND TRENDS

- The South West continues to be Western Australia's major growth region.
- The region's gross regional product in 2005-06 was estimated at \$7.9 billion, having increased at an average of 8.2 per cent per annum over the last five years.
- The population of the South West continues to grow as people seek new lifestyles and pursue opportunities within the region. Growth continues to exceed medium range forecasts placing pressure on existing infrastructure.
- Bunbury is emerging as a city of national significance as well as the region's capital and is repositioning itself as an alternative to Perth for residential and industry investment.
- Career diversity remains a key theme and is linked to job and educational opportunities in the region.
- There will be continued pressure for industrial land for light and general industry purposes at strategic locations within the region.
- Affordable housing has emerged as a major priority for the region.
- Demographic forecasts continue to show a trend indicating the need for active ageing strategies.
- The interaction of major industry and the community will require greater dialogue as projects are developed.

**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 .....	5,419	9,004	12,996	9,842			
<b>Total Cost of Services <sup>(a)</sup></b> .....	5,419	9,004	12,996	9,842	4,955	4,233	5,072
<i>Less Income</i> .....	2,625	792	892	782	775	115	30
<b>Net Cost of Services <sup>(a)</sup></b> .....	2,794	8,212	12,104	9,060	4,180	4,118	5,042
Adjustments <sup>(b)</sup> .....	1,432	(2,035)	(3,395)	(117)	(106)	25	(761)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	4,226	6,177	8,709	8,943	4,074	4,143	4,281
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	850	876	876	905	936	967	936
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	5,076	7,053	9,585	9,848	5,010	5,110	5,217

- (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	Service
Ensuring that regional Western Australia is strong and vibrant.	An environment which is conducive to the balanced economic development of the South West Region.	1. Regional Development

**Outcomes and Key Effectiveness Indicators <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 development of the South West Region.</b>					
Customer satisfaction survey .....	64%	76%	76%	76%	

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

**Service 1: Regional Development**

To provide a regional development service which contributes to sustainable development within the South West through the provision of information, advice and support together with marketing and promotion of the region.

	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> .....	5,419	9,004	12,996	9,842	2006-07 contains capital works and additional grant funding.
Less Income .....	2,625	792	892	782	
Net Cost of Service <sup>(a)</sup> .....	2,794	8,212	12,104	9,060	
Adjustments <sup>(b)</sup> .....	1,432	(2,035)	(3,395)	(117)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,226</b>	<b>6,177</b>	<b>8,709</b>	<b>8,943</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 service .....	155	154	175	160	
<b>Full Time Equivalents (FTEs)</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>25</b>	

(a) Average cost per hour of service is calculated excluding grants and capital works.

**Major Achievements For 2006-07*****Investing in People***

- Established the South West Community Foundation Model.
- Administered the 2006-07 Regional Development Scheme and the 2007 South West Events Program.
- Over 200 people attended the inaugural South West Futures Conference and evaluation reports were very positive.
- Negotiated a grant agreement with the Shire of Collie to provide \$250,000 for further redevelopment of the Collie swimming pool.
- Completed all infrastructure plans for Lake Kepwari at Collie, with the final due diligence report on water quality due for completion in April 2007.
- Established a youth coordinator position for the region with involvement in a variety of activities, including Leavers Week.
- Established four pilot online lifelong learning nodes across the region.
- Appointed a project officer to work with the Department of Housing and Works to increase the ratio of affordable lots in regional housing developments.
- Commenced development of an active ageing strategy for the region.

***Investing in Infrastructure and Place***

- Provided technical expertise to the development of the South West Water Plan due for completion in 2007.
- Provided funding and expertise to the City of Bunbury to assist in planning and civil works throughout the municipality.
- Reached preliminary agreement with stakeholders to progress planning for the Collie Shotts Industrial Park.
- Finalised funding to dredge an existing navigable channel through the mouth of the Collie River in the Leschenault Estuary.
- Developed a Leschenault Estuary fish habitat research project with Murdoch University.
- Finalised community design plans for the Yarloop townscape development in partnership with the Shire of Harvey and the Yarloop community.
- Provided \$2.0 million for the Bunbury Back Beach Coastal Enhancement project, with works due for completion in 2007.
- Supported completion of a master plan for the Bunbury Big Swamp.
- Commenced development of a community centre at Yarloop.
- Completed the Tuart Walk linking Usher with Dalyellup, including interpretive material and signage.
- Provided funding and technical assistance to the shires of Harvey and Boyup Brook to progress industrial land development.
- Provided \$2.5 million toward the reconstruction of Bunbury's Catholic Cathedral.

### ***Investing in Knowledge, Enterprise and Innovation***

- Established and funded a PhD level dolphin research project at the Dolphin Discovery Centre in Bunbury.
- As part of the New Futures program, assisted the establishment of a green tea company in the South West, and provided further assistance to build the export market for seed potatoes.
- Assisted in developing a website, branding strategy and overseas promotion program to support wine trails in the South West.
- Won a new four year contract with Austrade to provide export services in the region.
- Certified over 300 skilled migrant applications during the year in review.
- Finalised a business and industry relocation strategy for the South West to be implemented in 2008.
- In partnership with the South West Chambers of Commerce and Industry, organised the South West Focus conference for May 2007.
- Opened the South West Working Life tourism information hub.

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

#### ***Investing in People***

- Establish a South West sports academy in partnership with the Department of Sport and Recreation and South West Chambers of Commerce and Industry.
- Administer the 2007-08 Regional Development Scheme and the 2008 South West Events Program.
- Implement an innovation roundtable for the region to foster innovation and futures thinking.
- Continue proposals to develop Lake Kepwari for public recreation.
- Complete evaluation of online lifelong learning pilots.
- Convene the Southern Regions Leadership Forum in partnership with the Peel Development Commission and the Great Southern Development Commission.
- Complete an active ageing strategy.
- Develop a model for the engagement of young people in State Government planning for the South West.

#### ***Investing in Infrastructure and Place***

- With the stakeholders' reference group, encourage inclusion of the Bunbury Outer Ring Road on the Auslink register.
- Provide funding to the Shire of Harvey to landscape public open space adjacent to the Harvey drain.
- Support the completion of strategic planning for Kemerton Industrial Park and link to a marketing strategy.
- Assist the Shire of Boyup Brook to finalise a light industry land program.
- Support the finalisation of the Augusta and Margaret River landscape planning strategies.
- Complete feasibility studies for the refurbishment of the Busselton Jetty and foreshore land.
- Support the completion of the Yarloop, Brunswick, Capel and Pemberton town planning strategies.

- Complete the Bunbury Back Beach Coastal Enhancement project.
- In conjunction with LandCorp, undertake a land opportunities audit of Crown land in the South West.
- In conjunction with the private sector, drive broadband connections into the South West in accordance with the Commission's vision for regional broadband services.
- Promote the development of tourism roads of significance.
- In partnership with the Department of Industry and Resources, review the raw material supply sources for the region.
- Continue to work with LandCorp to develop Picton industrial land.

***Investing in Knowledge, Enterprise and Innovation***

- Implement the Agriculture Futures program for Pinjarra-Brunswick in partnership with the Peel Development Commission.
- Provide funding and expertise to market the Brunswick-Yarloop locality to the Perth tourism market.
- Implement a regional node of the Shared Land Information Platform as a GIS planning tool for the South West.
- In partnership with Edith Cowan University, support the development of an export strategy for the South West Campus.
- Complete a strategy for the utilisation of the Pemberton Hydro for educational purposes.
- In partnership with the Dolphin Discovery Centre and Murdoch University, market the centre as a leading marine research centre.
- Implement recommendations of the South West Business Relocation Strategy in respect of website and marketing to attract new business to the region.
- TradeStart will increase its target for new exports to 25 new export startups.



**CAPITAL WORKS PROGRAM**

The Capital Works Program for 2007-08 consists of the finalisation of the Bunbury Back Beach Coastal Enhancement Project and the Commission's asset 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>				
Other Works - Bunbury Back Beach Coastal Enhancement	11,928	7,333	2,094	4,595
<b>COMPLETED WORKS</b>				
Asset Replacement – 2006-07 Program .....	50	50	50	-
Other Works				
Capping of Koombana Bay Groyne .....	30	30	30	-
Picton Industrial Park Sewerage .....	2,000	2,000	2,000	-
Pioneer Park Cemetery Memorial .....	100	100	100	-
Restoration of Collie River and Boardwalk .....	215	215	197	-
Western Five Lake Project .....	500	500	435	-
<b>NEW WORKS</b>				
Asset Replacement – 2007-08 Program .....	50	-	-	50
	14,873	10,228	4,906	4,645

**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>	1,196	3,950	4,906	4,645	50	50	30
<b>Working Capital Requirement</b>							
Loan and Other Repayments .....	850	876	876	905	936	967	936
	2,046	4,826	5,782	5,550	986	1,017	966
<b>LESS</b>							
Drawdowns from the Holding Account .....	30	30	30	30	30	30	30
Funding Included in Service Appropriations <sup>(a)</sup> .....	500	2,000	2,000	4,595	-	-	-
Internal Funds and Balances .....	666	1,920	2,876	20	20	20	-
<b>Capital Contribution .....</b>	850	876	876	905	936	967	936

(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> .....	1,356	1,510	1,532	1,687	1,620	1,735	1,809
Superannuation .....	129	230	233	237	239	229	243
Cost of goods sold .....	403	-	-	-	-	-	-
Grants and subsidies <sup>(b)</sup> .....	1,097	3,042	5,766	5,548	710	100	100
Supplies and services .....	1,022	3,007	3,759	1,275	1,341	1,157	1,673
Accommodation .....	291	352	352	352	357	399	405
Finance costs .....	451	357	357	298	265	212	253
Depreciation and amortisation .....	136	145	145	207	207	228	264
State taxes .....	3	-	-	-	-	-	-
Loss on disposal of non-current assets .....	130	113	524	-	-	-	-
Other expenses .....	401	248	328	238	216	173	325
<b>TOTAL COST OF SERVICES</b> .....	<b>5,419</b>	<b>9,004</b>	<b>12,996</b>	<b>9,842</b>	<b>4,955</b>	<b>4,233</b>	<b>5,072</b>
<b>Income</b>							
User charges and fees .....	1,609	-	-	-	-	-	-
Grants and subsidies .....	950	750	850	750	750	100	-
Rent .....	32	25	25	15	15	5	10
Other revenue .....	34	17	17	17	10	10	20
<b>Total Income</b> .....	<b>2,625</b>	<b>792</b>	<b>892</b>	<b>782</b>	<b>775</b>	<b>115</b>	<b>30</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>2,794</b>	<b>8,212</b>	<b>12,104</b>	<b>9,060</b>	<b>4,180</b>	<b>4,118</b>	<b>5,042</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	4,226	6,177	8,709	8,943	4,074	4,143	4,281
Liabilities assumed by the Treasurer .....	-	55	55	55	60	65	65
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>4,226</b>	<b>6,232</b>	<b>8,764</b>	<b>8,998</b>	<b>4,134</b>	<b>4,208</b>	<b>4,346</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,432</b>	<b>(1,980)</b>	<b>(3,340)</b>	<b>(62)</b>	<b>(46)</b>	<b>90</b>	<b>(696)</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.

(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 .....	1,022	417	726	701	650	553	553
Restricted cash .....	4,476	449	2,414	2,410	2,410	2,410	2,410
Receivables .....	71	17	56	60	60	60	80
Inventories.....	319	-	-	319	319	319	319
Amounts receivable for services.....	30	30	30	30	30	30	30
Prepayments .....	1	10	1	1	1	1	1
<b>Total current assets .....</b>	<b>5,919</b>	<b>923</b>	<b>3,227</b>	<b>3,521</b>	<b>3,470</b>	<b>3,373</b>	<b>3,393</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	397	512	512	689	866	1,064	1,298
Land and buildings.....	5,144	3,636	4,085	4,052	4,021	3,990	3,956
Plant and equipment.....	81	218	141	180	110	39	69
Electricity generation and transmission.....	1,014	1,238	978	942	906	870	834
Inventories.....	890	1,257	890	890	890	890	890
Intangibles.....	10	-	-	-	-	-	-
Other.....	92	64	82	72	62	52	52
<b>Total non-current assets.....</b>	<b>7,628</b>	<b>6,925</b>	<b>6,688</b>	<b>6,825</b>	<b>6,855</b>	<b>6,905</b>	<b>7,099</b>
<b>TOTAL ASSETS.....</b>	<b>13,547</b>	<b>7,848</b>	<b>9,915</b>	<b>10,346</b>	<b>10,325</b>	<b>10,278</b>	<b>10,492</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	4	2	4	4	4	4	4
Payables <sup>(a)</sup> .....	78	83	78	108	108	108	77
Provision for employee entitlements .....	337	342	337	357	357	357	357
Borrowings.....	875	876	878	910	942	943	943
Interest payable .....	111	82	80	63	58	45	90
Accrued salaries .....	35	18	28	1	1	1	1
Other.....	235	1,343	3	490	520	396	356
<b>Total current liabilities.....</b>	<b>1,675</b>	<b>2,746</b>	<b>1,408</b>	<b>1,933</b>	<b>1,990</b>	<b>1,854</b>	<b>1,828</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	84	128	62	62	62	62	62
Borrowings.....	5,906	5,025	5,027	4,090	3,122	2,154	2,154
Other.....	-	3	-	-	-	-	-
<b>Total non-current liabilities .....</b>	<b>5,990</b>	<b>5,156</b>	<b>5,089</b>	<b>4,152</b>	<b>3,184</b>	<b>2,216</b>	<b>2,216</b>
<b>TOTAL LIABILITIES.....</b>	<b>7,665</b>	<b>7,902</b>	<b>6,497</b>	<b>6,085</b>	<b>5,174</b>	<b>4,070</b>	<b>4,044</b>
<b>EQUITY</b>							
Contributed equity .....	4,607	5,559	5,483	6,388	7,324	8,291	9,227
Accumulated surplus/(deficit) .....	(2,237)	(8,882)	(5,577)	(5,639)	(5,685)	(5,595)	(6,291)
Reserves .....	3,512	3,269	3,512	3,512	3,512	3,512	3,512
<b>Total equity.....</b>	<b>5,882</b>	<b>(54)</b>	<b>3,418</b>	<b>4,261</b>	<b>5,151</b>	<b>6,208</b>	<b>6,448</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>13,547</b>	<b>7,848</b>	<b>9,915</b>	<b>10,346</b>	<b>10,325</b>	<b>10,278</b>	<b>10,492</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 .....	4,113	6,032	8,564	8,736	3,867	3,915	4,017
Capital contribution .....	850	876	876	905	936	967	936
Holding account drawdowns .....	30	30	30	30	30	30	30
<b>Net cash provided by State government .....</b>	<b>4,993</b>	<b>6,938</b>	<b>9,470</b>	<b>9,671</b>	<b>4,833</b>	<b>4,912</b>	<b>4,983</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,388)	(1,509)	(1,538)	(1,686)	(1,619)	(1,723)	(1,804)
Superannuation .....	(127)	(174)	(177)	(181)	(181)	(164)	(174)
Grants and subsidies .....	(2,586)	(3,042)	(5,766)	(5,548)	(710)	(100)	(100)
Supplies and services .....	(863)	(3,046)	(3,798)	(1,281)	(1,341)	(1,234)	(1,271)
Accommodation.....	(312)	(347)	(347)	(347)	(352)	(399)	(405)
Finance costs .....	(478)	(388)	(388)	(315)	(270)	(225)	(163)
State taxes .....	(1)	-	-	-	-	-	-
Goods and services tax .....	(361)	(424)	(424)	(221)	(230)	(170)	(170)
Other.....	(108)	(203)	(283)	(172)	(205)	(262)	(130)
<b>Receipts</b>							
User charges and fees.....	2,204	500	500	-	-	-	-
Grants and subsidies .....	928	750	850	750	750	100	-
Rent receipts.....	30	25	25	15	15	5	10
Goods and services tax .....	359	424	424	221	230	170	170
Other receipts .....	36	20	20	20	15	10	20
<b>Net cash from operating activities.....</b>	<b>(2,667)</b>	<b>(7,414)</b>	<b>(10,902)</b>	<b>(8,745)</b>	<b>(3,898)</b>	<b>(3,992)</b>	<b>(4,017)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(22)	(50)	(50)	(50)	(50)	(50)	(30)
<b>Net cash from investing activities.....</b>	<b>(22)</b>	<b>(50)</b>	<b>(50)</b>	<b>(50)</b>	<b>(50)</b>	<b>(50)</b>	<b>(30)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings.....	(846)	(876)	(876)	(905)	(936)	(967)	(936)
<b>Net cash from financing activities .....</b>	<b>(846)</b>	<b>(876)</b>	<b>(876)</b>	<b>(905)</b>	<b>(936)</b>	<b>(967)</b>	<b>(936)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,458</b>	<b>(1,402)</b>	<b>(2,358)</b>	<b>(29)</b>	<b>(51)</b>	<b>(97)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	4,040	2,266	5,498	3,140	3,111	3,060	2,963
<b>Cash assets at the end of the reporting period.....</b>	<b>5,498</b>	<b>866</b>	<b>3,140</b>	<b>3,111</b>	<b>3,060</b>	<b>2,963</b>	<b>2,963</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.....	5,419	9,004	12,996	9,842	4,955	4,233	5,072
<i>Less Capital User Charge.....</i>	-	-	-	-	-	-	-
Adjusted Total Cost of Services .....	5,419	9,004	12,996	9,842	4,955	4,233	5,072
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	4,226	6,177	8,709	8,943	4,074	4,143	4,281
<i>Less Capital User Charge.....</i>	-	-	-	-	-	-	-
Adjusted net amount appropriated to deliver services.....	4,226	6,177	8,709	8,943	4,074	4,143	4,281

**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
Bunbury Back Beach Coastal Enhancement ....	1,006	2,000	2,094	4,595	-	-	-
Regional Development Scheme.....	-	500	500	500	500	-	-
Bunbury Cathedral .....	-	-	2,500	-	-	-	-
Information Technology in the South West .....	-	82	82	243	-	-	-
Collie Swimming Pool.....	-	250	250	-	-	-	-
Capital Grants - Bunbury Region .....	-	-	130	-	-	-	-
Other Payments.....	91	210	210	210	210	100	100
<b>TOTAL</b>	<b>1,097</b>	<b>3,042</b>	<b>5,766</b>	<b>5,548</b>	<b>710</b>	<b>100</b>	<b>100</b>

## Part 12

### Minister for Energy; Resources; Industry and Enterprise

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
981	Office of Energy			
	– Delivery of Services .....	17,756	18,601	<b>19,329</b>
	Total .....	17,756	18,601	<b>19,329</b>
1001	Independent Market Operator	-	-	-
1002	Horizon Power	-	-	-
1004	Synergy	-	-	-
1005	Verve Energy	-	-	-
1006	Western Power (Networks)	-	-	-
	GRAND TOTAL			
	– Delivery of Services .....	17,756	18,601	<b>19,329</b>
	Total .....	17,756	18,601	<b>19,329</b>

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## OFFICE OF ENERGY

### PART 12 - MINISTER FOR ENERGY; RESOURCES; INDUSTRY AND ENTERPRISE

#### DIVISION 55

#### 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 102 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	23,454	17,530	18,375	<b>19,096</b>	21,775	22,583	21,161
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	219	226	226	<b>233</b>	240	247	254
Total appropriations provided to deliver services .....	23,673	17,756	18,601	<b>19,329</b>	22,015	22,830	21,415
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Amount provided for Administered Grants, Subsidies and Other Transfer Payments...</b>	5,446	-	-	-	-	-	-
<b>GRAND TOTAL .....</b>	29,119	17,756	18,601	<b>19,329</b>	22,015	22,830	21,415

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

#### SIGNIFICANT ISSUES AND TRENDS

- The release of a number of high profile studies combined with ongoing media commentary has significantly increased public awareness of climate change. Reports raising the profile of climate change include the Stern Review, the most recent assessment report of the Intergovernmental Panel on Climate Change and Western Australia's Greenhouse and Energy Task Force. The Office and its Sustainable Energy Development Office (SEDO) will play an important role in shaping the policy debate on energy sector measures to address climate change at a State and National level.
- There is increasing consensus that a carbon price signal in the form of emissions trading will need to be introduced as part of a comprehensive strategy to reduce Australia's global greenhouse gas emissions. It will be necessary to ensure that any emissions trading model introduced delivers the energy needs of industry and the community consistent with providing competitive and reliable sources of energy for Western Australia. The Office has been active in the ongoing development of a national emissions trading scheme.
- State Governments are increasingly establishing state-based renewable energy targets as a result of the national Mandatory Renewable Energy Target having been largely met and the desire to maintain momentum in the renewable energy industry to contribute to reducing the greenhouse intensity of electricity supply. The Office has been investigating the introduction of a state-based renewable energy target for Western Australia.



- Community demand for environmentally friendly energy supplies and information on practical actions to minimise the environmental impact of energy use have increased significantly. Demand is expected to continue to grow for the SEDO's information resources.
- Western Australia's strong economy is putting pressure on the costs of providing energy, with increasing capital, labour, materials and fuel costs. Additional cost pressure is also expected in the future with the implementation of initiatives to address climate change. The Office has an important role in advising the Government on future energy prices which balance economic realities with consumers' long-term interests.
- Technology improvements in metering are increasing the scope for consumer participation in the management of demand for electricity. The opportunity to deliver customer benefits from these technologies is considered very prospective. Smart meter technology will enable the introduction of time-of-use tariffs, provide opportunities for customers to manage their demand and facilitate the introduction of electricity full retail contestability (FRC). The Office is actively investigating the costs and benefits of smart meters, and will advise the Government in its consideration of a program to roll-out smart meters.
- The creation of four new Electricity Corporations: Verve Energy (Generation); Western Power (Networks); Synergy (Retail); and Horizon Power (Regional), has increased the scope for competition and focused the activities of the respective businesses. The restructure has also increased the transparency of the Electricity Corporations' operational and financial performance. The Office will continue to support the Minister for Energy in managing the Government's ownership interest in the Electricity Corporations in the more competitive and challenging environment.
- The Western Power is undertaking a record investment program to improve reliability and quality of supply for customers on the South West Interconnected System (SWIS). However, an ageing network, together with rising demand for better reliability and quality of electricity supply, will require the development of innovative and cost effective solutions. The Office will continue to work to ensure the policy and regulatory frameworks drive timely efficient investment in network infrastructure to meet the needs of customers on the SWIS.
- Streamlined nationally consistent energy policy and regulation is an important contributor to the development of competition and economic efficiency. National uniform regulation of electricity and natural gas infrastructure is being implemented through the Ministerial Council on Energy (MCE). Western Australian energy infrastructure will continue to be regulated by the Economic Regulation Authority (ERA). The Office will continue to ensure that Western Australia's interests are actively represented in the development and implementation of these national arrangements and national energy policy.
- An efficient energy industry requires competitive tension between alternative fuel sources. Adequate gas supply and transmission capacity and best practice in the coal, gas and renewable energy technologies will be needed. Continuing assessment of market and regulatory outcomes, industry and technology developments and the implementation, in collaboration with industry, of policy responses to address barriers are required to ensure reliable competitively priced energy is available into the future.
- The Commonwealth and the State have agreed as a priority to work together to streamline delivery of services to Indigenous communities, including electricity supply. This will facilitate increased economic and social welfare in these communities. Phase One of the Aboriginal and Remote Communities Power Supply Project is being completed. Building on this experience, development of the next phases will need to be considered.

**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
Government Purchase of Green Power .....	1,300	2,600	5,200	5,200
Beat the Peak Campaign .....	250	250	250	250
Renewable Energy Target .....	1,522	1,272	802	802
Solar Schools Program .....	1,000	1,400	1,400	300
Mandatory Energy Efficiency Program .....	400	2,400	2,400	1,900
Australian Energy Market Commission .....	100	100	100	100
Electricity Full Retail Contestability and Tariffs Review .....	600	200	-	-

**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 Implementation of Energy Policy .....	12,704	12,152	12,229	9,058			
<i>Service 2:</i>							
Development and Implementation of Sustainable Energy Policy and Programs .....	18,183	12,270	13,018	16,575			
<b>Total Cost of Services <sup>(a)</sup></b> .....	30,887	24,422	25,247	25,633	27,970	28,585	27,264
<i>Less Income</i> .....	10,093	5,614	5,614	5,625	5,695	5,695	5,695
<b>Net Cost of Services <sup>(a)</sup></b> .....	20,794	18,808	19,633	20,008	22,275	22,890	21,569
Adjustments <sup>(b)</sup> .....	2,879	(1,052)	(1,032)	(679)	(260)	(60)	(154)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	23,673	17,756	18,601	19,329	22,015	22,830	21,415
<b>ADMINISTERED TRANSACTIONS</b>							
<b>Appropriation for Administered Grants, Subsidies and Transfer Payments</b> .....	5,446	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	29,119	17,756	18,601	19,329	22,015	22,830	21,415

- (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 goals.

Government Goals	Desired Outcomes	Services
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	A policy environment to achieve a competitive, efficient and secure energy sector.	1. Development and Implementation of Energy Policy
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	An increase in the adoption of renewable energy and energy efficiency.	2. Development and Implementation of Sustainable Energy Policy and Programs

### Outcomes and Key Effectiveness Indicators <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 policy environment to achieve a competitive, efficient and secure energy sector.</b>					
Progress with reform of the Western Australian electricity industry, indicated by the timely achievement of the following milestones:					
- subject to Parliamentary endorsement, implement a disaggregation of Western Power Corporation into four successor entities .....	Apr 2006	n/a	n/a	n/a	
- preparation completed for commencement of the Wholesale Electricity Market .....	n/a	Jul 2006	Sep 2006	n/a	
- establishment of an Electricity Quality and Reliability Code .....	Jan 2006	n/a	n/a	n/a	
- implement decision of review of the moratorium preventing Western Power Corporation and its successor entities from competing in the small use gas market .....	n/a	Oct 2006	Mar 2007	n/a	
Improved regional and remote services, indicated by the achievement of the following milestones:					
- Aboriginal and Remote Communities Power Supply Project - negotiation of a Memorandum of Understanding for the implementation and service delivery of Phase One .....	n/a	Jul 2006	Jun 2007	n/a	
- negotiation of an Establishment Agreement with Horizon Power to outline the service delivery arrangements for implementation of the Aboriginal and Remote Communities Power Supply Project Phase Two .....	n/a	n/a	n/a	Oct 2007	
- Aboriginal and Remote Communities Power Supply Project Phase One implementation complete in the five targeted communities .....	n/a	n/a	n/a	Nov 2007	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
<i>Amendments to the Gas Pipeline Access (Western Australia) Act 1998 to:</i>					
- implement changes arising from the Productivity Commission's review of the Gas code .....	n/a	Jan 2007	n/a	Dec 2007	Extended consultation and delays in legislative process.
- introduce the Australian Energy Markets Commission into the Western Australia regulatory governance structure.....	n/a	Jan 2007	n/a	Dec 2007	Extended consultation and delays in legislative process.
Policy input into the State's response to a National emissions trading scheme .....	n/a	Oct 2006	n/a	Aug 2007	
Amend Dampier to Bunbury Pipeline corridor legislation to facilitate pipeline expansion by improving the regulatory environment.....	n/a	Jun 2007	n/a	Jun 2008	
Develop an information package for commercial and industrial developers outlining the current availability of key infrastructure, including energy, and the likely terms and conditions of access .....	n/a	Jun 2007	Jun 2007	n/a	
Introduce complementary legislation into the West Australian Parliament to implement the National Gas Law and the National Gas Rules.....	n/a	n/a	n/a	Aug 2007	
Establish policy for the introduction of electricity smart meters.....	n/a	Jun 2007	n/a	Dec 2007	Delays in the national MCE process to review smart meters have delayed consideration in Western Australia.
Complete Review of Electricity Full Retail Contestability, Tariff Arrangements and consideration of Ministerial Council on Energy cost-benefit analysis of smart meter implementation .....	n/a	n/a	n/a	Dec 2007	
Complete Review of Energy Coordination (Gas Tariffs) Regulations 2000.....	n/a	n/a	n/a	Oct 2007	
Commission Vesting Contract Reset Model and undertake first Reset Process under the contract.....	n/a	n/a	n/a	Oct 2007	
Develop electricity Supplier of Last Resort Arrangements.....	n/a	n/a	n/a	Feb 2008	
Progress with the State Underground Power Program (target 50 per cent of Perth metropolitan homes with underground power by 2010), indicated by the percentage of Perth metropolitan homes with underground power.....	44%	45%	45%	47%	
<b>Outcome: An increase in the adoption of renewable energy and energy efficiency.</b>					
Use of renewable energy through incentive programs, indicated by the displacement of fossil fuel, kilowatt/hour of fossil fuel energy displaced by:					
- Solar Hot Water Subsidy Scheme .....	12,882,464	2,500,000	10,000,000	7,500,000	Additional funding approved in December 2006. Uptake in 2006-07 was higher than expected.
- Renewable Remote Power Generation Program (RRPGP) Large Projects (off-grid and fringe of grid) .....	1,200,000	3,400,000	1,600,000	6,700,000	Can vary substantially from year to year depending on the number of projects completed.

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
- RRP GP - Remote Area Power Supply .....	555,552	400,000	580,000	400,000	Program announced in May 2006 and has not yet reached the expected uptake levels. Program scheduled to end in June 2007. Target for 2007-08 based on expanded program. Variation in the number of eligible projects and estimated generation.
- RRP GP - Renewable Energy Water Pumping Program.....	111,557	100,000	90,000	100,000	
- RRP GP - Rural Renewable Energy Program (small projects) .....	n/a	100,000	20,000	100,000	
- Photovoltaic Rebate Program (PVRP) .....	43,012	40,000	70,000	n/a	
- Solar Schools Program .....	n/a	n/a	45,000	90,000	
- Renewable Energy Production Subsidy .....	131 Gwh	n/a	193.5 Gwh	94.7 Gwh	
- Government purchase of Greenpower.....	n/a	n/a	n/a	26 Gwh	
Adoption of energy efficiency by business, indicated by the number of buildings rated under the Australian Greenhouse Building Rating Program .....	13	20	20	24	
Adoption of energy efficiency by government agencies, indicated by the following:					
- percentage reduction in energy usage by State government agencies (target 12 per cent reduction against baseline by 2006-07) .....	2.9%	12%	3%	n/a	
- percentage of individual agencies meeting target reduction.....	43%	60%	50%	n/a	Cessation of funding in 2007-08.
Adoption of energy efficiency by the community, indicated by the percentage of new houses approved under the House Energy Rating Scheme .....	13.6%	18%	15%	18%	

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

### Service 1: Development and Implementation of Energy Policy

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

	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> .....	12,704	12,152	12,229	9,058	Finalisation of energy reform agenda.
Less Income.....	405	80	72	70	
Net Cost of Service <sup>(a)</sup> .....	12,299	12,072	12,157	8,988	
Adjustments <sup>(b)</sup> .....	1,440	(205)	(224)	(129)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>13,739</b>	<b>11,867</b>	<b>11,933</b>	<b>8,859</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 item of ministerial support ...	\$1,739	\$4,083	\$3,142	\$2,470	
Average cost per strategic policy developed ....	\$106,257	\$109,090	\$124,097	\$162,504	
Average cost of meeting major policy milestones.....	\$576,644	\$385,890	\$365,427	\$287,717	
<b>Full Time Equivalents (FTEs)</b>	31	35	34	35	

- (a) Significant change to the Office's Outcome structure and efficiency measures for the 2004-05 budget make comparison of actuals from the 2003-04 financial year invalid.

**Major Achievements For 2006-07**

- Administered amendments to the Wholesale Electricity Market Rules associated with the commencement and initial period of operation of the new Wholesale Electricity Market, which commenced trading on 21 September 2006.
- Successfully administered the Interim Rule Change process for the Wholesale Electricity Market Rules, involving consideration of 14 Rule Change Proposals, before commencement of the formal Rule Change process on 15 December 2006.
- Continued to administer the requirements of the Vesting Arrangements between Synergy and Verve Energy, facilitating four packages of amendments to the contract.
- Developed and implemented amendments to the Electricity Networks Access Code 2004, and developed and approved an Extensions and Expansions Policy to provide for the operation of Western Power Corporation's Access Arrangement for the SWIS once the Access Arrangement is approved by the ERA.
- In collaboration with Western Power Corporation, developed and implemented a new arrangement for capital contributions for expansion of the SWIS in rural and regional areas. This new arrangement removed the investment barrier of the first user triggering the expansion paying for the full capital contribution. Compared to the previous arrangements, the new policy will be more likely to result in timely expansion of the network in what would otherwise be uneconomic areas.
- Consulted on and implemented changes to the Gas Market Moratorium. The changes to the Gas Market Moratorium will reduce the competition threshold for Synergy from 1.0 TJ/annum to 0.18 TJ/annum, and will remove the threshold from Verve Energy entirely. This will significantly increase the scope for competition in the gas market.
- Actively engaged with the MCE on a range of issues to ensure Western Australia met the commitments agreed under the amended Australian Energy Market Agreement (AEMA). The Office ensured that Western Australia's interests and views on appropriate policy and regulatory arrangements were well represented.
- An Underground Power Program Major Residential Project in City Beach was completed in 2006-07. A major residential project in East Nedlands is scheduled to be completed by 30 June 2007. Round Three Localised Enhancement Projects in Mount Barker, Balingup, Nannup and Lake Grace were completed this year and work will commence on projects in Waroona, Manjimup and Geraldton (Part 2) in 2007-08.
- Program guidelines for Round Four of Localised Enhancement Projects under the Underground Power Program were released in October 2006. The shortlist of successful proposals was announced in May 2007.
- A Thermoregulatory Energy Subsidy was designed and introduced for people with severe medical conditions requiring that the temperature of their immediate surroundings be artificially controlled. The subsidy is being administered by the Office of State Revenue.

- A Ministerial Inquiry was undertaken into the affordability of Liquefied Petroleum Gas and recommendations submitted to Government. The Inquiry members, Mr Mick Murray MLA and Mr Max Trenorden MLA, supported by the Office, will submit their report to the Minister for Energy in June 2007. The inquiry process included extensive public consultation, release of an issues paper and a series of regional meetings.
- A Ministerial Advisory Committee was established on 21 December 2006 to provide a source of independent advice to the Minister for Energy on the adequacy of electricity supply to consumers.
- Provided secretariat support and ex-officio membership via the Coordinator of Energy to the Greenhouse and Energy Task Force from mid 2005 through to December 2006. The Task Force delivered its final report to Government in December 2006.
- Actively participated in the National Emissions Trading Task Force's development of emissions trading principles. This included release of a discussion paper in August 2006 by all State and Territory Governments and holding of stakeholder consultation sessions in October 2006.
- The Office, through Phase 1 of the Aboriginal and Remote Community Power Supply Program has worked with the Commonwealth Government and Horizon Power to upgrade and regularise electricity services in two large, permanent remote Aboriginal communities in the Kimberley region.

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

- A review of the arrangements necessary to further increase the scope of competition in the electricity retail market will be undertaken. This will entail an assessment of the costs and benefits of the implementation of electricity Full Retail Contestability in Western Australia. This will also include an assessment of the roll-out of smart meters and the appropriateness of tariff levels and structures.
- Continue to actively engage and advise on national policy and regulatory development by the MCE. Particular focus will be given to engaging in the development of the National Distribution and Retail Regulatory framework, and the consideration of a National Energy Market Operator. Western Australia has the discretion to adopt appropriate aspects of these national arrangements.
- The *Gas Pipelines Access (WA) Act 1998* will be repealed and complementary legislation enacted to apply the gas access components of the new National Gas Law that implements enhancements to the national gas access regime, such as light handed regulation, greenfield pipeline incentives and improved guidance for regulatory decision making. The amendments will also confer functions on the Australian Energy Market Commission to administer regulatory rules for the gas access regime.
- Administer and advise the Minister as decision-maker on the State's energy emergency supply arrangements. This will include engagement with the energy industry and in the State Emergency Management Committee and the MCE's National Oil Supply Emergency Committee.
- Monitor financial and operational performance and advise the Minister for Energy on the State's interests in Verve Energy, Western Power, Synergy, and Horizon Power.
- Administer the Vesting Arrangements between Synergy and Verve Energy, facilitating any future amendments to the Contract as required. The Office will also commission the Vesting Contract Reset Model and will conduct the first reset process.
- Manage the operation of the Tariff Equalisation Fund, which receives contributions from the Western Power networks business and makes payments to Horizon Power, to support the uniform tariff policy.
- Continue to observe the operation of the Wholesale Electricity Market and provide policy input, particularly, in representing the interests of consumers in the markets ongoing development.
- Complete a review of the operation and effectiveness of the Energy Coordination (Gas Tariffs) Regulations 2000. If necessary, the Office will develop amendments to the Regulations to make sure they are meeting the needs of gas consumers and the gas industry.

- Implementation of the Como East Major Residential Project, which is the remaining project under Round Three of the Underground Power Program, will continue. On-site works on the first Round Four Major Residential Projects will commence in mid to late 2007.
- The Office will work with Horizon Power to finalise the upgrade and regularisation under Phase One of the Aboriginal and Remote Community Power Supply Program, of the electricity supplies in three large, permanent, remote Aboriginal communities in the Kimberley region.
- In partnership with the Commonwealth Government, and with the support of Horizon Power, the Office will commence the planning of an expanded Aboriginal and Remote Community Power Supply Program to regularise the electricity supplies in the remaining large, permanent, remote Aboriginal communities.
- Given the focus of any emissions trading scheme on stationary energy and electricity generation in particular, it is vital that emissions trading is consistent with the vision of competitive, secure and reliable energy supply. The Office will continue engagement in the development of emissions trading meeting Western Australian interests.

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

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

	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> .....	18,183	12,270	13,018	16,575	Introduction of climate change initiatives.
Less Income .....	9,688	5,534	5,542	5,555	
Net Cost of Service <sup>(a)</sup> .....	8,495	6,736	7,476	11,020	
Adjustments <sup>(b)</sup> .....	1,439	(847)	(808)	(550)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>9,934</b>	<b>5,889</b>	<b>6,668</b>	<b>10,470</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 item of ministerial support ...	\$489	\$723	\$558	\$633	
Average cost per strategic policy developed....	\$71,220	\$130,123	\$107,660	\$158,219	
Average cost of meeting major policy and program implementation milestones.....	\$38,948	\$100,094	\$97,241	\$170,389	
Average value of incentive grants paid .....	\$4,200	\$7,165	\$2,252	\$3,168	
Average cost per information and advice service .....	\$180,028	\$216,871	\$251,207	\$369,177	
<b>Full Time Equivalents (FTEs)</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>32</b>	

- (a) Significant change to the Office's Outcome structure and efficiency measures for the 2004-05 budget make comparison of actuals from the 2003-04 financial year invalid



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

- The Government has made substantial progress towards implementing a renewable energy target for 2020. Extensive electricity market and economic modelling of a range of targets was undertaken, consultation has commenced with industry and the community on scheme design issues and preparation of drafting instructions has been initiated.
- A small, informal photovoltaic (PV) working group, with representatives from the PV industry and electricity sector has provided advice on barriers to the uptake of PV systems connected to the SWIS and regional grids. As part of the work, the SEDO has commissioned an analysis of the potential benefits that PV systems can offer to the electricity network, as well an examination of existing market opportunities for PV.
- The process for securing 20 per cent of the Government's electricity from renewable energy sources has commenced. Offers to supply five per cent or 26GWh of renewable energy for 2007-08 have been requested from a number of suppliers.
- A mandatory greenhouse and energy reporting framework for industry was developed and agreed to by the Council of Australian Governments.
- Stages two and three of the Renewable Energy Production Subsidy were developed and implemented providing subsidies to eligible renewable energy generators.
- The Equipment Energy Efficiency Program continued to implement Minimum Energy Performance Standards (MEPS) including increased levels of MEPS for residential air conditioners. The Reach for the Stars awareness program administered by the SEDO continued with a new contract tendered for the retailer trainer. The increased awareness of appliance energy efficiency in the Western Australian community has been noted by other State jurisdictions and the Reach for the Stars program is being considered by some for re-implementation.
- Government agencies have achieved cumulative savings of nearly 430,000 GJ since commencement of the Energy Smart Government program, avoiding nearly 40,000 tonnes of greenhouse gas emissions. This equates to a reduction of over \$10.9 million in energy costs. When assessed against a business as usual scenario, using economic growth as the basis, Government energy consumption has reduced by 19 per cent in the past four years.
- The SEDO worked with the Department of Housing and Works to develop energy efficiency measures for residential buildings, to compliment the existing mandatory 5-star thermal energy measures. The 5-star plus measures target energy efficient water heating.
- The SEDO continued to evaluate the new second generation House Energy Rating tools, AccuRate, FirstRate 5.0 and Building Energy Rating Scheme for potential implementation in Western Australia. The out-sourcing to the Association of Building Sustainability Assessors (ABSA) of the Housing Energy Rating Scheme accreditation and administration was successfully completed and is now fully operational.
- The use of the Energy Smart Directory web-based resource continued to expand significantly, with website visits up nearly 40 per cent over the previous period.
- The use of the Australian Building Greenhouse Rating commercial building tool by the local property industry continued to grow. Nearly 50 per cent of the Perth CBD office buildings have been rated under the program, which is a greater percentage than any other state capital. Over the past 12 months the developers of Raine Square, Century City and Bishops See office projects have all committed to designing and constructing these buildings to achieve a 4.5-star rating.
- Western Australians are more aware of energy efficiency when buying an appliance than any other State. A national survey indicates that 61 per cent of West Australians surveyed considered energy efficiency as an important factor when purchasing electrical and gas appliances. Purchase price was the second most popular factor at 52 per cent. Western Australia was the only State where customers mentioned energy efficiency more often than price.
- The Regional Energy Efficiency Program was introduced in December 2006 with co-funding support provided through the Australian Government's Renewable Remote Power Generation Program. The program includes giveaways of energy saving lamps, rebates for high efficiency appliances, insulation and controllers and energy audits for commercial facilities. The program has been well received by people living in the target areas outside of Western Australia's main electricity grid.

- A strategy for the operation of the Renewable Remote Power Generation Program in Western Australia over the next four to six years was developed.
- The Solar Schools Program continued to be well received with 67 schools now selected to participate out of the overall target of 100 schools. The operation of the program was improved through various activities, including the development of a comprehensive 'how to' guide for schools to procure solar power systems and achieve the best educational outcomes from their systems. Timing for the installation of systems was improved by Western Power Corporation, substantially reducing the time taken to approve applications for grid access. The Solar Water Heater Subsidy scheme continued to prove very popular and additional funding was secured to maintain the scheme.

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

- Commence implementation of the renewable energy target for 2020, including developing legislation to establish the scheme.
- Implement the first phase of the Government's renewable energy purchase commitment and commence development of subsequent phases.
- Assist in completing Stage One of the National Framework for Energy Efficiency and in finalising Stage Two.
- Undertake program development for a Mandatory Energy Efficiency Scheme for large and medium sized power consumers. The program would require businesses above a specified level of energy consumption to implement energy efficient opportunities with a three year payback or less.
- Assist in the expansion of the equipment and appliance Minimum Energy Performance standards to include residential lighting and audio-visual equipment such as televisions and DVD players, consistent with the expanded National Framework for Energy Efficiency.
- Develop and implementation of a modified Energy Smart Government program.
- Investigate options for implementing a local program of mandatory disclosure of house thermal energy efficiency at point of sale or lease for residential dwellings, and undertake a trial in association with the local real estate industry.
- Identify renewable energy projects in regional Western Australia that could be supported through the Renewable Remote Power Generation Program and work with relevant parties to progress the most promising projects.
- Introduce an expanded Solar Schools Program targeting an additional 254 schools.
- Provide policy and communications support for the continuation of the summer 'Beat the Peak' program.
- Provide policy and implementation advice to ensure that local needs continue to be met in absorbing the Australian Buildings Greenhouse Rating Scheme into the National Australian Built Environment Rating Scheme.

**CAPITAL WORKS PROGRAM**

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Computer Hardware and Software Replacement - 2006-07 Program .....	235	235	235	-
Network System Security Software.....	68	68	34	-
<b>NEW WORKS</b>				
Computer Hardware and Software Replacement - 2007-08 Program .....	255	-	-	255
	558	303	269	255

**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>	303	269	269	255	268	226	310
	303	269	269	255	268	226	310
<b>LESS</b>							
Drawdowns from the Holding Account .....	193	166	166	197	165	226	310
Funding Included in Service Appropriations <sup>(a)</sup>	-	103	103	58	103	-	-
Internal Funds and Balances.....	110	-	-	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

(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> .....	4,758	3,902	4,756	5,604	6,465	6,643	6,818
Superannuation .....	415	394	470	546	614	629	645
Grants and subsidies <sup>(b)</sup> .....	19,363	15,535	16,085	13,270	12,770	11,220	10,120
Consultancies expense .....	1,807	-	-	-	-	-	-
Supplies and services .....	3,406	3,906	3,207	5,484	7,276	9,223	8,790
Accommodation .....	611	465	520	567	652	655	663
Capital user charge <sup>(c)</sup> .....	387	42	42	-	-	-	-
Depreciation and amortisation .....	179	197	175	128	157	179	191
Other expenses .....	348	23	34	34	36	36	37
<b>TOTAL COST OF SERVICES</b> .....	31,274	24,464	25,289	25,633	27,970	28,585	27,264
<b>Income</b>							
Regulatory fees and fines .....	-	89	-	-	-	-	-
Grants and subsidies .....	9,631	5,000	5,350	5,350	5,350	5,350	5,350
Other revenue .....	462	525	264	275	345	345	345
<b>Total Income</b> .....	10,093	5,614	5,614	5,625	5,695	5,695	5,695
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	21,181	18,850	19,675	20,008	22,275	22,890	21,569
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	24,060	17,798	18,643	19,329	22,015	22,830	21,415
Resources received free of charge .....	217	60	60	60	60	60	60
Liabilities assumed by the Treasurer .....	26	45	45	45	45	45	45
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	24,303	17,903	18,748	19,434	22,120	22,935	21,520
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	3,122	(947)	(927)	(574)	(155)	45	(49)

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 53, 57 and 67 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 .....	10,712	1,237	9,181	8,571	8,398	8,570	8,614
Restricted cash .....	1,853	2,452	1,853	1,853	1,853	1,853	1,995
Investments .....	-	4,641	1,997	1,891	1,811	1,475	1,406
Receivables .....	997	1,655	274	231	233	233	233
Amounts receivable for services .....	196	236	266	195	256	310	303
Prepayments .....	-	61	-	-	-	-	-
<b>Total current assets .....</b>	<b>13,758</b>	<b>10,282</b>	<b>13,571</b>	<b>12,741</b>	<b>12,551</b>	<b>12,441</b>	<b>12,551</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	674	660	630	665	657	698	395
Receivables .....	1,585	-	-	-	-	-	-
Plant and equipment .....	109	162	190	271	283	330	443
Loans and advances .....	-	1,829	8,491	6,600	4,789	3,314	1,908
Restricted cash .....	30	-	35	55	75	95	115
Other .....	106	89	16	4	-	-	6
<b>Total non-current assets .....</b>	<b>2,504</b>	<b>2,740</b>	<b>9,362</b>	<b>7,595</b>	<b>5,804</b>	<b>4,437</b>	<b>2,867</b>
<b>TOTAL ASSETS .....</b>	<b>16,262</b>	<b>13,022</b>	<b>22,933</b>	<b>20,336</b>	<b>18,355</b>	<b>16,878</b>	<b>15,418</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	121	127	119	120	121	121	121
Provision for employee entitlements .....	917	727	910	869	888	907	927
Accrued salaries .....	77	33	72	84	97	110	110
Amounts due to the Treasurer .....	2,911	6,463	10,488	8,491	6,600	4,789	3,314
Other .....	118	231	118	118	118	343	343
<b>Total current liabilities .....</b>	<b>4,144</b>	<b>7,581</b>	<b>11,707</b>	<b>9,682</b>	<b>7,824</b>	<b>6,270</b>	<b>4,815</b>
<b>NON-CURRENT LIABILITIES</b>							
Payables .....	9	-	9	9	9	9	9
Provision for employee entitlements .....	306	480	341	343	375	407	451
Other .....	3	-	3	3	3	3	3
<b>Total non-current liabilities .....</b>	<b>318</b>	<b>480</b>	<b>353</b>	<b>355</b>	<b>387</b>	<b>419</b>	<b>463</b>
<b>TOTAL LIABILITIES .....</b>	<b>4,462</b>	<b>8,061</b>	<b>12,060</b>	<b>10,037</b>	<b>8,211</b>	<b>6,689</b>	<b>5,278</b>
<b>EQUITY</b>							
Contributed equity .....	1,305	1,305	1,305	1,305	1,305	1,305	1,305
Accumulated surplus/(deficit) .....	10,495	3,656	9,568	8,994	8,839	8,884	8,835
<b>Total equity .....</b>	<b>11,800</b>	<b>4,961</b>	<b>10,873</b>	<b>10,299</b>	<b>10,144</b>	<b>10,189</b>	<b>10,140</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>16,262</b>	<b>13,022</b>	<b>22,933</b>	<b>20,336</b>	<b>18,355</b>	<b>16,878</b>	<b>15,418</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 .....	23,764	17,606	18,451	19,129	21,797	22,509	21,415
Holding account drawdowns .....	193	166	166	236	165	226	310
<b>Net cash provided by State government .....</b>	<b>23,957</b>	<b>17,772</b>	<b>18,617</b>	<b>19,365</b>	<b>21,962</b>	<b>22,735</b>	<b>21,725</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(4,589)	(3,859)	(4,731)	(5,631)	(6,401)	(6,579)	(6,754)
Superannuation .....	(393)	(349)	(427)	(501)	(569)	(584)	(600)
Grants and subsidies .....	(19,368)	(15,535)	(16,085)	(13,270)	(12,770)	(11,220)	(10,120)
Consultancies payments .....	(1,808)	-	-	-	-	-	-
Supplies and services .....	(3,371)	(3,846)	(2,464)	(5,409)	(7,211)	(8,933)	(8,725)
Accommodation .....	(613)	(465)	(520)	(567)	(652)	(655)	(663)
Capital user charge <sup>(a)</sup> .....	(387)	(42)	(42)	-	-	-	-
Goods and services tax .....	(111)	(517)	(517)	(344)	(357)	(358)	(358)
Other .....	(322)	(23)	(717)	(49)	(41)	(41)	(42)
<b>Receipts</b>							
User charges and fees .....	1,531	-	-	-	-	-	-
Regulatory fees and fines .....	-	89	-	-	-	-	-
Grants and subsidies .....	9,631	5,000	5,350	5,350	5,350	5,350	5,350
Goods and services tax .....	20	619	619	388	356	358	358
Other receipts .....	469	525	264	275	345	345	345
<b>Net cash from operating activities .....</b>	<b>(19,311)</b>	<b>(18,403)</b>	<b>(19,270)</b>	<b>(19,758)</b>	<b>(21,950)</b>	<b>(22,317)</b>	<b>(21,209)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(55)	(166)	(166)	(197)	(165)	(226)	(310)
<b>Net cash from investing activities .....</b>	<b>(55)</b>	<b>(166)</b>	<b>(166)</b>	<b>(197)</b>	<b>(165)</b>	<b>(226)</b>	<b>(310)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings .....	-	(2,000)	(812)	(1,997)	(1,891)	(1,811)	(1,475)
Other payments for financing activities .....	(682)	(3,007)	(8,908)	-	-	-	-
Proceeds from borrowings .....	504	3,000	8,389	-	-	-	-
Other proceeds from financing activities .....	784	2,000	624	1,997	1,891	1,811	1,475
<b>Net cash from financing activities .....</b>	<b>606</b>	<b>(7)</b>	<b>(707)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>5,197</b>	<b>(804)</b>	<b>(1,526)</b>	<b>(590)</b>	<b>(153)</b>	<b>192</b>	<b>206</b>
Cash assets at the beginning of the reporting period .....	7,398	4,493	12,595	11,069	10,479	10,326	10,518
<b>Cash assets at the end of the reporting period .....</b>	<b>12,595</b>	<b>3,689</b>	<b>11,069</b>	<b>10,479</b>	<b>10,326</b>	<b>10,518</b>	<b>10,724</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.....	31,274	24,464	25,289	25,633	27,970	28,585	27,264
Less Capital User Charge.....	387	42	42	-	-	-	-
Adjusted Total Cost of Services .....	30,887	24,422	25,247	25,633	27,970	28,585	27,264
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	24,060	17,798	18,643	19,329	22,015	22,830	21,415
Less Capital User Charge.....	387	42	42	-	-	-	-
Adjusted net amount appropriated to deliver services .....	23,673	17,756	18,601	19,329	22,015	22,830	21,415

## 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 .....	5,446	-	-	-	-	-	-
<b>TOTAL ADMINISTERED EXPENSES <sup>(a)</sup> ..</b>	5,446	-	-	-	-	-	-
<b>INCOME</b>							
Administered appropriations.....	5,446	-	-	-	-	-	-
<b>TOTAL ADMINISTERED INCOME <sup>(b)</sup> .....</b>	5,446	-	-	-	-	-	-

(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'.

[illegible]



**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
State's contribution to the Underground Power Project .....	4,820	7,320	7,300	4,820	4,820	4,820	4,820
Renewable Energy Production Subsidy .....	1,310	2,000	2,000	1,000	-	-	-
Solar Hot Water Heater Incentive Scheme.....	1,513	400	1,150	1,150	1,150	-	-
Solar Schools Program .....	19	-	215	815	1,315	1,100	-
Commonwealth Specific Purpose Renewable Energy Funds - Renewable Remote Power Generation Program and Photovoltaic Rebate Program.....	10,413	4,950	4,550	4,600	4,600	4,500	4,550
Energy Smart Government Facilitation Grants	587	400	400	400	400	300	300
Other SEDO Grants .....	371	465	385	400	400	415	365
Contribution to Australian Energy Market Commission .....	-	-	85	85	85	85	85
Other Grants, Subsidies and Transfer Payments .....	330	-	-	-	-	-	-
<b>TOTAL</b>	<b>19,363</b>	<b>15,535</b>	<b>16,085</b>	<b>13,270</b>	<b>12,770</b>	<b>11,220</b>	<b>10,120</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							
Grants and subsidies .....	5,446	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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							
Service appropriations .....	5,446	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**AGENCY SPECIAL PURPOSE ACCOUNT DETAILS****SEDO Grants Committee Special Purpose Account**

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	898	-	-	-
Receipts:				
Appropriations .....	-	-	-	-
Other .....	-	-	-	-
	898	-	-	-
Payments .....	898	-	-	-
CLOSING BALANCE .....	-	-	-	-

**Commonwealth Funded Initiatives and Programs Special Purpose Account**

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	1,805	2,148	1,853	1,853
Receipts:				
Appropriations .....	-	-	-	-
Other .....	10,926	5,000	5,000	5,000
	12,731	7,148	6,853	6,853
Payments .....	10,878	5,000	5,000	5,000
CLOSING BALANCE .....	1,853	2,148	1,853	1,853

**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
Australian Greenhouse Building Rating Scheme .....	8	8	9	8
Contribution to Government Vehicle Scheme .....	20	20	15	17
Energy in WA Conference .....	34	35	30	-
First Rate Software assessor registration .....	28	46	-	-
GST input credits .....	20	619	619	388
Recoup of program costs .....	588	500	500	500
Sales of information products and services .....	3	5	-	-
Other revenue .....	10	-	60	100
Grants from Commonwealth (RRPGP and PVRP) .....	10,940	5,000	5,000	5,000
<b>TOTAL .....</b>	<b>11,651</b>	<b>6,233</b>	<b>6,233</b>	<b>6,013</b>

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

## INDEPENDENT MARKET OPERATOR

### CAPITAL WORKS PROGRAM

The Independent Market Operator is the operator of the new Western Australian Wholesale Electricity Market, which was established as part of the Government's reform of the State's electricity sector.

The major capital expenditure that will be undertaken by the Operator during 2007-08 is the procurement of software enhancements and minor hardware expenditure to support the effective and efficient operation of the Wholesale Electricity Market.

	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>				
2005-06 Market Regulator System.....	15,000	8,638	4,150	1,075
<b>COMPLETED WORKS</b>				
Computer Equipment.....	88	88	10	-
Furniture and Office Equipment.....	28	28	27	-
	15,116	8,754	4,187	1,075

### 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>	4,531	935	4,187	1,075	500	5,386	-
	4,531	935	4,187	1,075	500	5,386	-
<b>LESS</b>							
Borrowings.....	3,228	935	4,187	1,075	500	5,386	-
Internal Funds and Balances.....	1,303	-	-	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

## HORIZON POWER

### CAPITAL WORKS PROGRAM

In the 2007-08 financial year, Horizon Power will spend \$28.8 million on capital works in regional areas of the State. One of the major benefits of the electricity reform program has been the creation of Horizon Power, a State owned energy business focussed on the specific needs of regional Western Australia.

#### *Distribution*

In 2007-08 Horizon Power will invest \$22.4 million in its electricity distribution networks, comprising:

- a further \$0.7 million to ‘regularise’ electricity supplies to five Indigenous communities in the Kimberley under the Aboriginal and Remote Communities Power Supply Project – Stage One;
- \$5.1 million to replace inefficient equipment, in order to maintain the safety, performance and operability of distribution networks;
- \$10.3 million in network enhancement to improve the reliability and quality of electricity supplies in regional Western Australia;
- \$2.2 million on providing new capacity through new connections to customers;
- \$1.8 million in an ongoing project to improve the reliability and safety of distribution networks to Horizon’s overhead customer connections; and
- \$2.3 million to refurbish the power stations at Nullagine and Marble Bar, improving the reliability and quality of electricity supplies in these towns.

#### *Other Works*

Other capital investments in 2007-08 total \$6.4 million and are as follows:

- \$3.9 million will be spent on other capital assets including refurbishment of staff housing in regional areas and upgrades of communications and information technology systems; and
- \$2.5 million to the Supervisory Control and Data Acquisition (SCADA) Network to monitor power station loads and performance, particularly for new power stations being built in the Kimberley.

	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>				
<b>Distribution</b>				
Aboriginal and Remote Communities Power Supply .....	13,300	12,625	11,335	675
Asset Replacement.....	32,625	4,350	4,350	5,075
Network Enhancement.....	94,776	12,779	7,905	10,307
New Connections - Customer Driven, New Capacity.....	30,971	3,071	3,071	2,200
Overhead Customer Connections - Customer Driven, Public Safety .....	8,418	1,258	1,258	1,790
State Underground Power Project .....	21,779	7,879	6,483	-
<b>Other Works</b>				
Other Projects.....	27,693	5,792	5,792	3,906
SCADA Network .....	5,185	1,990	1,990	2,545
<b>COMPLETED WORKS</b>				
<b>Distribution</b>				
Coral Bay - Independent Power Provider.....	4,258	4,258	4,258	-
<b>NEW WORKS</b>				
<b>Distribution</b>				
Nullagine and Marble Bar Power Refurbishment .....	3,000	-	-	2,300
	242,005	54,002	46,442	28,798

**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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
<b>Total Cost of Capital Works Program .....</b>	25,965	31,621	46,442	28,798	36,305	32,111	29,147
	25,965	31,621	46,442	28,798	36,305	32,111	29,147
LESS							
Borrowings.....	7,560	-	20,102	11,756	36,305	8,906	-
Internal Funds and Balances .....	18,405	31,621	26,340	17,042	-	23,205	29,147
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

## SYNERGY

### CAPITAL WORKS PROGRAM

The total capital works program for 2007-08 is \$17.6 million and relates to the provision of necessary Information Technology (IT) systems and minor property, plant and equipment.

#### *Contestable Billing System*

The IT systems that enable billing and payment processing, and customer management, are integral to providing services to customers. In 2007-08, \$11.0 million will be spent on customer management and billing platforms to support the current market-based environment.

#### *Other Information Technology Systems*

In addition, investments will be made for the provision of system enhancements, development of software to support new product development and wholesale market systems totalling \$6.2 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>				
Information Technology				
Product and Software Development .....	13,520	1,400	900	2,120
System Enhancements .....	35,324	4,683	4,392	3,583
Wholesale Market Systems .....	5,226	1,351	601	525
Property, Plant and Equipment .....	13,800	10,800	10,800	300
<b>NEW WORKS</b>				
Information Technology				
Contestable Billing System .....	31,182	-	-	11,049
	99,052	18,234	16,693	17,577

### 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>	1,541	16,608	16,693	17,577	22,237	9,150	6,300
	1,541	16,608	16,693	17,577	22,237	9,150	6,300
<b>LESS</b>							
Internal Funds and Balances .....	1,541	16,608	16,693	17,577	22,237	9,150	6,300
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

VERVE ENERGY

## CAPITAL WORKS PROGRAM

0 1

## Fossil Fuel Plant Portfolio

	3	1	0
1	0	0	0
2	0	0	0
3	0	0	0
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
13	0	0	0
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97	0	0	0
98	0	0	0
99	0	0	0
100	0	0	0

## Sustainable Energy

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	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>				
Fossil Fuel Plant Portfolio - Generation - Thermal .....	364,891	120,868	108,353	87,978
Sustainable Energy .....	21,265	18,841	17,847	1,341
	386,156	139,709	126,200	89,319

## 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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
<b>Total Cost of Capital Works Program .....</b>	37,942	101,209	126,200	89,319	59,882	63,941	33,305
	37,942	101,209	126,200	89,319	59,882	63,941	33,305
LESS							
Borrowings.....	-	-	126,200	28,266	59,882	63,941	-
Internal Funds and Balances .....	37,942	101,209	-	61,053	-	-	33,305
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-



## WESTERN POWER (NETWORKS)

### CAPITAL WORKS PROGRAM

In 2007-08 Western Power's \$761.3 million capital works program is focussed on improving the safety and reliability of electricity networks in the South West Interconnected System (SWIS), and developing the network infrastructure required to support the State's fast growing economy, growth in new residential development and asset replacement programs.

#### *Transmission*

In 2007-08 a total of \$149.8 million has been allocated to transmission customer driven works and \$174.1 million for new capacity, asset replacement and public safety work and other regulatory compliance programs.

The \$149.8 million customer driven transmission works represents a significant investment by Western Power. The transmission customer driven works program includes connecting new generators, supplying new sites and bulk loads, system upgrades and augmentations with a major component of the works focussing on the development of new transmission infrastructure to connect additional load to the SWIS. In 2007-08 Western Power will invest in works to connect Alinta 2 at Pinjarra, reinforcement of the Eastern Goldfields region transmission line and connection works for the Boddington Gold mine. Partial funding for Western Power's customer driven capital projects is provided by customer funded capital contributions.

Expenditure totalling \$174.1 million will be invested in new transmission capacity, asset replacement, and public safety. Western Power's investment in increased network system capacity (approximately \$132.0 million) is a key component of the challenge to supply the growing demand for electricity in the SWIS. These works include the establishment of new substations at Cottesloe and Kewdale, a new line between Wanneroo and Wangara, and works to increase the capacity of existing terminals, substations and lines including the line uprate work on the Kojonup - Albany transmission line.

#### *Distribution*

In 2007-08, \$169.6 million will be invested in distribution customer driven works, which will develop the electricity distribution infrastructure and support growth. Additional residential, commercial and industrial customers will be connected to the SWIS. Typical distribution infrastructure works includes the electrification works for new land subdivisions in the metropolitan, goldfields and other SWIS regions and represents about \$70.0 million of the customer driven works with a further \$30.0 million on other customer connections (single dwelling and Supply Extension Scheme).

Western Power's distribution capital works program includes \$195.4 million in 2007-08 for the new capacity, asset replacement and public safety capital works program. The objectives of the program are to target safety and reliability, increase capacity, and to replace and maintain existing assets. Public safety initiatives will include the continuation of the Bushfire Mitigation program and educational awareness programs for the Public. Asset Replacement expenditure of approx \$30.0 million in 2007-08 includes pole replacement, substation replacement, pole reinforcement and cross arm replacement programs. In 2007-08 approximately \$50.0 million will be spent on Regulatory Compliance programs to improve safety, environmental, power quality and metering performance with approximately \$37.0 million allocated to safety initiatives such as the rectification of old unsafe overhead house connections. In addition, Western Power will target areas with deteriorating reliability performance as part of an ongoing objective to improve reliability and enhance customer satisfaction. Approximately \$60.0 million will be invested in new capacity for the distribution network in 2007-08, driven by new subdivision developments, housing 'infill' in established suburbs and an increase in customer demand requiring the installation of voltage regulators, network reinforcements and work associated with the rebuilding/upgrading/installation of new feeder lines.

In addition to other safety and reliability initiatives, all feasible new connections in the metropolitan area and an increasing number of regional areas are being placed underground. Western Power is retrospectively undergrounding power lines in the metropolitan area as part of the State Underground Power Program (SUPP) to improve reliability of supply. By 2010, 50 per cent of the metropolitan area will have underground power, with a similar improvement in regional areas of the state. In 2007-08, \$17.0 million will be invested in the SUPP.

Customers in regional areas of the SWIS are expected to benefit from improved reliability and performance as a result of the Rural Power Improvement Program (RPIP). \$10.9 million in 2007-08 will be invested in upgrading equipment and distribution lines to provide additional capacity and backup capability and improve fault detection and isolation.

**Mobile Plant, Motor Vehicle and IT Replacement**

Approximately \$44.5 million in 2007-08 will be invested in maintenance and upgrades to existing technology, strategic technology projects, maintenance to existing workshops and additional mobile plant to support Western Power's business objectives. Western Power's investment in strategic technology projects will enhance the effectiveness of operations and procurement in the SWIS.

The following table summarise the above expenditure estimates:

	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>				
Distribution				
Customer Driven .....	1,918,309	195,053	147,901	169,618
New Capacity, Asset Replacement and Public Safety .....	2,305,208	174,818	143,269	195,431
RPIP .....	126,337	11,759	9,681	10,895
SUPP .....	189,894	28,891	24,740	16,954
Mobile Plant, Motor Vehicle and IT Replacement .....	403,683	57,104	43,795	44,478
Transmission				
Customer Driven .....	1,265,526	199,247	160,616	149,785
New Capacity, Asset Replacement and Public Safety .....	2,366,686	190,038	156,956	174,101
	8,575,643	856,910	686,958	761,262

**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>	546,908	483,199	686,958	761,262	694,750	553,329	621,535
	546,908	483,199	686,958	761,262	694,750	553,329	621,535
<b>LESS</b>							
Borrowings .....	-	-	502,809	586,571	547,163	285,080	365,975
Internal Funds and Balances .....	546,908	483,199	184,149	174,691	147,587	268,249	255,560
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

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## Part 13

### Minister for Regional Development; Fisheries; the Kimberley, Pilbara and Gascoyne

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
1011	Fisheries			
	– Delivery of Services .....	22,170	25,810	<b>28,758</b>
	– Capital Contribution .....	1,829	1,829	<b>8,481</b>
	Total .....	23,999	27,639	<b>37,239</b>
1027	Kimberley Development Commission			
	– Delivery of Services .....	1,475	1,492	<b>1,626</b>
	Total .....	1,475	1,492	<b>1,626</b>
1037	Pilbara Development Commission			
	– Delivery of Services .....	2,259	2,259	<b>2,180</b>
	– Capital Contribution .....	85	85	<b>-</b>
	Total .....	2,344	2,344	<b>2,180</b>
1047	Gascoyne Development Commission			
	– Delivery of Services .....	1,405	1,425	<b>1,619</b>
	Total .....	1,405	1,425	<b>1,619</b>
	GRAND TOTAL			
	– Delivery of Services .....	27,309	30,986	<b>34,183</b>
	– Capital Contribution .....	1,914	1,914	<b>8,481</b>
	Total .....	29,223	32,900	<b>42,664</b>

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## FISHERIES

### PART 13 - MINISTER FOR REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE

#### DIVISION 56

#### 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 103 Net amount appropriated to deliver services <sup>(a)</sup></b> .....	21,650	22,005	25,626	<b>28,568</b>	23,341	23,706	23,370
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup></b> .....	169	165	184	<b>190</b>	195	201	201
Total appropriations provided to deliver services .....	21,819	22,170	25,810	<b>28,758</b>	23,536	23,907	23,571
<b>CAPITAL</b>							
<b>Item 177 Capital Contribution</b> .....	262	1,829	1,829	<b>8,481</b>	-	-	-
<b>GRAND TOTAL</b> .....	22,081	23,999	27,639	<b>37,239</b>	23,536	23,907	23,571

- (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

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

#### SIGNIFICANT ISSUES AND TRENDS

- The number and type of stakeholders who are impacting on the state's fish resources continues to increase. Each stakeholder group is demanding a share of these fish resources. The Department has adopted policies for the holistic and integrated management measures for fish stocks and is developing management strategies and mechanisms that accommodate the needs of all stakeholders within an explicit allocation framework.
- The burgeoning number of recreational boats in Western Australia is putting increasing pressure on the compliance resources for both fisheries and at sea safety activities. The Department is continuing to develop strategies to address the fisheries impacts and working with the Department for Planning and Infrastructure to address the pressures.
- The impact of both recreational and commercial fishers on some key fish species has now reached a level creating sustainability issues and requires additional management intervention.
- Sound resource management requires that the total impact of all managed fisheries in a region, on fish stocks and their environment, must be taken into account. To address this need the Department is working with the Western Australian Marine Science Institution to develop regional Ecosystem Based Fisheries Management (EBFM) strategies. EBFM will increase the requirement for sound science and knowledge to support decision-making.

- Aquaculture industries are exploring ways to expand as the demand for high-quality seafood grows, while the harvest of wild capture fisheries in Western Australia and world-wide is generally at maximum sustainable levels. The Department will work with the sector to identify preferred sites for sustainable aquaculture and strategies to maximise investment opportunities in the sector.
- There are increasing and often conflicting demands for access to Commonwealth and State waters adjacent to Western Australia. The Commonwealth Government is developing marine plans for Commonwealth waters within the context of a Memoranda of Understanding with relevant State agencies, including the Department. These processes will operate in parallel with the implementation of regional marine planning in state waters. As the custodian of key long-term data and as a key marine management agency the Department will continue to contribute to these processes.
- The Department has developed successful collaborative arrangements with other agencies to better coordinate its activities in areas such as marine safety and marine park management. The Department will continue to foster such relationships with other agencies with responsibilities for marine management to ensure efficient and effective service delivery.
- Foreign fishing incursions in the north of the state are reducing the sustainability of fish stocks and threatening the state's security. The Department has initiated strategies with the Commonwealth Government for that region and with other relevant stakeholders to develop appropriate responses to these threats.
- The risk of marine pests and marine disease is increasing and the Department will have responsibilities following the passing of the Biosecurity Agriculture Management Bill that is currently before Parliament.

**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>							
Management of the State's Commercial Fisheries .....	29,453	27,697	30,008	33,600			
<b>Service 2:</b>							
Management of the State's Recreational Fisheries .....	11,967	13,231	13,014	13,640			
<b>Service 3:</b>							
Development and Promotion of the State's Aquaculture Industry .....	7,460	6,318	6,838	6,641			
<b>Service 4:</b>							
Management and Conservation of Fish and Fish Habitat .....	4,708	4,066	4,778	4,180			
<b>Total Cost of Services <sup>(a)</sup></b> .....	53,588	51,312	54,638	58,061	53,625	54,670	54,349
<b>Less Income</b> .....	27,571	28,352	28,352	28,515	29,166	29,854	29,854
<b>Net Cost of Services <sup>(a)</sup></b> .....	26,017	22,960	26,286	29,546	24,459	24,816	24,495
<b>Adjustments <sup>(b)</sup></b> .....	(4,198)	(790)	(476)	(788)	(923)	(909)	(924)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	21,819	22,170	25,810	28,758	23,536	23,907	23,571
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	262	1,829	1,829	8,481	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	22,081	23,999	27,639	37,239	23,536	23,907	23,571

- (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
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Conservation and sustainable development of the State's fish resources.	1. Management of the State's Commercial Fisheries 2. Management of the State's Recreational Fisheries 3. Development and promotion of the State's Aquaculture Industry 4. Management and Conservation of Fish and Fish Habitat

### Outcomes and Key Effectiveness Indicators <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: Conservation and sustainable development of the State's fish resources.</b>					
The satisfaction rating of the broader community with the Department's management of commercial fishing <sup>(b)</sup> .....	64.8%	95%	90%	95%	
The satisfaction rating of the broader community with the Department's management of recreational fishing <sup>(b)</sup> .....	63.8%	95%	90%	95%	
The satisfaction rating of the broader community with the Department's management and development of pearling and aquaculture activities <sup>(b)</sup> .....	70.6%	95%	90%	95%	
The satisfaction rating of the broader community with the Department's conservation of fish habitat <sup>(b)</sup> .....	65.3%	95%	90%	95%	

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

(b) A low response rate in the 2005-06 survey (28 per cent) compared to what would normally be expected based on previous years results.

### Service 1: Management of the State's Commercial Fisheries

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

	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> .....	29,453	27,697	30,008	33,600	Funding for fisheries adjustment in 2006-07 and 2007-08.
Less Income.....	20,169	19,781	20,243	20,427	
Net Cost of Service <sup>(a)</sup> .....	9,284	7,916	9,765	13,173	
Adjustments <sup>(b)</sup> .....	(1,225)	(419)	518	(182)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>8,059</b>	<b>7,497</b>	<b>10,283</b>	<b>12,991</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 for community education and compliance <sup>(a)(b)</sup> .....	\$155	\$108	\$124	\$100	
Average cost per hour for management <sup>(a)(b)</sup> .....	\$144	\$127	\$183	\$187	
Average cost per hour for research <sup>(a)(b)</sup> .....	\$128	\$115	\$130	\$105	
<b>Full Time Equivalents (FTEs)</b>	<b>195</b>	<b>224</b>	<b>213</b>	<b>224</b>	

- (a) Costs per hour include an allocation of departmental support costs.
- (b) The hourly rate for management costs includes funding of industry bodies and fisheries adjustments scheme expenditure.

### Major Achievements For 2006-07

- Completed a comprehensive strategic review of management systems for the West Coast Rock Lobster Managed fishery.
- Published the draft Ministerial position on access, allocation and management arrangements for the state's wetline (finfish) fisheries for final comment prior to implementation in 2007-08.
- Completed initial Ecological Sustainability assessment approvals under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* and commenced the next cycle of approval reports to ensure ongoing approval to export product from the state's commercial fisheries.
- Implemented the next stage of revised management arrangements for the northern and temperate shark fisheries to ensure sustainability issues for several key shark stocks.
- Completed a major stock assessment of pink snapper in Shark Bay and implemented a reduction in the take of the commercial fishery.
- Conducted a review of the prawn and scallop fisheries in Shark Bay and the factors affecting the economics of these fisheries.
- Implemented measures for the Cockburn Sound crab fishery to promote the rebuilding of crab stock.

**Major Initiatives For 2007-08**

- Commence a major research project into the sustainability of blue swimmer crabs on the West Coast.
- Implement new management arrangements to protect crab stocks in the West Coast region.
- Initiate discussion of future gear-based management options for the West Coast Rock Lobster Managed fishery.
- Implement a management plan for the South Coast Trawl fishery to give stakeholders more certainty of access and constraining potential effort increases.
- Finalise management arrangements for the West Coast and Gascoyne wetline (finfish) fisheries to ensure future stock and economic sustainability.
- Implement management strategies for beach fishermen in Geographe Bay to address resource sharing concerns.
- Review management arrangements in the Kimberley prawn fishery in response to changes occurring in the Commonwealth northern prawn fishery.
- Implement quota-based management arrangements for the Deep Sea Crab fishery to ensure stock sustainability.
- Implement a new management plan for the West Coast Purse Seine fishery to extend the area of the fishery, and introduce quota-based management arrangements to reduce overall effort.
- Implement outcomes from the review of the management framework for the Shark Bay prawn and scallop fisheries to address equity issues and ensure economic efficiency.

**Service 2: Management of the State's Recreational Fisheries**

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

	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> .....	11,967	13,231	13,014	13,640	
Less Income.....	2,248	3,186	2,763	2,992	
Net Cost of Service <sup>(a)</sup> .....	9,719	10,045	10,251	10,648	
Adjustments <sup>(b)</sup> .....	(1,779)	(207)	(723)	(371)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>7,940</b>	<b>9,838</b>	<b>9,528</b>	<b>10,277</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 for community education and compliance <sup>(a)</sup> .....	\$123	\$141	\$140	\$113	
Average cost per hour for management <sup>(a)</sup> .....	\$136	\$131	\$132	\$106	
Average cost per hour for research <sup>(a)</sup> .....	\$127	\$121	\$121	\$98	
<b>Full Time Equivalents (FTEs)</b>	90	103	98	103	

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

**Major Achievements For 2006-07**

- Implemented strategies for managing the recreational marron fishery to protect the stock and maximize recreational fishing values.
- Reviewed recreational fishing consultative structures to improve consultation mechanisms.
- Completed stock assessment of dhufish and pink snapper in the West Coast Region
- Released the final Integrated Fisheries Management resource allocation report for Western Rock lobster as the first step in the allocation processes for this resource.
- Developed a new strategic plan for the future management of recreational fishing, building upon the new framework of regional plans recently put in place to better manage regional fish stocks, growing recreational fishing pressure and advances in recreational fishing technology.
- Released for public comment the draft Integrated Fisheries Management resource allocation report for abalone.

**Major Initiatives For 2007-08**

- Commence a major research project into the sustainability of blue swimmer crabs on the West Coast.
- Implement new management arrangements to protect crab stocks in the West Coast region.
- Commence Integrated Fisheries Management planning for demersal finfish in the West Coast region to determine future allocations between the recreational and commercial fishing sectors.
- Finalise Integrated Fisheries Management allocations between the commercial and recreational fishing sectors for the rock lobster and abalone resource.
- Review fishing consultative structures to ensure effective communication and consultation with recreational and commercial fishers and their peak representative bodies under an Integrated Fisheries Management framework.
- Review freshwater finfish fisheries in the Southwest, including the interaction between trout and other native fish to ensure the protection of native fish whilst promoting a viable recreational trout fishery.
- Review State-wide possession limits for recreational finfish to ensure long-term sustainability.
- Review management arrangements for key demersal species in the West Coast region.

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

The Department fosters and promotes the development of sustainable Western Australian aquaculture (including pearl production) by providing policy advice; establishing appropriate infrastructure; facilitating provision of research; and the development, implementation and management of strategies, policies, plans and regulations for the aquaculture industry.

	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> .....	7,460	6,318	6,838	6,641	
Less Income .....	4,866	4,695	4,847	4,498	
Net Cost of Service <sup>(a)</sup> .....	2,594	1,623	1,991	2,143	
Adjustments <sup>(b)</sup> .....	(644)	(100)	(107)	(124)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,950</b>	<b>1,523</b>	<b>1,884</b>	<b>2,019</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 for pearling community education and compliance <sup>(a)</sup> .....	\$188	\$138	\$144	\$117	
Average cost per hour for aquaculture community education and compliance <sup>(a)</sup> .....	\$185	\$108	\$113	\$91	
Average cost per hour for pearling management <sup>(a)</sup> .....	\$132	\$82	\$94	\$76	
Average cost per hour for aquaculture management <sup>(a)</sup> .....	\$119	\$131	\$137	\$158	
Average cost per hour for pearling research <sup>(a)</sup> .....	\$130	\$104	\$109	\$88	
Average cost per hour for aquaculture research <sup>(a)</sup> .....	\$125	\$116	\$121	\$98	
<b>Full Time Equivalents (FTEs)</b>	<b>63</b>	<b>73</b>	<b>70</b>	<b>74</b>	

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

### Major Achievements For 2006-07

- Worked with industry to address a major mortality event in juvenile hatchery bred shell on pearl farms.
- Completed a comprehensive aquaculture research and development audit, and innovation review, to identify strategies and opportunities for aquaculture industry development.
- Continued implementation of the findings of the Aquaculture Legislative Review to promote a vibrant and sustainable aquaculture industry.
- Continued Ecological Sustainable Development reporting for key aquaculture sectors to ensure transparency and accountability to the community.

**Major Initiatives For 2007-08**

- Complete a project to identify suitable sites to secure them for future industrial scale aquaculture development in the State.
- Continue assessment of an open ocean aquaculture development initiative in collaboration with international partners to determine the commercial viability of a major new aquaculture industry sector.
- Develop a management framework for the allocation of western rock lobster pueruli (juveniles) for aquaculture purposes.
- Develop Ecological Sustainable Development reports for key aquaculture sectors to ensure sustainability, transparency and accountability.
- Develop new industry husbandry and sanitation protocols to protect the biosecurity and viability of pearl farms in facing present and possible future disease threats.

**Service 4: Management and Conservation of Fish and Fish Habitat**

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

	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> .....	4,708	4,066	4,778	4,180	Additional funding for shark tagging program and marine pests.
Less Income .....	288	690	499	598	
Net Cost of Service <sup>(a)</sup> .....	4,420	3,376	4,279	3,582	
Adjustments <sup>(b)</sup> .....	(550)	(64)	(164)	(111)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>3,870</b>	<b>3,312</b>	<b>4,115</b>	<b>3,471</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 for community education and compliance <sup>(a)</sup> .....	\$145	\$116	\$131	\$107	
Average cost per hour for management <sup>(a)</sup> .....	\$138	\$116	\$131	\$107	
Average cost per hour for research <sup>(a)</sup> .....	\$148	\$121	\$137	\$112	
<b>Full Time Equivalents (FTEs)</b>	<b>24</b>	<b>28</b>	<b>27</b>	<b>28</b>	

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

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

- Continued the development of the legislative framework for Rottnest Island sanctuary zones, Muiron Islands marine management area and other marine parks.
- Continued involvement in regional marine planning including engagement with the National Oceans Office to address the Commonwealth South West marine planning process.
- Participated in the development of national and state policies, legislation and responses to introduced marine pests in accordance with the National System to be introduced in July 2007.
- Developed arrangements to deliver cost effective Government services in marine conservation reserves by progressing formal engagement and collaboration with the Department of Conservation and Land Management through an inter-departmental committee.
- Continued liaison with stakeholders and other Government agencies in respect to fisheries issues arising from the proposed Dampier/Cape Preston, Walpole/Nornalup Inlets and Capes marine parks, and the existing Shoalwater Islands marine park.

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

- Develop a strategic plan for the management and protection of fish and fish habitats in the Kimberley region.
- Implement new biosecurity legislation and development of management capability to support the National System for the management of introduced marine pests in Western Australia.
- Continue liaison with stakeholders and other Government agencies in respect to fisheries issues around the proposed Dampier Archipelago/Cape Preston, Walpole/Nornalup and Capes marine conservation reserves.
- Progress the drafting of legislation for the Muiron Islands Marine Management Area, the Montebello/Barrow Islands Marine Conservation Reserves and the Rowley Shoals Marine Park.
- Establish the Kalbarri Blue Holes Fish Habitat Protection Area (FHPA) and develop legislation to implement the Plan of Management for the Point Quobba FHPA.
- Work with relevant Government agencies and stakeholders, including the National Oceans Office, to progress regional marine planning for the southwest and northwest regions of waters off Western Australia.
- Work with the Department of Environment and Conservation in the development of a Regional Marine Plan for State waters of the South Coast.

**CAPITAL WORKS PROGRAM**

The capital works program for 2007-08 includes projects totalling \$14.0 million. The projects being progressed in 2007-08 focus on the building of a Marine Operations Centre in Mandurah as well as on the replacement of two large vessels, and various replacement programs and upgrades for operating plant and equipment, small boats and outboards, and computer hardware and software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>WORKS IN PROGRESS</b>				
Mandurah Marine Operations Centre .....	9,410	300	300	9,110
Communication Equipment .....	421	375	-	46
Fish Habitat 2001-02 to 2007-08 .....	166	114	-	52
<b>COMPLETED WORKS</b>				
Abrolhos Islands Program - Abrolhos Islands Airstrip Maintenance .....	475	475	455	-
Computing Hardware and Software - 2006-07 Program .....	641	641	641	-
Fitout, Furniture and Office Equipment - 2006-07 Program .....	140	140	140	-
Information Systems Development - 2006-07 Program .....	400	400	400	-
Operational Equipment				
2006-07 Program .....	147	147	147	-
2006-07 Scientific Program .....	127	127	127	-
Regional Aquaculture - 2006-07 Program .....	100	100	100	-
Regional Recreational Initiatives - 2005-06 Program .....	170	170	70	-
Small Boats, Outboards and Trailers				
2004-05 Program .....	1,939	1,939	743	-
2005-06 Program .....	1,543	1,543	870	-
<b>NEW WORKS</b>				
Aquaculture Upgrades - 2007-08 Program .....	100	-	-	100
Computing Hardware and Software - 2007-08 Program .....	762	-	-	762
Fitout, Furniture and Office Equipment - 2007-08 Program .....	500	-	-	500
Information Systems Development - 2007-08 Program .....	607	-	-	607
Large Vessels				
Large Vessel - Walcott .....	600	-	-	600
Large Vessel Replacement - McLaughlan .....	1,400	-	-	1,400
Refit of 16 metre Fisheries Marine Patrol Vessel Guardian .....	300	-	-	300
Operational Equipment				
2007-08 Program .....	154	-	-	154
2007-08 Scientific Program .....	105	-	-	105
Regional Recreational Initiatives - 2007-08 Program .....	100	-	-	100
Small Boats, Outboards and Trailers - 2007-08 Program .....	158	-	-	158
	20,465	6,471	3,993	13,994

**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>	6,717	5,479	3,993	13,994	2,375	4,328	2,880
	6,717	5,479	3,993	13,994	2,375	4,328	2,880
<b>LESS</b>							
Asset Sales .....	426	334	334	267	40	250	179
Drawdowns from the Holding Account .....	1,328	2,841	2,841	2,542	1,860	3,603	2,226
Internal Funds and Balances .....	4,226	-	(1,486)	2,229	-	-	-
Other .....	475	475	475	475	475	475	475
<b>Capital Contribution .....</b>	262	1,829	1,829	8,481	-	-	-



## 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> .....	26,583	24,192	25,006	25,267	25,839	26,404	26,352
Superannuation .....	2,655	2,409	2,476	2,466	2,514	2,546	2,548
Grants and subsidies <sup>(b)</sup> .....	4,050	3,500	3,500	3,636	3,636	3,636	3,500
Consultancies expense .....	537	386	386	586	596	600	400
Supplies and services .....	14,289	14,329	14,472	14,190	14,405	14,704	14,754
Accommodation .....	2,039	1,701	1,701	1,700	1,742	1,911	1,911
Finance costs .....	-	86	86	86	56	40	40
Capital user charge <sup>(c)</sup> .....	4,088	4,066	4,066	-	-	-	-
Depreciation and amortisation .....	2,372	3,623	3,623	3,784	3,784	3,784	3,784
Loss on disposal of non-current assets .....	126	-	-	-	-	-	-
Fisheries adjustment scheme .....	852	500	2,802	5,798	500	500	-
Other expenses .....	85	586	586	548	553	545	1,060
<b>TOTAL COST OF SERVICES</b> .....	<b>57,676</b>	<b>55,378</b>	<b>58,704</b>	<b>58,061</b>	<b>53,625</b>	<b>54,670</b>	<b>54,349</b>
<b>Income</b>							
User charges and fees .....	105	340	340	340	340	340	340
Regulatory fees and fines .....	21,054	22,130	22,130	22,293	22,944	23,632	23,632
Gain on disposal of non-current assets .....	-	40	40	40	40	40	40
Grants and subsidies .....	3,256	4,326	4,326	4,326	4,326	4,326	4,326
Interest revenue .....	587	250	250	250	250	250	250
Other revenue .....	2,569	1,266	1,266	1,266	1,266	1,266	1,266
<b>Total Income</b> .....	<b>27,571</b>	<b>28,352</b>	<b>28,352</b>	<b>28,515</b>	<b>29,166</b>	<b>29,854</b>	<b>29,854</b>
<b>NET COST OF SERVICES <sup>(c)</sup></b> .....	<b>30,105</b>	<b>27,026</b>	<b>30,352</b>	<b>29,546</b>	<b>24,459</b>	<b>24,816</b>	<b>24,495</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	25,907	26,236	29,876	28,758	23,536	23,907	23,571
Resources received free of charge .....	420	524	524	522	522	522	522
Liabilities assumed by the Treasurer .....	268	402	402	402	402	402	402
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>26,595</b>	<b>27,162</b>	<b>30,802</b>	<b>29,682</b>	<b>24,460</b>	<b>24,831</b>	<b>24,495</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(3,510)</b>	<b>136</b>	<b>450</b>	<b>136</b>	<b>1</b>	<b>15</b>	<b>-</b>
Extraordinary items .....	(1)	-	-	-	-	-	-
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(3,511)</b>	<b>136</b>	<b>450</b>	<b>136</b>	<b>1</b>	<b>15</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 372, 408 and 429 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 .....	5,203	5,117	6,320	3,775	3,525	3,232	3,232
Restricted cash .....	628	1,787	706	784	862	862	862
Receivables .....	1,436	911	1,935	2,186	2,222	2,445	2,279
Amounts receivable for services .....	2,841	2,542	2,542	1,860	3,603	2,226	-
Prepayments .....	101	72	101	101	101	101	101
<b>Total current assets .....</b>	<b>10,209</b>	<b>10,429</b>	<b>11,604</b>	<b>8,706</b>	<b>10,313</b>	<b>8,866</b>	<b>6,474</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	3,925	4,605	4,605	6,128	5,917	7,083	10,475
Land and buildings .....	23,780	27,503	23,581	32,440	32,404	32,146	31,103
Plant and equipment .....	6,245	8,882	9,374	11,831	11,762	13,805	14,946
Restricted cash .....	102	-	102	102	102	102	102
Other .....	12,236	13,175	9,382	8,049	6,745	5,294	4,153
<b>Total non-current assets .....</b>	<b>46,288</b>	<b>54,165</b>	<b>47,044</b>	<b>58,550</b>	<b>56,930</b>	<b>58,430</b>	<b>60,779</b>
<b>TOTAL ASSETS .....</b>	<b>56,497</b>	<b>64,594</b>	<b>58,648</b>	<b>67,256</b>	<b>67,243</b>	<b>67,296</b>	<b>67,253</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	2,008	1,275	2,020	2,044	2,079	2,127	1,084
Provision for employee entitlements .....	5,042	4,129	5,091	5,140	5,189	5,179	5,179
Finance leases .....	180	195	194	207	227	227	227
Accrued salaries .....	469	156	426	504	583	373	153
Other .....	119	45	119	119	119	119	119
<b>Total current liabilities .....</b>	<b>7,818</b>	<b>5,800</b>	<b>7,850</b>	<b>8,014</b>	<b>8,197</b>	<b>8,025</b>	<b>6,762</b>
<b>NON-CURRENT LIABILITIES</b>							
Payables .....	-	-	-	-	-	210	1,430
Provision for employee entitlements .....	2,043	2,676	2,077	2,111	2,144	2,144	2,144
Other .....	1,006	811	812	605	375	375	375
<b>Total non-current liabilities .....</b>	<b>3,049</b>	<b>3,487</b>	<b>2,889</b>	<b>2,716</b>	<b>2,519</b>	<b>2,729</b>	<b>3,949</b>
<b>TOTAL LIABILITIES .....</b>	<b>10,867</b>	<b>9,287</b>	<b>10,739</b>	<b>10,730</b>	<b>10,716</b>	<b>10,754</b>	<b>10,711</b>
<b>EQUITY</b>							
Contributed equity .....	23,407	25,236	25,236	33,717	33,717	33,717	33,717
Accumulated surplus/(deficit) .....	15,197	18,981	15,647	15,783	15,784	15,799	15,799
Reserves .....	7,026	11,090	7,026	7,026	7,026	7,026	7,026
<b>Total equity .....</b>	<b>45,630</b>	<b>55,307</b>	<b>47,909</b>	<b>56,526</b>	<b>56,527</b>	<b>56,542</b>	<b>56,542</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>56,497</b>	<b>64,594</b>	<b>58,648</b>	<b>67,256</b>	<b>67,243</b>	<b>67,296</b>	<b>67,253</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 .....	23,011	23,014	26,654	25,375	20,144	20,515	20,179
Capital contribution .....	262	1,829	1,829	8,481	-	-	-
Holding account drawdowns .....	1,328	2,841	2,841	2,542	1,860	3,603	2,226
<b>Net cash provided by State government .....</b>	<b>24,601</b>	<b>27,684</b>	<b>31,324</b>	<b>36,398</b>	<b>22,004</b>	<b>24,118</b>	<b>22,405</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(25,669)	(24,031)	(24,966)	(25,106)	(25,678)	(26,624)	(26,572)
Superannuation .....	(2,387)	(2,007)	(2,074)	(2,064)	(2,112)	(2,144)	(2,146)
Grants and subsidies .....	(4,050)	(3,500)	(3,500)	(3,636)	(3,636)	(3,636)	(3,500)
Consultancies payments.....	(537)	(386)	(386)	(586)	(596)	(600)	(400)
Supplies and services .....	(13,589)	(14,097)	(14,240)	(13,895)	(13,883)	(13,934)	(13,984)
Accommodation .....	(2,039)	(1,701)	(1,701)	(1,700)	(1,742)	(1,911)	(1,911)
Finance costs .....	-	(86)	(86)	(86)	(56)	(40)	(40)
Capital user charge <sup>(a)</sup> .....	(4,088)	(4,066)	(4,066)	-	-	-	-
Goods and services tax .....	(2,515)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
Fisheries adjustment scheme .....	(852)	(500)	(2,802)	(5,798)	(500)	(500)	(500)
Other.....	(85)	(588)	(781)	(548)	(554)	(545)	(479)
<b>Receipts</b>							
User charges and fees.....	105	340	340	340	340	340	340
Fisheries license fees.....	21,054	22,130	22,130	22,293	22,944	23,632	23,632
Grants and subsidies .....	3,256	4,326	4,326	4,326	4,326	4,326	4,326
Interest received .....	587	250	250	250	250	250	250
Goods and services tax .....	2,507	2,328	2,328	2,328	2,328	2,328	2,328
Other receipts .....	2,676	1,266	1,266	1,266	1,266	1,280	1,280
<b>Net cash from operating activities.....</b>	<b>(25,626)</b>	<b>(22,650)</b>	<b>(26,290)</b>	<b>(24,944)</b>	<b>(19,631)</b>	<b>(20,106)</b>	<b>(19,704)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(5,721)	(5,479)	(3,993)	(13,994)	(2,375)	(4,328)	(2,880)
Proceeds from sale of non-current assets .....	426	334	334	267	40	250	179
<b>Net cash from investing activities.....</b>	<b>(5,295)</b>	<b>(5,145)</b>	<b>(3,659)</b>	<b>(13,727)</b>	<b>(2,335)</b>	<b>(4,078)</b>	<b>(2,701)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Other payments for financing activities.....	(269)	(180)	(180)	(194)	(210)	(227)	-
<b>Net cash from financing activities .....</b>	<b>(269)</b>	<b>(180)</b>	<b>(180)</b>	<b>(194)</b>	<b>(210)</b>	<b>(227)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(6,589)</b>	<b>(291)</b>	<b>1,195</b>	<b>(2,467)</b>	<b>(172)</b>	<b>(293)</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	12,522	7,195	5,933	7,128	4,661	4,489	4,196
<b>Cash assets at the end of the reporting period.....</b>	<b>5,933</b>	<b>6,904</b>	<b>7,128</b>	<b>4,661</b>	<b>4,489</b>	<b>4,196</b>	<b>4,196</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.....	57,676	55,378	58,704	58,061	53,625	54,670	54,349
<i>Less Capital User Charge</i> .....	4,088	4,066	4,066	-	-	-	-
Adjusted Total Cost of Services .....	53,588	51,312	54,638	58,061	53,625	54,670	54,349
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	25,907	26,236	29,876	28,758	23,536	23,907	23,571
<i>Less Capital User Charge</i> .....	4,088	4,066	4,066	-	-	-	-
Adjusted net amount appropriated to deliver services .....	21,819	22,170	25,810	28,758	23,536	23,907	23,571

## 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 to Industry .....	4,050	3,500	3,500	3,636	3,636	3,636	3,500
<b>TOTAL</b>	<b>4,050</b>	<b>3,500</b>	<b>3,500</b>	<b>3,636</b>	<b>3,636</b>	<b>3,636</b>	<b>3,500</b>

## AGENCY SPECIAL PURPOSE ACCOUNT DETAILS

## Recreational Fishing Special Purpose Account

The Recreational Fishing Special Purpose Account was established under the *Fish Resources Management Act 2005* on 1 October 1995. It is utilised to fund the management of commercial, fish and fish habitat protection and pearling and aquaculture activities.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	12	15	11	11
Receipts:				
Appropriations .....	10,901	10,640	10,600	9,100
Other.....	2,427	2,500	2,450	2,700
	13,340	13,155	13,061	11,811
Payments .....	13,329	13,142	13,050	11,800
<b>CLOSING BALANCE</b> .....	<b>11</b>	<b>13</b>	<b>11</b>	<b>11</b>

### Fisheries Research and Development Special Purpose Account

The Fisheries Research and Development Special Purpose Account was continued under the *Fish Resources Management Act 1994*, which was established on 1 October 1995. It is utilised to fund the management of commercial, fish and fish habitat protection and pearling and aquaculture activities.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	10,688	5,358	5,208	5,999
Receipts:				
Appropriations .....	15,268	16,544	17,922	21,500
Other .....	22,375	23,996	24,690	25,603
	48,331	45,898	47,820	53,102
Payments .....	43,123	40,829	41,821	47,341
CLOSING BALANCE .....	5,208	5,069	5,999	5,761

### Fisheries Adjustment Schemes Special Purpose Account

The Fisheries Adjustment Schemes Special Purpose Account was established under the *Fisheries Adjustment Scheme Act 1987*. It is mainly utilised to fund the payment of compensation agreed under the Fisheries Adjustment Scheme.

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance .....	1,058	1,058	249	249
Receipts:				
Appropriations .....	-	500	2,802	5,798
Other .....	-	-	-	-
	1,058	1,558	3,051	6,047
Payments .....	809	500	2,802	5,798
CLOSING BALANCE .....	249	1,058	249	249

### 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 .....	1,938	2,000	2,000	2,000
GST Receipts on Sales .....	569	328	328	328
TOTAL .....	2,507	2,328	2,328	2,328

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

## KIMBERLEY DEVELOPMENT COMMISSION

### PART 13 - MINISTER FOR REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE

#### DIVISION 57

#### 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 104 Net amount appropriated to deliver services <sup>(a)</sup></b>	2,231	1,475	1,492	<b>1,626</b>	1,552	1,566	1,604
Total appropriations provided to deliver services	2,231	1,475	1,492	<b>1,626</b>	1,552	1,566	1,604
<b>CAPITAL</b>							
<b>Capital Contribution</b>	87	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>2,318</b>	<b>1,475</b>	<b>1,492</b>	<b>1,626</b>	<b>1,552</b>	<b>1,566</b>	<b>1,604</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.

#### MISSION

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

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

#### SIGNIFICANT ISSUES AND TRENDS

- Industry development across the region will continue to impact upon the labour market and provide opportunities for education and skill development to meet the growing demands of the region's population.
- Accommodation availability and affordability is a significant challenge for all levels of government and the community, as high demand pressure is causing an upward trend in rental rates, construction costs and established housing purchase prices.
- High population growth rates in the Kimberley and changes to social support structures for Indigenous people could place considerable pressure upon regional resources as the region grows and the need for complementary social support programs increases.
- Analysis of Indigenous economic and social trends identified long-term challenges for the region in improving options for participation in the mining, agriculture and tourism industries.
- Environmental preservation and management will continue to be a focus for regional industries including tourism and offshore oil and gas industries, as they expand and develop.
- Native Title agreements and negotiations will create and focus significant development opportunities for Indigenous people across the region.

**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>							
Policies, Strategies, Plans and Regional Promotion .....	1,087	1,086	1,010	973			
<b>Service 2:</b>							
Industry and Infrastructure Identification, Coordination and Development .....	1,691	1,178	1,337	1,344			
<b>Total Cost of Services <sup>(a)</sup></b> .....	2,778	2,264	2,347	2,317	2,250	1,951	1,908
<b>Less Income</b> .....	563	614	558	559	560	147	145
<b>Net Cost of Services <sup>(a)</sup></b> .....	2,215	1,650	1,789	1,758	1,690	1,804	1,763
Adjustments <sup>(b)</sup> .....	16	(175)	(297)	(132)	(138)	(238)	(159)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	2,231	1,475	1,492	1,626	1,552	1,566	1,604
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	87	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	2,318	1,475	1,492	1,626	1,552	1,566	1,604

(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.	An environment conducive to the balanced economic and social development of the Kimberley region.	1. Policies, Strategies, Plans and Regional Promotion 2. Industry and Infrastructure Identification, Coordination and 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: An environment conducive to the balanced economic and social development of the Kimberley region.</b>					
Delivers effective activities in assisting economic and social development.....	87%	90%	90%	90%	
Makes a positive contribution to economic and social development in the Kimberley .....	87%	90%	90%	90%	
Provides a reliable source of information and advice .....	90%	90%	90%	90%	
Is an accessible source of information and advice .....	90%	90%	90%	90%	

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

**Service 1: Policies, Strategies, Plans and Regional Promotion**

The Commission will provide effective regional development policies and strategies together with accurate and accessible information on the region to facilitate and support the economic and social development of the region.

	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> .....	1,087	1,086	1,010	973	Reduction is mainly a result of non-recurring grants.
Less Income.....	221	295	240	235	
Net Cost of Service <sup>(a)</sup> .....	866	791	770	738	
Adjustments <sup>(b)</sup> .....	6	(84)	(128)	(55)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>872</b>	<b>707</b>	<b>642</b>	<b>683</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 hour.....	\$287	\$241	\$266	\$223	
<b>Full Time Equivalents (FTEs)</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	



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

- Led the development of a West Kimberley social research project that provides key indicators as a basis for the strategic enhancement of Indigenous involvement in the regional labour market.
- Contributed to on-shore and off-shore resource development processes in partnership with key stakeholders, to ensure that large projects maximise direct and in-direct regional benefits.
- Established the Kimberley Community Foundation and Regional Advisory Committee to attract major financial contributions for the long-term purposes of the trust and intergenerational benefit to the Kimberley community.
- In partnership with key government and non-government stakeholders, assisted with progressing social planning in the Kimberley on issues such as homelessness, substance abuse, children's wellbeing and employment and economic development.
- Contributed to Native Title negotiations to provide a regional perspective, focussed upon the opportunities available to enhance Indigenous outcomes and to assist in regional development.
- Supported and encouraged the growth of the Indigenous tourism sector, through assisting access to resources and input into State-wide strategies.
- Redeveloped the Commission's website to comply with Government guidelines and improved accessibility to regional information.

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

- In consultation with industry, community and Government, develop strategies to focus upon the long-term opportunities to maximise regional employment and regional economic return that will progressively become available through developments in the oil, gas, agriculture, pastoral and mining sectors.
- Work with key stakeholders to progress strategic Native Title and Indigenous heritage negotiations to ensure optimum outcomes for the region and its Indigenous people.
- Facilitate the promotion, development and delivery of regional leadership and governance programs that will enhance the region's capacity to achieve cross-cultural benefits within the private and public sectors.
- Build regional capacity to analyse available socio-economic data to identify flow-on effects of significant regional investment and the returns to the regional community.
- Extend the provision of resources and facilitate the collection and interpretation of regional population profiles and labour market analyses for development planning and determining key socio-economic indicators.
- Provide input to the Kimberley Social Planning project in partnership with government agencies and key community stakeholders, focussing upon addressing regional social issues.
- Lead and manage the strategic development and administration of the Ord Enhancement Scheme to ensure appropriate consideration of opportunities for economic and social outcomes, in the North East Kimberley.

**Service 2: Industry and Infrastructure Identification, Coordination and Development**

The Commission will identify, coordinate and promote through its major strategies the establishment, improvement and diversification of the region's infrastructure, industries and enterprises.

	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> .....	1,691	1,178	1,337	1,344	
Less Income.....	342	319	318	324	
Net Cost of Service <sup>(a)</sup> .....	1,349	859	1,019	1,020	
Adjustments <sup>(b)</sup> .....	10	(91)	(169)	(77)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,359</b>	<b>768</b>	<b>850</b>	<b>943</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 hour.....	\$287	\$245	\$266	\$219	
<b>Full Time Equivalents (FTEs)</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	

**Major Achievements For 2006-07**

- Provided targeted resources and related strategic initiatives to support the Indigenous art industry in the Kimberley.
- In partnership with key stakeholders, progressed commercial aspects of targeted remote community stores and provided strategic assistance.
- Provided regional expertise, working with key stakeholders, to develop improved communications access in regional towns and Indigenous communities.
- Contributed to the planning and development of significant regional projects to develop community resource centres and art and culture centres, in collaboration with community groups and government agencies.
- Continued to work with key stakeholders to develop regional port infrastructure to meet maritime safety requirements and to ensure that current and future industry requirements are facilitated.
- Provided strategic input to Government development plans for the Ord Stage Two project, related industries and infrastructure.
- Supported regional industry groups in establishing appropriate forums for the exchange and development of ideas to create opportunities for regional business development.
- Administered the Ord Enhancement Scheme that enhances services to Indigenous people in the North East Kimberley with the aim of addressing socio-economic disadvantage.
- Engaged with air service providers and key stakeholders to ensure that regular air services to the Kimberley towns and essential services to remote communities are maintained and growth potential is maximised.

**Major Initiatives For 2007-08**

- Promote regional investment and engagement with the regional economy through encouraging the oil and gas industry to invest in infrastructure that will provide long-term common use benefit to the industry.
- Apply targeted resources to the Indigenous pastoral industry to enhance and leverage its capacity to engage with mainstream operators and maximise the potential of the industry to provide appropriate commercial options, including joint ventures, employment and skills transfers.
- Engage with major transport providers to ensure a strategic focus upon support for the coastal shipping service, regional port infrastructure and important intrastate, interstate and regional air services
- Assist regional applicants with information and advice on accessing Commonwealth and State Government funding for regional projects that have a demonstrable social and economic benefit to the region.
- Maintain linkages with state and regional tourism bodies to support industry growth, diversification and sustainability, and bolstering further development of the Indigenous tourism industry.
- Support Indigenous economic development through building targeted export capability for Indigenous Art Centres and improved access to international buyers to support further employment opportunities and participation in the economy.
- Facilitate further involvement of the State and Commonwealth Governments in addressing the sustainability and profitability of community stores and a focus upon healthy food programs.
- Assist with promotion and monitoring of major telecommunications initiatives through industry, State and Commonwealth programs to ensure appropriate and practical access to communications technology is available to enhance community and business access.
- Support regional and State efforts to develop the Ord Stage Two in support of existing and new industries.
- Identify low cost housing and accommodation initiatives that can be translated to regional opportunities to meet key availability and affordability criteria in the Kimberley.

**CAPITAL WORKS PROGRAM**

The Commission's planned capital works expenditure in 2007-08 is for ongoing computer and office equipment replacement.

	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 Equipment Replacement - 2006-07 Program.....	65	65	65	-
Disability access - Broome office.....	87	87	87	-
<b>NEW WORKS</b>				
Computer and Office Equipment Replacement - 2007-08 Program.....	20	-	-	20
	172	152	152	20

**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>	13	65	152	20	20	20	20
	13	65	152	20	20	20	20
<b>LESS</b>							
Drawdowns from the Holding Account .....	20	65	65	20	20	20	20
Internal Funds and Balances .....	(94)	-	87	-	-	-	-
<b>Capital Contribution .....</b>	87	-	-	-	-	-	-

**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> .....	746	737	749	864	767	768	785
Superannuation .....	61	61	62	63	63	64	77
Grants and subsidies <sup>(b)</sup> .....	1,097	500	650	500	500	85	85
Consultancies expense .....	33	-	-	-	-	-	35
Supplies and services .....	612	741	661	667	698	798	675
Accommodation .....	148	142	142	141	141	155	158
Capital user charge <sup>(c)</sup> .....	27	22	22	-	-	-	-
Depreciation and amortisation .....	41	50	50	50	50	50	50
Other expenses .....	40	33	33	32	31	31	43
<b>TOTAL COST OF SERVICES .....</b>	2,805	2,286	2,369	2,317	2,250	1,951	1,908
<b>Income</b>							
User charges and fees .....	47	-	4	4	4	4	4
Grants and subsidies .....	448	580	500	500	500	85	85
Rent .....	16	-	20	21	22	23	24
Other revenue .....	52	34	34	34	34	35	32
<b>Total Income .....</b>	563	614	558	559	560	147	145
<b>NET COST OF SERVICES <sup>(c)</sup> .....</b>	2,242	1,672	1,811	1,758	1,690	1,804	1,763
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	2,258	1,497	1,514	1,626	1,552	1,566	1,604
<b>TOTAL INCOME FROM STATE GOVERNMENT .....</b>	2,258	1,497	1,514	1,626	1,552	1,566	1,604
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD .....</b>	16	(175)	(297)	(132)	(138)	(238)	(159)

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 12, 10 and 11 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 .....	307	283	251	289	328	325	247
Restricted cash .....	946	621	630	460	283	48	173
Receivables .....	53	18	53	53	53	53	6
Amounts receivable for services .....	40	20	20	20	20	20	20
Prepayments .....	1	-	1	1	1	1	1
<b>Total current assets .....</b>	<b>1,347</b>	<b>942</b>	<b>955</b>	<b>823</b>	<b>685</b>	<b>447</b>	<b>447</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	40	45	45	75	105	135	165
Plant and equipment .....	45	36	40	20	18	16	14
Intangibles .....	1	-	1	1	1	1	1
Other .....	119	240	226	216	188	160	132
<b>Total non-current assets .....</b>	<b>205</b>	<b>321</b>	<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>
<b>TOTAL ASSETS .....</b>	<b>1,552</b>	<b>1,263</b>	<b>1,267</b>	<b>1,135</b>	<b>997</b>	<b>759</b>	<b>759</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	82	48	98	98	98	98	257
Provision for employee entitlements .....	187	168	187	187	187	187	187
Accrued salaries .....	4	-	-	-	-	-	-
Other .....	1	-	1	1	1	1	1
<b>Total current liabilities .....</b>	<b>274</b>	<b>216</b>	<b>286</b>	<b>286</b>	<b>286</b>	<b>286</b>	<b>445</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	50	29	50	50	50	50	50
Other .....	1	30	1	1	1	1	1
<b>Total non-current liabilities .....</b>	<b>51</b>	<b>59</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>51</b>
<b>TOTAL LIABILITIES .....</b>	<b>325</b>	<b>275</b>	<b>337</b>	<b>337</b>	<b>337</b>	<b>337</b>	<b>496</b>
<b>EQUITY</b>							
Contributed equity .....	131	131	131	131	131	131	131
Accumulated surplus/(deficit) .....	1,096	857	799	667	529	291	132
<b>Total equity .....</b>	<b>1,227</b>	<b>988</b>	<b>930</b>	<b>798</b>	<b>660</b>	<b>422</b>	<b>263</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,552</b>	<b>1,263</b>	<b>1,267</b>	<b>1,135</b>	<b>997</b>	<b>759</b>	<b>759</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 .....	2,218	1,447	1,464	1,576	1,502	1,516	1,554
Capital contribution .....	87	-	-	-	-	-	-
Holding account drawdowns .....	20	65	65	20	20	20	20
<b>Net cash provided by State government .....</b>	<b>2,325</b>	<b>1,512</b>	<b>1,529</b>	<b>1,596</b>	<b>1,522</b>	<b>1,536</b>	<b>1,574</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(693)	(737)	(752)	(864)	(767)	(768)	(785)
Superannuation .....	(53)	(61)	(63)	(63)	(63)	(64)	(77)
Grants and subsidies .....	(1,092)	(500)	(650)	(500)	(500)	(85)	(85)
Consultancies payments.....	(43)	(10)	(10)	(10)	(10)	(10)	(35)
Supplies and services .....	(656)	(716)	(636)	(643)	(673)	(787)	(490)
Accommodation.....	(150)	(142)	(142)	(141)	(141)	(155)	(158)
Capital user charge <sup>(a)</sup> .....	(27)	(22)	(22)	-	-	-	-
Goods and services tax .....	(214)	(64)	(81)	(67)	(67)	(328)	(120)
Other.....	(52)	(32)	(32)	(46)	(46)	(32)	(43)
<b>Receipts</b>							
Grants and subsidies .....	500	580	500	500	500	85	85
Rent receipts.....	13	-	20	21	22	23	24
Goods and services tax .....	208	64	81	67	67	328	118
Other receipts .....	73	34	38	38	38	39	59
<b>Net cash from operating activities.....</b>	<b>(2,186)</b>	<b>(1,606)</b>	<b>(1,749)</b>	<b>(1,708)</b>	<b>(1,640)</b>	<b>(1,754)</b>	<b>(1,507)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(13)	(65)	(152)	(20)	(20)	(20)	(20)
<b>Net cash from investing activities.....</b>	<b>(13)</b>	<b>(65)</b>	<b>(152)</b>	<b>(20)</b>	<b>(20)</b>	<b>(20)</b>	<b>(20)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>126</b>	<b>(159)</b>	<b>(372)</b>	<b>(132)</b>	<b>(138)</b>	<b>(238)</b>	<b>47</b>
Cash assets at the beginning of the reporting period .....	1,127	1,063	1,253	881	749	611	373
<b>Cash assets at the end of the reporting period.....</b>	<b>1,253</b>	<b>904</b>	<b>881</b>	<b>749</b>	<b>611</b>	<b>373</b>	<b>420</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.....	2,805	2,286	2,369	2,317	2,250	1,951	1,908
<i>Less Capital User Charge</i> .....	27	22	22	-	-	-	-
Adjusted Total Cost of Services .....	2,778	2,264	2,347	2,317	2,250	1,951	1,908
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	2,258	1,497	1,514	1,626	1,552	1,566	1,604
<i>Less Capital User Charge</i> .....	27	22	22	-	-	-	-
Adjusted net amount appropriated to deliver services .....	2,231	1,475	1,492	1,626	1,552	1,566	1,604

**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
Indigenous Arts .....	-	-	150	-	-	-	-
Kimberley Regional Development Scheme .....	435	500	500	500	500	-	-
Kununurra Youth Centre .....	100	-	-	-	-	-	-
Mowanjum Arts Centre .....	500	-	-	-	-	-	-
Other Grants.....	62	-	-	-	-	85	85
<b>TOTAL</b>	<b>1,097</b>	<b>500</b>	<b>650</b>	<b>500</b>	<b>500</b>	<b>85</b>	<b>85</b>

## PILBARA DEVELOPMENT COMMISSION

### PART 13 - MINISTER FOR REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE

#### DIVISION 58

#### 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 105 Net amount appropriated to deliver services <sup>(a)</sup></b>	7,274	2,259	2,259	<b>2,180</b>	1,590	1,604	1,645
Total appropriations provided to deliver services	7,274	2,259	2,259	<b>2,180</b>	1,590	1,604	1,645
<b>CAPITAL</b>							
<b>Capital Contribution</b>	-	85	85	-	-	5	30
<b>GRAND TOTAL</b>	7,274	2,344	2,344	<b>2,180</b>	1,590	1,609	1,675

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

#### SIGNIFICANT ISSUES AND TRENDS

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



**SERVICE AND APPROPRIATION SUMMARY**

	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>							
Business and Industry Development .....	597	560	560	580			
<i>Service 2:</i>							
Infrastructure and Service Identification and Coordination.....	6,923	9,233	10,516	9,385			
<i>Service 3:</i>							
Regional Promotion and Information Services .....	964	670	670	650			
<b>Total Cost of Services <sup>(a)</sup></b> .....	8,484	10,463	11,746	10,615	3,691	1,697	1,765
<i>Less Income</i> .....	2,471	7,107	5,607	5,612	2,115	120	120
<b>Net Cost of Services <sup>(a)</sup></b> .....	6,013	3,356	6,139	5,003	1,576	1,577	1,645
Adjustments <sup>(b)</sup> .....	1,261	(1,097)	(3,880)	(2,823)	14	27	-
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	7,274	2,259	2,259	2,180	1,590	1,604	1,645
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	-	85	85	-	-	5	30
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	7,274	2,344	2,344	2,180	1,590	1,609	1,675

- (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.	Enhancement of the Pilbara Region's economic and social development.	1. Business and Industry Development 2. Infrastructure and Service Identification and Coordination 3. Regional Promotion and Information 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: Enhancement of the Pilbara Region's economic and social development.</b>					
Customers satisfied that the Commission is effective in meeting its service objectives.....	94%	80%	80%	80%	

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

**Service 1: Business and Industry Development**

Encourage business and industry development through the identification and coordination of projects.

	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> .....	597	560	560	580	
Less Income.....	186	25	25	107	
Net Cost of Service <sup>(a)</sup> .....	411	535	535	473	
Adjustments <sup>(b)</sup> .....	-	(97)	(97)	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>411</b>	<b>438</b>	<b>438</b>	<b>473</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
Projects completed or strategic objectives met within agreed timeframes.....	80%	80%	80%	80%	
<b>Full Time Equivalents (FTEs)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	

**Major Achievements For 2006-07**

- In partnership with key stakeholders developed and implemented strategies to address the impact of accumulated dust on the Port Hedland environment.
- Facilitated a major conference and established a network and mentoring group for Women in the Pilbara with a focus on the promotion and development of business and management skills.
- In partnership with key stakeholders developed and implemented the 'Kids Matter' program. This program has been established to attract new family day care providers to address a critical shortage of childcare in the region.

### Major Initiatives For 2007-08

- Work with the Australian Bureau of Statistics and key stakeholders to develop 'Spotlight on the Pilbara'. This document will aid in the planning and delivery of services to the Pilbara region of Western Australia.
- Work with key stakeholders to investigate the feasibility of a community bank to improve access to banking facilities in South Hedland.
- Work with key stakeholders to develop a small business development strategy that will have actions to support the growth of sustainable small business in the Pilbara.

### Service 2: Infrastructure and Service Identification and Coordination

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

	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> .....	6,923	9,233	10,516	9,385	Completion of some of the projects of the Port Hedland Enhancement Scheme.
Less Income.....	1,760	6,572	5,070	5,005	
Net Cost of Service <sup>(a)</sup> .....	5,163	2,661	5,446	4,380	
Adjustments <sup>(b)</sup> .....	1,261	(950)	(3,733)	(2,823)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,424</b>	<b>1,711</b>	<b>1,713</b>	<b>1,557</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
Projects completed or strategic objectives met within agreed timeframes.....	83%	80%	80%	80%	
<b>Full Time Equivalents (FTEs)</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>	

### Major Achievements For 2006-07

- Continued to manage the delivery of the Port Hedland Enhancement Scheme to improve the physical and visual amenity of the town including the upgrade of the town centre, the refurbishment of the Visitor Centre and the upgrade of community infrastructure.
- Continued to facilitate the establishment of new tourist opportunities for the Town of Port Hedland through the delivery of a staged program that will result in the installation of interpretive information and display materials to promote the Flatback Turtle habitat and the development of the Spoil Bank precinct.
- Continued to administer the Pilbara Priority Partnership Fund. During the 2006-07 financial year 40 grants totalling \$7.0 million were supported. This funding enabled projects totalling \$23.9 million to proceed and significantly enhance the social and economic development of the region.

**Major Initiatives For 2007-08**

- Contribute to and support Regional Partnership Agreements targeting enterprise development and wealth creation, better Indigenous access to and participation in the Pilbara workforce and positive health outcomes in the Pilbara Indigenous communities.
- Work with key stakeholders to map and identify gaps in the delivery of facilities and services within the Shire of Roebourne. This will enable a strategy to be developed to address the issues identified.
- The Commission is working with the Shire of Ashburton and other key stakeholders to review the land use and infrastructure needs of the town of Onslow through the Onslow townsite expansion steering committee. The purpose of the Committee is to ensure available land and adequate physical and social infrastructure for the townsite expansion occurs in a way that results in the best outcomes for the Onslow community, the environment and industry.

**Service 3: Regional Promotion and Information Services**

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

	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> .....	964	670	670	650	
Less Income .....	525	510	512	500	
Net Cost of Service <sup>(a)</sup> .....	439	160	158	150	
Adjustments <sup>(b)</sup> .....	-	(50)	(50)	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>439</b>	<b>110</b>	<b>108</b>	<b>150</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
Projects completed or strategic objectives met within agreed timeframes.....	81%	80%	80%	80%	
<b>Full Time Equivalents (FTEs)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	

**Major Achievements For 2006-07**

- Released the Pilbara Economic Perspective, which contains factual information on the region's economy and infrastructure to inform investors and developers of the region's economic development potential.
- Continued to administer the Pilbara Regional Development Scheme. During the 2006-07 financial year 20 grants totalling approximately \$485,000 were supported. This funding enabled projects to proceed and therefore significantly enhance the social and economic development of the region.

**Major Initiatives For 2007-08**

- Facilitate a major conference to promote the natural advantage of the Pilbara with a focus on the resource industry, tourism and small business.
- Continue to support the promotion of local cultural events such as the Cossack Art Awards, Hedland Art Awards and the Pilbara Music Festival. This support assists to in raising the profile of local artists and musicians to a wider audience base.

**CAPITAL WORKS PROGRAM**

The Commission's planned capital works expenditure in 2007-08 is for ongoing office equipment replacement.

	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 Equipment Replacement Program.....	90	90	90	-
Karratha Office Relocation.....	90	90	90	-
Telephone System Replacement Program.....	25	25	25	-
<b>NEW WORKS</b>				
Office Equipment Replacement Program.....	30	-	-	30
	235	205	205	30

**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>	13	205	205	30	20	75	70
	13	205	205	30	20	75	70
<b>LESS</b>							
Drawdowns from the Holding Account .....	-	120	120	30	20	70	40
Internal Funds and Balances.....	13	-	-	-	-	-	-
<b>Capital Contribution .....</b>	-	85	85	-	-	5	30

## 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> .....	979	891	904	1,021	791	810	863
Superannuation .....	76	79	81	86	68	70	83
Grants and subsidies <sup>(b)</sup> .....	6,046	8,361	9,629	8,422	2,000	-	-
Consultancies expense .....	142	30	30	40	30	35	10
Supplies and services .....	781	644	644	632	533	564	588
Accommodation .....	146	166	166	174	180	143	156
Capital user charge <sup>(c)</sup> .....	55	124	124	-	-	-	-
Depreciation and amortisation .....	23	40	40	40	40	40	40
Loss on disposal of non-current assets .....	42	-	-	-	-	-	-
Other expenses .....	249	252	252	200	49	35	25
<b>TOTAL COST OF SERVICES</b> .....	<b>8,539</b>	<b>10,587</b>	<b>11,870</b>	<b>10,615</b>	<b>3,691</b>	<b>1,697</b>	<b>1,765</b>
<b>Income</b>							
Grants and subsidies .....	500	7,000	5,500	5,500	2,000	-	-
Other revenue .....	1,971	107	107	112	115	120	120
<b>Total Income</b> .....	<b>2,471</b>	<b>7,107</b>	<b>5,607</b>	<b>5,612</b>	<b>2,115</b>	<b>120</b>	<b>120</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>6,068</b>	<b>3,480</b>	<b>6,263</b>	<b>5,003</b>	<b>1,576</b>	<b>1,577</b>	<b>1,645</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	7,329	2,383	2,383	2,180	1,590	1,604	1,645
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>7,329</b>	<b>2,383</b>	<b>2,383</b>	<b>2,180</b>	<b>1,590</b>	<b>1,604</b>	<b>1,645</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,261</b>	<b>(1,097)</b>	<b>(3,880)</b>	<b>(2,823)</b>	<b>14</b>	<b>27</b>	<b>-</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 13, 11 and 11 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 .....	662	648	648	31	45	72	72
Restricted cash .....	6,076	510	2,206	-	-	-	-
Receivables .....	111	73	111	111	111	111	111
Amounts receivable for services .....	120	30	30	20	70	40	40
Prepayments .....	18	-	18	18	18	18	18
<b>Total current assets .....</b>	<b>6,987</b>	<b>1,261</b>	<b>3,013</b>	<b>180</b>	<b>244</b>	<b>241</b>	<b>241</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	9	19	19	39	9	9	9
Plant and equipment .....	39	122	111	123	143	178	208
Intangibles .....	13	25	13	13	13	13	13
Other .....	-	93	93	71	31	31	31
<b>Total non-current assets .....</b>	<b>61</b>	<b>259</b>	<b>236</b>	<b>246</b>	<b>196</b>	<b>231</b>	<b>261</b>
<b>TOTAL ASSETS .....</b>	<b>7,048</b>	<b>1,520</b>	<b>3,249</b>	<b>426</b>	<b>440</b>	<b>472</b>	<b>502</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	20	21	20	20	20	20	20
Provision for employee entitlements .....	54	132	54	54	54	54	54
Other .....	-	22	-	-	-	-	-
<b>Total current liabilities .....</b>	<b>74</b>	<b>175</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	37	73	33	33	33	33	33
<b>Total non-current liabilities .....</b>	<b>37</b>	<b>73</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>TOTAL LIABILITIES .....</b>	<b>111</b>	<b>248</b>	<b>107</b>	<b>107</b>	<b>107</b>	<b>107</b>	<b>107</b>
<b>EQUITY</b>							
Contributed equity .....	257	222	342	342	342	347	377
Accumulated surplus/(deficit) .....	6,680	1,050	2,800	(23)	(9)	18	18
<b>Total equity .....</b>	<b>6,937</b>	<b>1,272</b>	<b>3,142</b>	<b>319</b>	<b>333</b>	<b>365</b>	<b>395</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>7,048</b>	<b>1,520</b>	<b>3,249</b>	<b>426</b>	<b>440</b>	<b>472</b>	<b>502</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 .....	7,286	2,343	2,343	2,140	1,550	1,564	1,605
Capital contribution .....	-	85	85	-	-	5	30
Holding account drawdowns .....	-	120	120	30	20	70	40
<b>Net cash provided by State government .....</b>	<b>7,286</b>	<b>2,548</b>	<b>2,548</b>	<b>2,170</b>	<b>1,570</b>	<b>1,639</b>	<b>1,675</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(1,089)	(891)	(908)	(1,021)	(791)	(810)	(863)
Superannuation .....	(77)	(79)	(81)	(86)	(68)	(70)	(83)
Grants and subsidies .....	(6,057)	(8,361)	(9,629)	(8,422)	(2,000)	-	-
Consultancies payments.....	(142)	(30)	(30)	(40)	(30)	(35)	(10)
Supplies and services .....	(630)	(459)	(459)	(442)	(393)	(464)	(440)
Accommodation.....	(272)	(314)	(314)	(325)	(279)	(283)	(263)
Capital user charge <sup>(a)</sup> .....	(55)	(124)	(124)	-	-	-	-
Goods and services tax .....	(697)	(678)	(678)	(680)	(170)	(140)	(145)
Other.....	(303)	(289)	(289)	(239)	(400)	(70)	(66)
<b>Receipts</b>							
Grants and subsidies .....	523	7,000	5,500	5,500	2,000	-	-
Goods and services tax .....	737	678	678	680	170	140	145
Other receipts .....	1,868	107	107	112	425	195	120
<b>Net cash from operating activities.....</b>	<b>(6,194)</b>	<b>(3,440)</b>	<b>(6,227)</b>	<b>(4,963)</b>	<b>(1,536)</b>	<b>(1,537)</b>	<b>(1,605)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(13)	(205)	(205)	(30)	(20)	(75)	(70)
<b>Net cash from investing activities.....</b>	<b>(13)</b>	<b>(205)</b>	<b>(205)</b>	<b>(30)</b>	<b>(20)</b>	<b>(75)</b>	<b>(70)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,079</b>	<b>(1,097)</b>	<b>(3,884)</b>	<b>(2,823)</b>	<b>14</b>	<b>27</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	5,659	2,255	6,738	2,854	31	45	72
<b>Cash assets at the end of the reporting period.....</b>	<b>6,738</b>	<b>1,158</b>	<b>2,854</b>	<b>31</b>	<b>45</b>	<b>72</b>	<b>72</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.....	8,539	10,587	11,870	10,615	3,691	1,697	1,765
<i>Less Capital User Charges</i> .....	55	124	124	-	-	-	-
Adjusted Total Cost of Services .....	8,484	10,463	11,746	10,615	3,691	1,697	1,765
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	7,329	2,383	2,383	2,180	1,590	1,604	1,645
<i>Less Capital User Charge</i> .....	55	124	124	-	-	-	-
Adjusted net amount appropriated to deliver services .....	7,274	2,259	2,259	2,180	1,590	1,604	1,645

## 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
Regional Development Scheme.....	414	500	560	540	500	-	-
Port Hedland Enhancement Scheme .....	1,013	1,900	4,182	1,921	1,500	-	-
Roebourne Enhancement Scheme .....	343	961	-	961	-	-	-
Pilbara Priority Partnership Fund .....	4,276	5,000	4,887	5,000	-	-	-
<b>TOTAL</b>	<b>6,046</b>	<b>8,361</b>	<b>9,629</b>	<b>8,422</b>	<b>2,000</b>	<b>-</b>	<b>-</b>

## GASCOYNE DEVELOPMENT COMMISSION

### PART 13 - MINISTER FOR REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE

#### DIVISION 59

#### 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 106 Net amount appropriated to deliver services <sup>(a)</sup></b>							
.....	2,252	1,405	1,425	<b>1,619</b>	1,488	1,503	1,530
Total appropriations provided to deliver services .....	2,252	1,405	1,425	<b>1,619</b>	1,488	1,503	1,530
<b>GRAND TOTAL .....</b>	<b>2,252</b>	<b>1,405</b>	<b>1,425</b>	<b>1,619</b>	<b>1,488</b>	<b>1,503</b>	<b>1,530</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.

#### MISSION

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

#### SIGNIFICANT ISSUES AND TRENDS

- The provision of education and training is crucial to the ongoing development of industry and community in the Gascoyne. The importance of education and training needs to be continually promoted within the region and new ideas and possible improvements pursued strongly.
- The Gascoyne continues to experience labour shortages across all industries. The provision of career pathways through vocational training and higher education relevant to the needs of Gascoyne industries is required to create a local workforce.
- The progression of Indigenous economic and social development projects must remain a priority. The management and subsequent operations of a functional Aboriginal Heritage and Cultural Centre, the development of small enterprises at Burringurrah Aboriginal Community and assistance with emerging cultural tourism will provide genuine opportunities for the Indigenous community of the Gascoyne.
- Opportunities for the development of inland areas of the region are not well known. The inland areas will receive considered focus for development as research and analysis of options are progressed through a ministerially appointed taskforce.

**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 .....	1,758	2,131	2,523	2,679			
<b>Total Cost of Services <sup>(a)</sup></b> .....	1,758	2,131	2,523	2,679	2,287	1,836	1,863
<i>Less Income</i> .....	948	717	717	717	717	217	217
<b>Net Cost of Services <sup>(a)</sup></b> .....	810	1,414	1,806	1,962	1,570	1,619	1,646
Adjustments <sup>(b)</sup> .....	1,442	(9)	(381)	(343)	(82)	(116)	(116)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	2,252	1,405	1,425	1,619	1,488	1,503	1,530
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	-	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	2,252	1,405	1,425	1,619	1,488	1,503	1,530

- (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	Service
Ensuring that regional Western Australia is strong and vibrant.	An environment conducive to the balanced economic and social development of the Gascoyne region.	1. Regional Development

**Outcomes and Key Effectiveness Indicators <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 Gascoyne region.</b>					
The Commission is effective and makes a positive contribution to the economic and social development of the Gascoyne Region ...	80%	85%	85%	85%	

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

**Service 1: Regional Development**

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

- encouraging new business investment that is environmentally sustainable;
- identifying needs and coordinate infrastructure development that will generate employment, investment and sustainable economic and social growth; and
- promoting the region as a place that offers investment opportunities, a quality lifestyle and pristine environment.

	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> .....	1,758	2,131	2,523	2,679	
Less Income.....	948	717	717	717	
Net Cost of Service <sup>(a)</sup> .....	810	1,414	1,806	1,962	
Adjustments <sup>(b)</sup> .....	1,442	(9)	(381)	(343)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>2,252</b>	<b>1,405</b>	<b>1,425</b>	<b>1,619</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 project hour.....	\$114	\$175	\$170	\$182	
<b>Full Time Equivalents (FTEs)</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>12</b>	

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

- Completed and released a report into future education services in the Gascoyne. The report, 'An Education Precinct in Carnarvon, A Community Approach to the Future', will guide a strategic approach to education in Carnarvon.
- Appointed a full-time Centre Manager and provided executive support to establish the Interim Board of Management and Indigenous Reference Group for the Aboriginal Heritage and Cultural Centre.
- Launched the Gascoyne Community Foundation.
- Launched the Gascoyne Murchison Outback Pathways Guidebook.
- Released a discussion paper on Food Industry initiatives.
- Completed the Plastic Bag Free project. The project was the winner in the Plastic Bag Reduction Awards in 2006.
- Completed a 10 year strategic plan to guide the activities of the Commission.
- Supported local governments, industry and the community through the Regional Development Scheme and Minor Grants program through funding initiatives for infrastructure development, business and export development, community events and promotional activities.
- Promoted the requirement to establish the Ningaloo Research Centre in Exmouth.
- Conducted a Gascoyne specific 'skills in demand' survey.

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

- Provide support and funding for new food industry initiatives, including the development of a food trail.
- Convene and support the Cabinet endorsed Task Force to progress development options for the Mt Augustus and inland Gascoyne area.
- Work with other government agencies on initiatives that will result in career and training pathways that will benefit Gascoyne industries and result in an appropriately skilled work force.
- Provide ongoing support for local governments, Chambers of Commerce, industry and community groups to enhance their access to resources and provide assistance to develop and coordinate their efforts.
- Establish and support the Education Precinct Strategy Group.
- Continue to support the development of management structures and funding initiatives to provide a fully functional Aboriginal Heritage and Cultural Centre in Carnarvon.
- Hold an Indigenous Economic Forum to develop a strategic, cross-organisation approach to progressing economic development options for the Gascoyne Indigenous community.
- Support initiatives and projects through the Regional Development Scheme and Minor Grants program.
- Continue to progress the establishment of the Ningaloo Research Centre in Exmouth.

**CAPITAL WORKS PROGRAM**

The Gascoyne Development Commission's planned capital works expenditure in 2007-08 is for its ongoing asset replacement 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>				
Asset Replacement 2006-07 Program .....	40	40	40	-
<b>NEW WORKS</b>				
Asset Replacement 2007-08 Program .....	40	-	-	40
	80	40	40	40

**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>	1,054	40	40	40	40	40	40
	1,054	40	40	40	40	40	40
<b>LESS</b>							
Drawdowns from the Holding Account .....	40	40	40	40	40	40	40
Internal Funds and Balances .....	1,014	-	-	-	-	-	-
<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> .....	751	719	733	838	756	758	778
Superannuation .....	70	78	80	81	84	86	86
Grants and subsidies <sup>(b)</sup> .....	197	425	463	803	519	121	121
Supplies and services .....	595	731	895	723	689	631	638
Accommodation .....	117	103	103	104	109	110	110
Capital user charge <sup>(c)</sup> .....	7	45	45	-	-	-	-
Depreciation and amortisation .....	22	35	35	35	35	35	35
Loss on disposal of non-current assets .....	-	2	2	2	2	2	2
Other expenses .....	6	38	212	93	93	93	93
<b>TOTAL COST OF SERVICES</b> .....	1,765	2,176	2,568	2,679	2,287	1,836	1,863
<b>Income</b>							
Grants and subsidies .....	884	652	652	652	652	152	152
Other revenue .....	64	65	65	65	65	65	65
<b>Total Income</b> .....	948	717	717	717	717	217	217
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	817	1,459	1,851	1,962	1,570	1,619	1,646
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	2,259	1,450	1,470	1,619	1,488	1,503	1,530
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	2,259	1,450	1,470	1,619	1,488	1,503	1,530
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	1,442	(9)	(381)	(343)	(82)	(116)	(116)
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	1,442	(9)	(381)	(343)	(82)	(116)	(116)

(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 .....	533	115	-	-	-	-	-
Restricted cash .....	1,000	202	1,137	797	734	632	530
Receivables .....	31	210	22	26	20	10	77
Amounts receivable for services .....	101	40	40	40	40	40	-
<b>Total current assets .....</b>	<b>1,665</b>	<b>567</b>	<b>1,199</b>	<b>863</b>	<b>794</b>	<b>682</b>	<b>607</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	-	56	56	51	46	41	76
Plant and equipment .....	38	81	41	44	47	50	50
<b>Total non-current assets .....</b>	<b>38</b>	<b>137</b>	<b>97</b>	<b>95</b>	<b>93</b>	<b>91</b>	<b>126</b>
<b>TOTAL ASSETS .....</b>	<b>1,703</b>	<b>704</b>	<b>1,296</b>	<b>958</b>	<b>887</b>	<b>773</b>	<b>733</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	30	53	33	31	35	30	106
Provision for employee entitlements .....	107	119	95	85	83	75	75
Accrued salaries .....	14	14	14	21	28	35	35
<b>Total current liabilities .....</b>	<b>151</b>	<b>186</b>	<b>142</b>	<b>137</b>	<b>146</b>	<b>140</b>	<b>216</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	36	30	19	29	31	39	39
<b>Total non-current liabilities .....</b>	<b>36</b>	<b>30</b>	<b>19</b>	<b>29</b>	<b>31</b>	<b>39</b>	<b>39</b>
<b>TOTAL LIABILITIES .....</b>	<b>187</b>	<b>216</b>	<b>161</b>	<b>166</b>	<b>177</b>	<b>179</b>	<b>255</b>
<b>EQUITY</b>							
Contributed equity .....	90	90	90	90	90	90	90
Accumulated surplus/(deficit) .....	1,426	398	1,045	702	620	504	388
<b>Total equity .....</b>	<b>1,516</b>	<b>488</b>	<b>1,135</b>	<b>792</b>	<b>710</b>	<b>594</b>	<b>478</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,703</b>	<b>704</b>	<b>1,296</b>	<b>958</b>	<b>887</b>	<b>773</b>	<b>733</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 .....	2,223	1,415	1,435	1,584	1,453	1,468	1,495
Holding account drawdowns .....	40	40	40	40	40	40	40
<b>Net cash provided by State government .....</b>	<b>2,263</b>	<b>1,455</b>	<b>1,475</b>	<b>1,624</b>	<b>1,493</b>	<b>1,508</b>	<b>1,535</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(734)	(744)	(762)	(831)	(749)	(751)	(771)
Superannuation .....	(72)	(78)	(80)	(81)	(84)	(86)	(86)
Grants and subsidies .....	(197)	(425)	(463)	(803)	(519)	(121)	(121)
Supplies and services .....	(1,303)	(734)	(898)	(802)	(763)	(725)	(732)
Accommodation .....	(120)	(105)	(105)	(106)	(111)	(112)	(112)
Capital user charge <sup>(a)</sup> .....	(7)	(45)	(45)	-	-	-	-
Goods and services tax .....	(140)	(57)	(57)	(57)	(57)	(57)	(57)
Other .....	(7)	(55)	(229)	(39)	(39)	(29)	(29)
<b>Receipts</b>							
Grants and subsidies .....	889	652	652	652	652	152	152
Goods and services tax .....	340	65	65	52	63	68	68
Other receipts .....	64	91	91	91	91	91	91
<b>Net cash from operating activities .....</b>	<b>(1,287)</b>	<b>(1,435)</b>	<b>(1,831)</b>	<b>(1,924)</b>	<b>(1,516)</b>	<b>(1,570)</b>	<b>(1,597)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	-	(40)	(40)	(40)	(40)	(40)	(40)
<b>Net cash from investing activities .....</b>	<b>-</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>976</b>	<b>(20)</b>	<b>(396)</b>	<b>(340)</b>	<b>(63)</b>	<b>(102)</b>	<b>(102)</b>
Cash assets at the beginning of the reporting period .....	557	337	1,533	1,137	797	734	632
<b>Cash assets at the end of the reporting period .....</b>	<b>1,533</b>	<b>317</b>	<b>1,137</b>	<b>797</b>	<b>734</b>	<b>632</b>	<b>530</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.....	1,765	2,176	2,568	2,679	2,287	1,836	1,863
<i>Less Capital User Charge</i> .....	7	45	45	-	-	-	-
Adjusted Total Cost of Services .....	1,758	2,131	2,523	2,679	2,287	1,836	1,863
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	2,259	1,450	1,470	1,619	1,488	1,503	1,530
<i>Less Capital User Charge</i> .....	7	45	45	-	-	-	-
Adjusted net amount appropriated to deliver services .....	2,252	1,405	1,425	1,619	1,488	1,503	1,530

**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
Controlled grants are from funding provided through the Regional Development Scheme:							
Grants to Government Agencies.....	121	128	230	400	250	70	70
Grants to Community Groups.....	25	4	107	150	69	20	20
Grants to private organisations .....	51	187	126	253	200	31	31
Grants Other.....	-	106	-	-	-	-	-
<b>TOTAL</b>	<b>197</b>	<b>425</b>	<b>463</b>	<b>803</b>	<b>519</b>	<b>121</b>	<b>121</b>

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## Part 14

### Minister for Corrective Services; Small Business; Minister Assisting the Minister for Federal-State Relations

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
1059	Corrective Services			
	– Delivery of Services .....	385,663	399,881	<b>417,893</b>
	– Capital Contribution .....	51,016	18,007	<b>54,642</b>
	Total .....	436,679	417,888	<b>472,535</b>
1073	Office of the Inspector of Custodial Services			
	– Delivery of Services .....	1,901	2,011	<b>2,186</b>
	– Capital Contribution .....	-	-	<b>79</b>
	Total .....	1,901	2,011	<b>2,265</b>
1080	Small Business Development Corporation			
	– Delivery of Services .....	9,875	9,959	<b>10,852</b>
	– Capital Contribution .....	134	134	<b>313</b>
	Total .....	10,009	10,093	<b>11,165</b>
	GRAND TOTAL .....			
	– Delivery of Services .....	397,439	411,851	<b>430,931</b>
	– Capital Contribution .....	51,150	18,141	<b>55,034</b>
	Total .....	448,589	429,992	<b>485,965</b>

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## CORRECTIVE SERVICES

### PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS; MINISTER ASSISTING THE MINISTER FOR FEDERAL-STATE RELATIONS

#### DIVISION 60

#### 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 107 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	391,220	385,016	399,177	<b>417,170</b>	430,311	440,087	448,890
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	628	647	704	<b>723</b>	743	763	788
<b>Total appropriations provided to deliver services .....</b>	391,848	385,663	399,881	<b>417,893</b>	431,054	440,850	449,678
<b>CAPITAL</b>							
<b>Item 178 Capital Contribution .....</b>	14,532	51,016	18,007	<b>54,642</b>	31,408	48,600	33,250
<b>GRAND TOTAL .....</b>	406,380	436,679	417,888	<b>472,535</b>	462,462	489,450	482,928

- (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 reduce re-offending, assist victims, protect staff and the community and encourage offenders towards law abiding lifestyles.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Department commenced operations on 1 February 2006 and the current financial year has focused on building the foundations of the new Department, which in turn has generated a number of challenges for the corporate services support areas. The justice reform agenda included a number of major initiatives emanating from the Mahoney Inquiry, which has required a significant investment by operational management in effective governance and management. With this foundation work largely completed in 2006-07, the focus can now turn to securing the future by implementing strategies to generate efficiencies and improve business practices across the prison system.
- The Professional Standards, Integrity and Compliance Division continues to build its structure and services through the development and integration of both new and existing functions to assist the Department to embed an enhanced culture of professionalism, learning, continuous improvement, risk management and integrity.
- The Department continues to refine its strategies to successfully recruit and retain sufficient numbers of appropriately skilled staff. However, due to a very competitive labour market in Western Australia, difficulties are being experienced in attracting and retaining staff, particularly in the North-West and Eastern Goldfields regions.

- The level of aboriginal adult imprisonment continues to grow, reaching 42 per cent in March 2007. There is an ongoing need to identify appropriate diversionary options for Aboriginal people, an acknowledged core offender cohort. The appointment of an Assistant Commissioner, Aboriginal Justice will ensure that consideration of cultural appropriateness is integral to the development of effective classification, placement, reparation, rehabilitation, re-entry programs and practices.
- To achieve effective management and re-integration of offenders, the Department works with critical stakeholders in the justice process. Effective relationships with stakeholders such as the Western Australia Police, the Department for Child Protection and the judiciary enable a holistic discussion and assessment of significant issues including work practices, service availability and sentencing practices.
- High prisoner numbers continue to place pressure on prisoner accommodation within a prison system which currently operates around 20 per cent above ideal capacity. The Department's ability to provide all custodial prisoners with equal access to services and programs is impacted by the current overcrowding being experienced in some facilities.
- The number of adults in prison on remand continues to rise, as does the length of time held in custody on remand. Over the past year, the length of stay on remand has increased by 8 per cent, resulting in a 25 per cent increase in the number of remand beds required. The number of adult remandees has risen from 500 in June 2004 to 694 in March 2007, and now accounts for 19 per cent of the adult prison population.
- Improvements in police effectiveness, a continued focus on the 'Frontline First' strategy and a commitment to increase the sworn police officer strength have combined to maintain growth in the number of offences being cleared each year (from 19,243 in 2003-04 to 26,534 in 2005-06). This activity directly increases the number of offenders that need to be effectively managed within the corrective services system, whether adult or juvenile, custodial or community-based.
- A number of factors are contributing to a 'no tolerance' approach to social disorder offences and resultant increased penalties for offenders, placing upward pressure on both prisoner numbers and length of sentences. The average minimum length of sentence for offenders entering prison has increased from 15.7 months in 1996 to 21.7 months in 2006. Over the same period, the number of offenders on indeterminate sentences (no set maximum term) has also grown, from 3 to 116.
- Research indicates that an estimated 20 per cent of offenders have a mental health problem with 5 per cent having a significant level of cognitive impairment, which may require specialised services not generally available within the corrective services system. While offender management is primarily focussed on averting the recurrence of criminal behaviour through the provision of appropriate corrective strategies, offenders' physical and mental health concerns will, to an extent, impact on the relative success of such strategies.
- Juvenile detention services continue to be challenged by the high ratio of Aboriginal children in detention (60-80 per cent), with an increasing representation of very young children (under 13 years of age) on remand from remote locations. Juveniles detained on remand (the majority of whom do not ultimately receive a custodial sentence) made up 67 per cent of juvenile detainees as at March 2007.

## 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
Acacia Contract Retender .....	5,603	6,459	7,374	8,352
Offender Management .....	2,447	2,674	2,925	3,235
Regional Juvenile Justice Strategy .....	1,220	3,976	4,130	4,299

**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>							
Adult Offender Services .....	369,649	357,589	387,430	403,316			
<i>Service 2:</i>							
Juvenile Offender Services .....	47,258	53,607	53,336	58,229			
<b>Total Cost of Services <sup>(a)</sup></b> .....	416,907	411,196	440,766	461,545	477,772	484,432	493,331
<i>Less Income</i> .....	14,176	12,215	12,215	12,659	13,211	13,843	13,922
<b>Net Cost of Services <sup>(a)</sup></b> .....	402,731	398,981	428,551	448,886	464,561	470,589	479,409
Adjustments <sup>(b)</sup> .....	(10,883)	(13,318)	(28,670)	(30,993)	(33,507)	(29,739)	(29,731)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	391,848	385,663	399,881	417,893	431,054	440,850	449,678
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	14,532	51,016	18,007	54,642	31,408	48,600	33,250
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	406,380	436,679	417,888	472,535	462,462	489,450	482,928

- (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 outcome and the most appropriate government goal.

Government Goal	Desired Outcome	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	A safe, secure and decent corrective services which contributes to community safety and reduced offenders' involvement in the justice system.	1. Adult Offender Services 2. Juvenile Offender 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: A safe, secure and decent corrective services which contributes to community safety and reduced offenders' involvement in the justice system.</b>					
Escape / abscond rate .....	1%	0%	0.5%	0%	
Escape rate - juveniles .....	0%	0%	0%	0%	
Rate of serious assault per 100 prisoners .....	n/a	<0.53	<0.53	<0.53	
Average out of cell hours .....	n/a	11.7	11.7	11.7	
Successful completion of community correction orders - adults <sup>(b)</sup> .....	61%	64%	64%	64%	
Successful completion of community-based orders - juveniles <sup>(b)</sup> .....	62%	66%	66%	66%	
Rate of return - adults .....	39%	38%	38%	38%	
Rate of return to detention - juveniles .....	51%	56%	56%	56%	
Imprisonment rate per 100,000 adult population .....	227	220	226	235	Reflects latest population estimates for Western Australia and a forecast increase in the prisoner population.
Community correction rate per 100,000 adult population .....	363	365	330	340	

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

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

**Service 1: Adult Offender Services**

An Adult Offender System that:

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

	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> .....	369,649	357,589	387,430	403,316	
Less Income .....	13,318	11,428	11,445	11,866	
Net Cost of Service <sup>(a)</sup> .....	356,331	346,161	375,985	391,450	
Adjustments <sup>(b)</sup> .....	(8,781)	(10,978)	(23,848)	(25,774)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>347,550</b>	<b>335,183</b>	<b>352,137</b>	<b>365,676</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 day of keeping an offender in custody	\$240	\$248	\$254	\$252	
Cost per day of managing an offender through community supervision.....	\$24	\$24	\$22	\$23	
<b>Full Time Equivalents (FTEs)</b>	2,725	2,742	2,760	2,852	

**Major Achievements For 2006-07**

- The Regional Corrective Services Project was created to consider strategies and initiatives designed to reduce the rate of re-offending by Aboriginal prisoners. The project is aimed at improving support services for Aboriginals and their families in the Kimberley and Goldfields regions, and fostering better relations between the local Aboriginal communities and the Department.
- Commenced a comprehensive state-wide Occupational Health and Safety review of all Community Justice Services sites.
- In response to a Mahoney Inquiry recommendation, created 30 Senior Practitioner positions, enabling the more effective management of higher risk offenders by appropriately skilled and experienced staff.
- All new staff in Community Justice Services now undertake core operations training prior to commencing field work, improving their work effectiveness. Workforce planning strategies have been introduced to better manage staffing levels and reduce the use of contract staff.
- The *Prisons and Sentencing Legislation Amendment Act 2006* addresses a number of key reform issues identified by the Mahoney Inquiry, including the exchange of information between agencies to facilitate offender management, research and victim support, and the provision of a more flexible framework for temporary prisoner absences.
- With assistance from the Office of the Inspector of Custodial Services, commenced a comprehensive review of the tools used for the classification and placement of prisoners.
- Prisoner case management has been enhanced through restructuring the Sentence Management Branch, integration of programs and psychological services across Adult Custodial and Community Corrections, establishment of additional prison-based Assessment Writer and Case Management Coordinator positions, and ongoing review of processes and practices to enable further integration across Custodial and Community Corrections areas.
- Security in prisons has been improved through the creation of the Security Services directorate, development of an audit framework and commencement of security audits, enhanced intelligence capability and the establishment of an incident command post.
- Separation of functional areas between the Department and the Department of the Attorney General.
- The new and developing Professional Standards, Integrity and Compliance Division has established a comprehensive suite of standards and compliance tests for prisons, coordinated the development of improved computer-based publication of adult custodial roles and policies, undertaken comprehensive reviews of supervision standards of adult offenders in the community and developed several initiatives to enhance professional standards.
- A formal partnership with Western Australia Police has been signed, recognising the linked role that each agency plays within the criminal justice system. The partnership includes a commitment to improving systems and protocols to facilitate the sharing and analysis of information.
- In May 2007, Acacia Prison completed its first year of operating under new manager, Serco Australia Pty Ltd. The transition from the former manager, the introduction of a 'responsible prisoner' culture and the commencement of new and refocussed prisoner work and training opportunities by the new manager have been implemented smoothly and effectively, in an environment where prisoner numbers have steadily increased from 727 to around 774 as at April 2007.

- A major structural upgrade was completed at Eastern Goldfields Regional Prison including repairs to the perimeter fence, installation of improved cell doors and a security upgrade of the maximum security prisoners' exercise yard. In addition, the control room, visitors monitoring infrastructure, PABX, entry building security and security in the women's section were all upgraded.
- Fences, entry buildings and associated security technology have been installed at both Karnet and Wooroloo Prisons. This improves community safety and provides greater control of these minimum security facilities.
- Work was undertaken at the Bunbury Regional Prison to upgrade the control room and replace the kitchen and health centre.

### Major Initiatives For 2007-08

- The appointment of an Assistant Commissioner, Aboriginal Justice will help to develop a better understanding of Aboriginal issues as they impact on the corrective services environment. This will provide a greater capacity to respond to Aboriginal issues more effectively. A function of the role will be to establish prison-based Aboriginal community consultative committees and review the Adult Custodial Aboriginal Services Strategic Plan.
- Finalise the legislative reforms arising from the Mahoney Inquiry with the development and drafting of a Corrective Services Bill for introduction into Parliament.
- The Professional Standards, Integrity and Compliance Division will enhance the content and scope of its business improvement strategies through the application of compliance assessments within prisons and community centres as well as embedding a framework to implement recommendations from critical reviews. The Division will also better contribute to enhancing professionalism through a range of integrity-focussed functions.
- The Prisons Costing Model will be updated to reflect the new structure and operations of the Department and integrated with the Community and Juvenile Justice Demand Model to form a whole of Corrective Services costing model.
- A multi-agency approach to managing high risk offenders in the community will be piloted, incorporating enhanced information sharing, collaborative case management and specialised consultancy and supervisory support for case managers. This approach is a response to community safety concerns with this particular offender cohort.

### Service 2: Juvenile Offender Services

An accessible and equitable juvenile offender system which:

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

	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> .....	47,258	53,607	53,336	58,229	
Less Income .....	858	787	770	793	
Net Cost of Service <sup>(a)</sup> .....	46,400	52,820	52,566	57,436	
Adjustments <sup>(b)</sup> .....	(2,102)	(2,340)	(4,822)	(5,219)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>44,298</b>	<b>50,480</b>	<b>47,744</b>	<b>52,217</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 day of keeping a juvenile in detention..	\$482	\$547	\$565	\$549	
Cost per day of managing a juvenile through community supervision.....	\$66	\$77	\$74	\$81	
<b>Full Time Equivalents (FTEs)</b>	514	567	497	496	

**Major Achievements For 2006-07**

- An extensive community consultation process was undertaken to address the management of juvenile offenders in the Kalgoorlie and Geraldton areas. This process highlighted the value of developing alternatives to the former regional remand centres strategy and has resulted in a new juvenile justice strategy for these regional areas being endorsed for implementation.
- Training resources for staff in Juvenile Custodial Services have been enhanced through the appointment of nine additional training staff.
- Staffing levels in Community Juvenile Services are managed through the application of a Community and Juvenile Justice Demand Model, an initiative that received a Premier's Award in 2006.
- A National Standards project chaired by Western Australia and aimed at setting benchmarks for service delivery standards in the management of juveniles in contact with the justice system was commenced.

**Major Initiatives For 2007-08**

- A needs assessment tool for juvenile offenders will be developed and integrated into community and detention case management practices. The tool will be based on the Offending Needs Indicator for Youth model used in Victoria and will assist in prioritising case management and tailoring intervention plans to meet the identified needs of each juvenile offender.
- Western Australian benchmarks for service delivery standards in the effective management of juveniles in contact with the justice system will be developed in line with the results of the National Standards project.

**CAPITAL WORKS PROGRAM**

The Capital Works Program for 2007-08 has the key themes of redeveloping and replacing prisons infrastructure, providing additional custodial accommodation and implementing an alternate non-custodial focussed regional juvenile justice strategy.

Construction of a fenced, 72 bed minimum security unit at Bunbury Regional Prison is expected to be completed during 2007-08. Various upgrade works are also continuing in a number of areas including the main electrical switchboard, the main kitchen, internal security and fire detection systems, and doors, locks and viewing panels.

Planning will commence to construct a new multi-security Kimberley prison and work camp to meet the need for contemporary correctional facilities to accommodate both male and female adult offenders from the region. The design of the new facilities will facilitate the rehabilitation of offenders and their successful re-entry back into the community.

Work will continue on the construction of a secure 40 bed self care unit and new entry building at Bandyup Women's Prison.

Major improvements to Broome Regional Prison will be completed during 2007-08 including significant upgrading of the perimeter security and the maximum security accommodation facilities. Other scheduled improvements include a new education and vocational centre and a priority upgrade of the facility's electrical supply.

The two year program to upgrade staff safety and security across the prison system will be completed, including the full roll-out of mobile duress alarm systems, the introduction of biometric security technology and improved gatehouse access control systems.

Forming part of the alternate regional juvenile justice strategy recently endorsed for the Mid-West/Gascoyne and Goldfields regions, suitable office accommodation, fit-out and beds to facilitate bail accommodation will be acquired in Geraldton, Kalgoorlie and a number of associated satellite locations. The strategy replaces the former custodial-focused commitment to build a juvenile remand centre in each region.

Upgrades to Wooroloo Prison will be completed, including an 18 bed self care unit, a prisoner reception and health centre, and refurbishment and extension of the education and programs area.

	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>				
Adult Custodial				
Male Prisons				
Acacia Contract Retender .....	1,200	500	500	700
Community and Juvenile Justice				
Juvenile Accommodation Strategy (Formerly Banksia Hill Juvenile Detention Centre) .....	6,596	1,746	990	3,100
Replacement CJS Centre Pilbara .....	3,270	770	770	1,400
Prison Services				
Additional Prisoner Accommodation - Infrastructure and Systems Upgrade and Replacement Programmes .....	64,869	26,704	8,930	9,000
Bandyup Facilities Redevelopment .....	17,115	6,665	4,705	9,130
Bunbury Regional Prison Additions and Upgrades .....	15,970	3,641	3,309	11,770
Condition Upgrade Existing Broome Regional Prison .....	11,226	2,526	2,526	8,700
Eastern Goldfields Prison Replacement (Planning) .....	1,800	540	540	670
Eastern Goldfields Regional Prison - Structural Upgrade and Perimeter .....	2,100	1,340	1,230	760
Minimum Security Accommodation Expansion - Wooroloo .....	8,726	4,276	4,081	4,450
Prison Reform Strategy .....	1,350	900	900	450
Replace Broome Regional Prison (Planning) .....	1,624	524	524	1,100
Safety and Security Upgrade Program .....	13,650	7,322	7,322	6,328
Site Acquisition - Prisons - Metro Site Acquisition - Prisons .....	6,706	1,207	746	1,860
<b>COMPLETED WORKS</b>				
Community and Juvenile Justice				
CJS Office Establishment and Refurbishment 2006-07 .....	1,665	1,665	1,665	-
Geraldton Juvenile Remand Centre .....	516	516	274	-
Kalgoorlie Juvenile Remand Centre .....	516	516	334	-
Prison Services				
Karnet Perimeter Fencing .....	7,286	7,286	3,503	-
Metropolitan Low Security Prison for Women .....	14,443	14,443	501	-
Prison Industries - Mobile Plant 2006-07 .....	19	19	19	-
Regional Prison Strategy Planning .....	974	974	159	-
Wooroloo Perimeter Fencing .....	7,938	7,938	4,276	-
<b>NEW WORKS</b>				
Adult Custodial				
Kimberley Prison 1 and Work Camp - Stage 1 .....	103,530	-	-	9,820
Community and Juvenile Justice				
CJS Office Establishment and Refurbishment 2007-08 .....	3,930	-	-	3,930
Juvenile Justice				
Regional Juvenile Justice Strategy - Geraldton .....	3,012	-	-	3,012
Regional Juvenile Justice Strategy - Kalgoorlie .....	2,992	-	-	2,992
Prison Services				
Prison Industries - Mobile Plant 2007-08 .....	270	-	-	270
	303,293	92,018	47,804	79,442

**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>	23,943	79,327	47,804	79,442	45,754	60,255	44,593
	23,943	79,327	47,804	79,442	45,754	60,255	44,593
<b>LESS</b>							
Drawdowns from the Holding Account .....	6,000	19,311	12,643	20,300	9,468	6,863	6,430
Funding Included in Service Appropriations <sup>(a)</sup>	-	9,000	4,972	4,500	4,878	4,792	4,913
Internal Funds and Balances .....	3,411	-	12,182	-	-	-	-
<b>Capital Contribution .....</b>	14,532	51,016	18,007	54,642	31,408	48,600	33,250

(a) Capital works expensed through the Income Statement.

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	2005-06 Actual <sup>(d)</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>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(a)</sup> .....	85,271	188,838	191,804	200,464	203,784	209,869	214,404
Superannuation .....	8,035	15,886	18,096	18,643	17,815	17,855	17,902
Grants and subsidies <sup>(b)</sup> .....	2,334	3,522	3,522	4,022	4,113	4,113	4,113
Supplies and services .....	73,411	150,719	175,730	185,961	198,084	199,089	203,165
Accommodation .....	8,023	19,315	18,698	19,050	20,193	20,021	20,262
Capital user charge <sup>(c)</sup> .....	14,254	43,850	43,850	-	-	-	-
Depreciation and amortisation .....	5,959	15,978	15,978	16,330	16,633	16,335	16,335
Loss on disposal of non-current assets .....	9	-	-	-	-	-	-
Other expenses .....	2,503	16,938	16,938	17,075	17,150	17,150	17,150
<b>TOTAL COST OF SERVICES</b> .....	199,799	455,046	484,616	461,545	477,772	484,432	493,331
<b>Income</b>							
User charges and fees .....	902	2,494	2,494	2,521	2,596	2,673	2,752
Grants and subsidies .....	244	271	271	271	271	271	271
Other revenue .....	4,572	9,450	9,450	9,867	10,344	10,899	10,899
<b>Total Income</b> .....	5,718	12,215	12,215	12,659	13,211	13,843	13,922
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	194,081	442,831	472,401	448,886	464,561	470,589	479,409
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	160,191	429,513	443,731	417,893	431,054	440,850	449,678
Resources received free of charge .....	13,715	12,054	27,778	29,729	32,243	28,475	28,467
Liabilities assumed by the Treasurer .....	553	751	751	751	751	751	751
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	174,459	442,318	472,260	448,373	464,048	470,076	478,896
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	(19,622)	(513)	(141)	(513)	(513)	(513)	(513)

- (a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 3,239; 3,257 and 3,348 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.
- (d) Reflects transactions for five months from 1 February 2006. Refer to the Reconciliation Table inserted after the financial statements.

**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 .....	16,332	4,225	4,221	4,221	4,221	4,221	4,221
Receivables .....	2,883	500	2,883	2,883	2,883	2,883	2,883
Amounts receivable for services.....	19,311	4,170	20,300	9,468	6,863	6,430	-
Prepayments .....	174	122	174	174	174	174	174
<b>Total current assets .....</b>	<b>38,700</b>	<b>9,017</b>	<b>27,578</b>	<b>16,746</b>	<b>14,141</b>	<b>13,708</b>	<b>7,278</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services.....	14,044	28,318	18,790	28,052	40,222	52,527	71,262
Land and buildings.....	569,527	528,630	590,781	601,684	590,031	580,692	565,558
Plant and equipment.....	5,826	7,035	7,748	6,983	6,467	5,916	4,895
Intangibles.....	169	724	919	919	919	919	919
Restricted cash .....	567	-	567	567	567	567	567
Other.....	28,144	55,564	31,144	79,618	116,030	165,048	204,548
<b>Total non-current assets.....</b>	<b>618,277</b>	<b>620,271</b>	<b>649,949</b>	<b>717,823</b>	<b>754,236</b>	<b>805,669</b>	<b>847,749</b>
<b>TOTAL ASSETS.....</b>	<b>656,977</b>	<b>629,288</b>	<b>677,527</b>	<b>734,569</b>	<b>768,377</b>	<b>819,377</b>	<b>855,027</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	18,119	4,000	18,119	18,119	18,119	18,119	18,119
Provision for employee entitlements .....	37,037	36,882	37,877	38,717	39,557	40,397	41,237
Accrued salaries .....	1,100	1,011	1,384	1,897	2,410	2,923	3,436
Other.....	762	-	762	762	762	762	762
<b>Total current liabilities.....</b>	<b>57,018</b>	<b>41,893</b>	<b>58,142</b>	<b>59,495</b>	<b>60,848</b>	<b>62,201</b>	<b>63,554</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	12,410	14,014	13,970	15,530	17,090	18,650	20,210
<b>Total non-current liabilities .....</b>	<b>12,410</b>	<b>14,014</b>	<b>13,970</b>	<b>15,530</b>	<b>17,090</b>	<b>18,650</b>	<b>20,210</b>
<b>TOTAL LIABILITIES.....</b>	<b>69,428</b>	<b>55,907</b>	<b>72,112</b>	<b>75,025</b>	<b>77,938</b>	<b>80,851</b>	<b>83,764</b>
<b>EQUITY</b>							
Contributed equity .....	531,276	582,491	549,283	603,925	635,333	683,933	717,183
Accumulated surplus/(deficit) .....	(19,622)	(9,110)	(19,763)	(20,276)	(20,789)	(21,302)	(21,815)
Reserves .....	75,895	-	75,895	75,895	75,895	75,895	75,895
<b>Total equity.....</b>	<b>587,549</b>	<b>573,381</b>	<b>605,415</b>	<b>659,544</b>	<b>690,439</b>	<b>738,526</b>	<b>771,263</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>656,977</b>	<b>629,288</b>	<b>677,527</b>	<b>734,569</b>	<b>768,377</b>	<b>819,377</b>	<b>855,027</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 <sup>(b)</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>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriations .....	153,172	411,135	425,353	399,163	412,021	422,115	430,943
Capital contribution .....	14,532	51,016	18,007	54,642	31,408	48,600	33,250
Holding account drawdowns .....	6,000	19,311	12,643	20,300	9,468	6,863	6,430
<b>Net cash provided by State government .....</b>	<b>173,704</b>	<b>481,462</b>	<b>456,003</b>	<b>474,105</b>	<b>452,897</b>	<b>477,578</b>	<b>470,623</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(78,172)	(185,925)	(189,100)	(197,551)	(200,871)	(206,956)	(211,491)
Superannuation .....	(7,482)	(15,135)	(15,753)	(16,290)	(16,552)	(16,582)	(16,619)
Grants and subsidies .....	(2,334)	(3,522)	(3,522)	(4,022)	(4,113)	(4,113)	(4,113)
Supplies and services .....	(44,071)	(138,665)	(149,564)	(157,834)	(166,353)	(171,136)	(175,230)
Accommodation.....	(8,023)	(19,315)	(18,770)	(19,050)	(20,193)	(20,021)	(20,262)
Capital user charge <sup>(a)</sup> .....	(17,231)	(43,850)	(43,850)	-	-	-	-
Goods and services tax .....	(7,053)	-	-	-	-	-	-
Other.....	(172)	(16,938)	(16,938)	(17,075)	(17,150)	(17,150)	(17,150)
<b>Receipts</b>							
User charges and fees.....	883	2,494	2,494	2,521	2,596	2,673	2,752
Grants and subsidies .....	244	271	271	271	271	271	271
Goods and services tax .....	4,862	-	-	-	-	-	-
Other receipts .....	3,898	9,450	9,450	9,867	10,344	10,899	10,899
<b>Net cash from operating activities.....</b>	<b>(154,651)</b>	<b>(411,135)</b>	<b>(425,282)</b>	<b>(399,163)</b>	<b>(412,021)</b>	<b>(422,115)</b>	<b>(430,943)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(16,653)	(70,327)	(42,832)	(74,942)	(40,876)	(55,463)	(39,680)
<b>Net cash from investing activities.....</b>	<b>(16,653)</b>	<b>(70,327)</b>	<b>(42,832)</b>	<b>(74,942)</b>	<b>(40,876)</b>	<b>(55,463)</b>	<b>(39,680)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>2,400</b>	<b>-</b>	<b>(12,111)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	-	4,225	16,900	4,789	4,789	4,789	4,789
Net cash transferred to/from other agencies .....	14,500	-	-	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>16,900</b>	<b>4,225</b>	<b>4,789</b>	<b>4,789</b>	<b>4,789</b>	<b>4,789</b>	<b>4,789</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.
- (b) Reflects transactions for five months from 1 February 2006. Refer to the Reconciliation Table inserted after the financial statements.

**RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE AND  
CREATION OF THE DEPARTMENT OF CORRECTIVE SERVICES ON 1 FEBRUARY 2006**

	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.....	199,799	455,046	484,616	461,545	477,772	484,432	493,331
Less Capital User Charge.....	14,254	43,850	43,850	-	-	-	-
Plus 2005-06 comparability adjustment <sup>(a)</sup>	231,362	-	-	-	-	-	-
Adjusted Total Cost of Services .....	416,907	411,196	440,766	461,545	477,772	484,432	493,331
<b>INCOME</b>							
Total Income as per Income Statement.....	5,718	12,215	12,215	12,659	13,211	13,843	13,922
Plus 2005-06 comparability adjustment <sup>(a)</sup>	8,458	-	-	-	-	-	-
Adjusted Total Income	14,176	12,215	12,215	12,659	13,211	13,843	13,922
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	160,191	429,513	443,731	417,893	431,054	440,850	449,678
Less Capital User Charge.....	14,254	43,850	43,850	-	-	-	-
Plus 2005-06 comparability adjustment <sup>(a)</sup>	245,911	-	-	-	-	-	-
Adjusted net amount appropriated to deliver services.....	391,848	385,663	399,881	417,893	431,054	440,850	449,678

(a) 2005-06 Actuals reported in the financial statements reflect transactions for five months from creation of the Department on 1 February 2006. This adjustment provides a basis for comparing 2005-06 with other years by reconciling the five-month 2005-06 Actuals reported in the financial statements with the 12-month 2005-06 Actuals reported in the Service and Appropriation Summary and Appropriation and Forward Estimates tables.

**DETAILS OF CONTROLLED GRANTS AND SUBSIDIES**

	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
Prisoner Gratuities payments .....	2,294	2,914	2,914	3,671	3,746	3,746	3,746
Grants to non-government organisations.....	40	608	608	351	367	367	367
<b>TOTAL</b>	<b>2,334</b>	<b>3,522</b>	<b>3,522</b>	<b>4,022</b>	<b>4,113</b>	<b>4,113</b>	<b>4,113</b>

(a) Reflects transactions for five months from 1 February 2006.

**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 <sup>(a)</sup> \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Proceeds from sale of industry goods.....	883	2,444	2,444	2,521
Proceeds from prison canteen sales.....	1,584	4,663	4,663	5,465
Proceeds from recoup of prisoner telephone calls.....	557	1,151	1,151	1,200
Proceeds from recoup of workers compensation payment.....	1,010	2,353	2,353	1,722
Proceeds from recoup of salary costs.....	71	834	834	256
Proceeds from recoup of other costs.....	676	474	474	1,199
Schools Assistance grant received from the Commonwealth.....	115	156	156	156
GST receipts and input credits.....	4,862	-	-	-
Other grants received.....	129	115	115	115
Proceeds from other departmental revenue.....	-	25	25	25
<b>TOTAL</b>	<b>9,887</b>	<b>12,215</b>	<b>12,215</b>	<b>12,659</b>

(a) Reflects transactions for five months from 1 February 2006.

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

## OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

### PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS; MINISTER ASSISTING THE MINISTER FOR FEDERAL-STATE RELATIONS

#### DIVISION 61

#### 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 108 Net amount appropriated to deliver services.....</b>	1,925	1,720	1,820	<b>1,989</b>	1,870	1,899	1,948
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(a)</sup> .....</b>	176	181	191	<b>197</b>	202	208	214
<b>Total appropriations provided to deliver services.....</b>	2,101	1,901	2,011	<b>2,186</b>	2,072	2,107	2,162
<b>CAPITAL</b>							
<b>Item 179 Capital Contribution .....</b>	-	-	-	<b>79</b>	20	22	61
<b>GRAND TOTAL .....</b>	2,101	1,901	2,011	<b>2,265</b>	2,092	2,129	2,223

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

#### SIGNIFICANT ISSUES AND TRENDS

- The Minister for Corrective Services exercised her powers pursuant to Section 17(2)(b) of the *Inspector of Custodial Services Act 2003* in directing the Inspector to review a particular custodial service in relation to a detention centre and other generic custodial services in relation to prisons, detention centres and court security custodial services.
- The Office commenced a review of assessment and classification of offenders in custody. This initiative was recommended by the Mahoney Inquiry and the Directed Review of Offenders in Custody.

**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>							
Inspection and Review of Custodial Services ..	2,459	1,896	2,077	2,050			
<b>Total Cost of Services .....</b>	2,459	1,896	2,077	2,050	2,070	2,103	2,158
<i>Less Income .....</i>	13	2	2	2	2	2	2
<b>Net Cost of Services .....</b>	2,446	1,894	2,075	2,048	2,068	2,101	2,156
 Adjustments <sup>(a)</sup> .....	(345)	7	(64)	138	4	6	6
<b>Appropriation provided to deliver Services.</b>	2,101	1,901	2,011	2,186	2,072	2,107	2,162
 <b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(b)</sup> .....</b>	-	-	-	79	20	22	61
 <b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS .....</b>	2,101	1,901	2,011	2,265	2,092	2,129	2,223

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

(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 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.	The Parliament, Minister and other stakeholders are informed on the performance of custodial services.	1. Inspection and Review of Custodial 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 Parliament, Minister and other stakeholders are informed on the performance of custodial services.</b>					
Number of inspection report recommendations	153	141	141	141	
Percentage of recommendations accepted.....	91%	75%	80%	80%	

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

**Service 1: Inspection and Review of Custodial Services**

Inspection of prisons, court custody centres, juvenile detention centres, coordination of the Independent Visitors' Scheme and review of custodial 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 .....	2,459	1,896	2,077	2,050	
Less Income.....	13	2	2	2	
Net Cost of Service.....	2,446	1,894	2,075	2,048	
Adjustments <sup>(a)</sup> .....	(345)	7	(64)	138	
<b>Appropriation for delivery of Service.....</b>	<b>2,101</b>	<b>1,901</b>	<b>2,011</b>	<b>2,186</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 inspection report.....	\$143,736	\$144,000	\$144,000	\$145,000	
Average cost per Independent Visitors Scheme Report .....	\$1,200	\$1,200	\$1,200	\$1,200	
Average cost per liaison visit.....	\$4,100	\$4,100	\$4,100	\$4,100	
Average cost per exit debrief.....	\$52,404	\$53,000	\$53,000	\$53,000	
<b>Full Time Equivalents (FTEs)</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	

**Major Achievements For 2006-07**

- Completed a thematic review of custodial transport across the sector.
- Hosted the 2006 Australian Conference of Correctional Inspectors.
- Implemented a revised staffing structure, roles and workforce management practices within the Office.

- Reviewed a particular custodial service in relation to a detention centre and other generic custodial services in relation to prisons, detention centres and court security custodial services.
- Developed a business plan and revised the outcome based management structure.
- Developed custodial inspection standards taking into account international best practice and the specific features of Western Australia's custodial facilities. These standards are a tool for future inspections.
- Established a community volunteer visits scheme to the juvenile detention centres.
- Established a media strategy for community education and information.
- Provided written advice to the Minister on a range of matters relating to custodial services.

### Major Initiatives For 2007-08

- Review the assessment and classification of offenders in custody.
- Publish a series of Discussion Papers on key issues in custodial services.
- Develop a strategic plan.

### CAPITAL WORKS PROGRAM

The Office's planned capital works expenditure in 2007-08 is for office equipment replacement.

	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>				
Asset Replacement				
Office Equipment.....	242	-	-	103
	242	-	-	103

### 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>	61	-	-	103	32	34	73
	61	-	-	103	32	34	73
<b>LESS</b>							
Drawdowns from the Holding Account .....	-	-	-	24	12	12	12
Internal Funds and Balances .....	61	-	-	-	-	-	-
<b>Capital Contribution .....</b>	-	-	-	79	20	22	61

**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> .....	1,259	1,068	1,112	1,075	1,104	1,139	1,183
Superannuation .....	244	108	229	242	223	223	225
Supplies and services .....	655	466	432	417	426	425	444
Accommodation .....	216	182	223	256	258	258	258
Depreciation and amortisation .....	56	12	12	12	12	12	12
Other expenses .....	29	60	69	48	47	46	36
<b>TOTAL COST OF SERVICES</b> .....	<b>2,459</b>	<b>1,896</b>	<b>2,077</b>	<b>2,050</b>	<b>2,070</b>	<b>2,103</b>	<b>2,158</b>
<b>Income</b>							
Other revenue .....	13	2	2	2	2	2	2
<b>Total Income</b> .....	<b>13</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>NET COST OF SERVICES</b> .....	<b>2,446</b>	<b>1,894</b>	<b>2,075</b>	<b>2,048</b>	<b>2,068</b>	<b>2,101</b>	<b>2,156</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations .....	2,101	1,901	2,011	2,186	2,072	2,107	2,162
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>2,101</b>	<b>1,901</b>	<b>2,011</b>	<b>2,186</b>	<b>2,072</b>	<b>2,107</b>	<b>2,162</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(345)</b>	<b>7</b>	<b>(64)</b>	<b>138</b>	<b>4</b>	<b>6</b>	<b>6</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 16, 16 and 16 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 .....	21	270	21	30	37	41	45
Receivables .....	94	100	10	10	10	10	10
Amounts receivable for services .....	-	-	24	12	12	12	12
<b>Total current assets .....</b>	<b>115</b>	<b>370</b>	<b>55</b>	<b>52</b>	<b>59</b>	<b>63</b>	<b>67</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	56	70	46	48	50	52	54
Plant and equipment .....	90	61	78	169	189	211	272
<b>Total non-current assets .....</b>	<b>146</b>	<b>131</b>	<b>124</b>	<b>217</b>	<b>239</b>	<b>263</b>	<b>326</b>
<b>TOTAL ASSETS .....</b>	<b>261</b>	<b>501</b>	<b>179</b>	<b>269</b>	<b>298</b>	<b>326</b>	<b>393</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	-	1	-	-	-	-	-
Payables .....	15	101	47	41	42	40	38
Provision for employee entitlements .....	565	383	515	384	388	390	392
Accrued salaries .....	-	10	1	11	11	11	11
Other .....	73	51	72	72	72	72	72
<b>Total current liabilities .....</b>	<b>653</b>	<b>546</b>	<b>635</b>	<b>508</b>	<b>513</b>	<b>513</b>	<b>513</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	19	1	19	19	19	19	19
<b>Total non-current liabilities .....</b>	<b>19</b>	<b>1</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>TOTAL LIABILITIES .....</b>	<b>672</b>	<b>547</b>	<b>654</b>	<b>527</b>	<b>532</b>	<b>532</b>	<b>532</b>
<b>EQUITY</b>							
Contributed equity .....	-	-	-	79	99	121	182
Accumulated surplus/(deficit) .....	(411)	(46)	(475)	(337)	(333)	(327)	(321)
<b>Total equity .....</b>	<b>(411)</b>	<b>(46)</b>	<b>(475)</b>	<b>(258)</b>	<b>(234)</b>	<b>(206)</b>	<b>(139)</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>261</b>	<b>501</b>	<b>179</b>	<b>269</b>	<b>298</b>	<b>326</b>	<b>393</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 .....	2,089	1,887	1,997	2,172	2,058	2,093	2,148
Capital contribution .....	-	-	-	79	20	22	61
Holding account drawdowns .....	-	-	-	24	12	12	12
<b>Net cash provided by State government .....</b>	<b>2,089</b>	<b>1,887</b>	<b>1,997</b>	<b>2,275</b>	<b>2,090</b>	<b>2,127</b>	<b>2,221</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(1,057)	(1,066)	(1,161)	(1,196)	(1,100)	(1,137)	(1,181)
Superannuation .....	(244)	(108)	(229)	(242)	(243)	(243)	(245)
Supplies and services .....	(740)	(481)	(387)	(412)	(421)	(400)	(419)
Accommodation .....	(216)	(174)	(186)	(259)	(261)	(261)	(261)
Goods and services tax .....	(95)	(42)	(42)	(42)	(42)	(42)	(42)
Other .....	(29)	(60)	(36)	(56)	(28)	(50)	(40)
<b>Receipts</b>							
Goods and services tax .....	95	42	42	42	42	42	42
Other receipts .....	13	2	2	2	2	2	2
<b>Net cash from operating activities .....</b>	<b>(2,273)</b>	<b>(1,887)</b>	<b>(1,997)</b>	<b>(2,163)</b>	<b>(2,051)</b>	<b>(2,089)</b>	<b>(2,144)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(61)	-	-	(103)	(32)	(34)	(73)
<b>Net cash from investing activities .....</b>	<b>(61)</b>	<b>-</b>	<b>-</b>	<b>(103)</b>	<b>(32)</b>	<b>(34)</b>	<b>(73)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(245)</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>4</b>
Cash assets at the beginning of the reporting period .....	266	270	21	21	30	37	41
<b>Cash assets at the end of the reporting period .....</b>	<b>21</b>	<b>270</b>	<b>21</b>	<b>30</b>	<b>37</b>	<b>41</b>	<b>45</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
Goods and Services Tax .....	95	42	42	42
Other Receipts .....	13	2	2	2
<b>TOTAL .....</b>	<b>108</b>	<b>44</b>	<b>44</b>	<b>44</b>

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

## SMALL BUSINESS DEVELOPMENT CORPORATION

### PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS; MINISTER ASSISTING THE MINISTER FOR FEDERAL-STATE RELATIONS

#### DIVISION 62

#### 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 109 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	8,007	9,719	9,795	<b>10,683</b>	10,442	9,269	9,498
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	155	156	164	<b>169</b>	174	179	184
Total appropriations provided to deliver services .....	8,162	9,875	9,959	<b>10,852</b>	10,616	9,448	9,682
<b>CAPITAL</b>							
<b>Item 180 Capital Contribution .....</b>	184	134	134	<b>313</b>	134	137	316
<b>GRAND TOTAL .....</b>	8,346	10,009	10,093	<b>11,165</b>	10,750	9,585	9,998

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

#### SIGNIFICANT ISSUES AND TRENDS

- The continued effect of the resources boom, strong retail sales and consumer spending as well as higher levels of consumer and business confidence have again contributed to the strong economic performance of Western Australia in comparison to other states and territories. While economic activity is expected to continue to remain positive, small business must be mindful of the potential for economic growth to moderate in the future. In planning 'beyond the boom', small businesses need to review their business strategies and ensure the foundations for future sustainability are not lost as current opportunities are pursued.
- While the resources boom has created many opportunities, it has also brought about some challenges for small business including intense competition for labour, land, accommodation and commercial space. As a result, the costs of these factors have risen dramatically and acute shortages are being experienced in some areas of the state. Small businesses are having to accommodate the increasing costs of wages, rent and housing. This is restricting the ability of many small businesses to grow and develop further, as well as take advantage of opportunities presented by the boom.
- Land shortages created by the buoyant property market have impacted on small business at two levels. Small businesses looking to employ new staff now have to consider how they can be accommodated. This is of particular concern for regional small businesses where the higher cost and shortage of residential property acts as a disincentive for workers to move to the regions. The second area where land shortages are affecting small businesses is in relation to access to commercial space and industrial land. Greater competition in this area is impacting on small businesses looking to relocate or expand their business premises and limiting the potential for development in regional areas.

- Employment in Western Australia is at close to full capacity. As the labour market remains tight, shortages of skilled and unskilled labour will continue to present challenges for small business in seeking the right staff to sustain their current operations and meet future demands. Staff attraction and retention strategies adopted by small businesses should take into account a more competitive labour market and complement government initiatives to increase migration to the state. Proactive initiatives by the State Government to promote Western Australia in key interstate and overseas markets will encourage more people to look for employment opportunities in Western Australia and provide a much needed boost to the labour market.
- Planning for uncertainty is increasingly recognised as a business imperative. Unexpected events, such as major technical breakdowns, natural disasters or influenza pandemics, have the potential to threaten the continuity of small businesses, if unprepared. Business continuity planning is critical to ensuring the future viability of businesses. Preparing business systems to withstand such events and considering in advance the impact of these events on business operations, will help to minimise any potential threats.

## 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
Skilled Migration Unit .....	800	800	-	-

## 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, Guidance, Referral and Business Development Services .....	9,268	10,970	12,718	11,320			
<b>Total Cost of Services <sup>(a)</sup></b> .....	9,268	10,970	12,718	11,320	10,931	10,053	10,175
<i>Less Income</i> .....	516	420	505	470	450	420	365
<b>Net Cost of Services <sup>(a)</sup></b> .....	8,752	10,550	12,213	10,850	10,481	9,633	9,810
Adjustments <sup>(b)</sup> .....	(590)	(675)	(2,254)	2	135	(185)	(128)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	8,162	9,875	9,959	10,852	10,616	9,448	9,682
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	184	134	134	313	134	137	316
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	8,346	10,009	10,093	11,165	10,750	9,585	9,998

- (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	Service
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Development of new and existing Small Business in Western Australia.	1. Information, Guidance, Referral and Business Development 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: Development of new and existing Small Business in Western Australia.</b>					
A random sample of Small Business Development clients were asked to rate the usefulness of the information/guidance provided to them by Small Business Development Corporation:					
- very or somewhat useful.....	88%	90%	90%	90%	
- not very or not at all useful.....	5%	0%	5%	0%	
- neutral .....	7%	10%	5%	10%	

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

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

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

	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> .....	9,268	10,970	12,718	11,320	Decrease in 2007-08 relates to one-off funding for the Interstate Skills Attraction Campaign in 2006-07.
Less Income.....	516	420	505	470	
Net Cost of Service <sup>(a)</sup> .....	8,752	10,550	12,213	10,850	
Adjustments <sup>(b)</sup> .....	(590)	(675)	(2,254)	2	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>8,162</b>	<b>9,875</b>	<b>9,959</b>	<b>10,852</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 direct client contact/equivalent <sup>(b)</sup> .....	\$22.47	\$27.77	\$27.78	\$24.02	
Average cost per indirect client contact <sup>(c)</sup> .....	\$2.95	\$2.63	\$2.05	\$2.10	
Average cost per Small Business Centre client contact <sup>(d)</sup> .....	\$134.54	\$47.27	\$138.53	\$139.36	
Cost per unit of policy advice <sup>(e)</sup> .....	\$1,118,134	\$1,104,118	\$1,507,539	\$1,469,842	
<b>Full Time Equivalents (FTEs)</b>	<b>44</b>	<b>54</b>	<b>57</b>	<b>54</b>	

- (a) More detail of efficiency indicators are provided in the annual report.
- (b) Number of direct client contacts/equivalents include direct client contacts plus the number of 'equivalent direct clients' that are serviced through the provision of grant money. Grants are given either under the Innovation to Markets Approval (IMA) or the Business Migrant Incentive Program (BMIP).
- (c) Indirect client contacts are exposed to a display of a range of advisory, information, referral and business services that would impact on their growth and business development.
- (d) A review of the Business Enterprise Centre program during 2005 resulted in the network being restructured from 35 centres to 26 centres. This reduction along with a decrease in the level of activity from the network during the transition has reduced the number of client contacts. In addition the new structure has adopted a standardised approach to the recording of contacts and this has further contributed to the overall reduction for the reporting period. For 2005-06 the standardised approach has seen an increased focus on client assists and the cessation of reporting of casual enquiries.
- (e) Policy advice includes policy submissions, investigative research, ministerial correspondence, industry liaison and small business sector advocacy.

**Major Achievements For 2006-07**

- The number of business migrants coming to Western Australia was increased through participation in migration activities and expos in new markets in Korea, South Africa and the Netherlands and through the launch of the Business Migrant Network.
- The number of skilled migrants coming to Western Australia was boosted through participation in the Department of Immigration and Citizenship Australia Needs Skills Expo international program and visits to prime markets in India and China. In conjunction with Western Australia's nine Regional Development Commissions, employment opportunities were listed on the State's skilled migration website to match migrant skills with jobs in the regions.
- The Small Business Centre model was implemented fully and has resulted in a more comprehensive service being provided to the small business sector.
- The number of small business development focussed workshops delivered through the Small Business Centre network was increased significantly through greater take-up of the Small Business Initiative Fund.
- In partnership with Edith Cowan University, a survey of home-based business (HBB) operators from across Western Australia was undertaken to identify the drivers and barriers to growth of HBBs. The survey is being followed up with in-depth interviews with a sample of survey participants and a number of focus groups. The findings of the study will be used to support the development of strategies and programs aimed at facilitating the growth of HBBs.
- Played a pivotal coordinating role, working with all states and territories and the Commonwealth Government in exploring the feasibility of a number of options to deliver an online, interactive registration process for business names and linking this to Australian Business Number registration. This project is continuing to explore the possible integration of business registration and licensing processes across all levels of government.
- Developed and implemented an Interstate Skills Attraction program (GoWest) to encourage skilled workers from the eastern states to relocate to Western Australia with a view to easing current skills shortages, particularly in the mining and construction industries.

**Major Initiatives For 2007-08**

- Increase investment into Western Australia by attracting more business migrants through participating at international migration expos and seminars to market the State's business and investment opportunities.
- Assist government agencies and private sector employers overcome skilled labour shortages by cooperating with the Department of Immigration and Citizenship to review and promote the available visa options to recruit overseas skilled staff along with attending overseas based events.
- Pilot an Indigenous Small Business Development Program to improve the ability of Indigenous communities to build their economic capital. As well as providing access to technical business support specialists the program will address the cultural and institutional issues which hamper the development of successful Indigenous enterprises.
- Enhance the development of women in small business by establishing an online Women's Business Network that provides information and support customised to the needs of women. This facility will assist women small business operators to overcome the barriers to success, improve their networking skills and maximise the potential of their business.
- Undertake a stocktake of the policies and services of State Government agencies that support and impact on small businesses in Western Australia. The stocktake, which will be progressed in stages, will provide an overview of the Government's current commitment to the small business sector and identify areas where more focus may prove beneficial.
- Work with government agencies to improve across government performance in the development of Small Business Impact Statements (SBIS), which must accompany all Cabinet Submissions likely to significantly impact on small business. This will involve undertaking an awareness and education program and evaluating the suitability of the Business Cost Calculator, developed by the Commonwealth Government, as a component of the SBIS process.

**CAPITAL WORKS PROGRAM**

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-07 \$'000	Estimated Expenditure 2006-07 \$'000	Estimated Expenditure 2007-08 \$'000
<b>COMPLETED WORKS</b>				
Furniture and Office Equipment Replacement -				
2005-06 Program .....	250	250	250	-
2006-07 Program .....	250	250	250	-
Furniture and Office Equipment Replacement - 2004-05 Program .....	250	250	96	-
Office Refurbishment/Painting as per lease Agreement .....	50	50	50	-
<b>NEW WORKS</b>				
Furniture and Office Equipment Replacement -				
2007-08 - Business Enterprise Centre .....	185	-	-	185
2007-08 Program .....	250	-	-	250
	1,235	800	646	435

**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>	339	250	646	435	250	253	438
	339	250	646	435	250	253	438
<b>LESS</b>							
Asset Sales .....	8	-	-	-	-	-	-
Drawdowns from the Holding Account .....	116	116	116	122	116	116	122
Internal Funds and Balances .....	31	-	396	-	-	-	-
<b>Capital Contribution .....</b>	184	134	134	313	134	137	316



## 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> .....	3,225	3,937	4,169	3,987	4,083	3,988	4,124
Superannuation .....	293	373	369	374	383	369	384
Cost of goods sold.....	52	70	60	60	60	60	60
Grants and subsidies <sup>(b)</sup> .....	2,503	2,967	2,922	2,970	3,019	3,069	3,120
Supplies and services .....	2,359	2,716	4,262	2,999	2,430	1,591	1,491
Accommodation .....	503	572	572	584	601	621	638
Capital user charge <sup>(c)</sup> .....	226	160	160	-	-	-	-
Depreciation and amortisation .....	159	122	122	116	116	122	116
State taxes .....	146	200	216	204	212	206	214
Other expenses .....	28	13	26	26	27	27	28
<b>TOTAL COST OF SERVICES</b> .....	<b>9,494</b>	<b>11,130</b>	<b>12,878</b>	<b>11,320</b>	<b>10,931</b>	<b>10,053</b>	<b>10,175</b>
<b>Income</b>							
User charges and fees.....	169	180	175	175	175	175	175
Gain on disposal of non-current assets .....	5	-	-	-	-	-	-
Grants and subsidies .....	165	60	130	115	115	115	60
Interest revenue .....	120	80	100	80	60	30	30
Other revenue .....	57	100	100	100	100	100	100
<b>Total Income</b> .....	<b>516</b>	<b>420</b>	<b>505</b>	<b>470</b>	<b>450</b>	<b>420</b>	<b>365</b>
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	<b>8,978</b>	<b>10,710</b>	<b>12,373</b>	<b>10,850</b>	<b>10,481</b>	<b>9,633</b>	<b>9,810</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	8,388	10,035	10,119	10,852	10,616	9,448	9,682
Liabilities assumed by the Treasurer .....	2	2	2	-	-	2	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>8,390</b>	<b>10,037</b>	<b>10,121</b>	<b>10,852</b>	<b>10,616</b>	<b>9,450</b>	<b>9,682</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(588)</b>	<b>(673)</b>	<b>(2,252)</b>	<b>2</b>	<b>135</b>	<b>(183)</b>	<b>(128)</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 44, 57 and 54 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 .....	1,427	764	260	400	600	500	400
Investments .....	1,500	500	-	-	-	-	-
Receivables .....	164	95	125	125	125	125	125
Inventories .....	58	55	58	58	58	58	58
Interest receivable .....	21	4	15	7	-	-	-
Amounts receivable for services .....	116	122	122	116	116	122	116
Prepayments .....	164	167	164	200	162	140	140
<b>Total current assets .....</b>	<b>3,450</b>	<b>1,707</b>	<b>744</b>	<b>906</b>	<b>1,061</b>	<b>945</b>	<b>839</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	76	85	85	100	115	124	139
Plant and equipment .....	375	962	897	1,097	1,229	1,357	1,492
Intangibles .....	51	35	54	56	58	60	62
<b>Total non-current assets .....</b>	<b>502</b>	<b>1,082</b>	<b>1,036</b>	<b>1,253</b>	<b>1,402</b>	<b>1,541</b>	<b>1,693</b>
<b>TOTAL ASSETS .....</b>	<b>3,952</b>	<b>2,789</b>	<b>1,780</b>	<b>2,159</b>	<b>2,463</b>	<b>2,486</b>	<b>2,532</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	4	8	1	9	11	13	-
Payables <sup>(a)</sup> .....	32	27	32	32	32	32	32
Provision for employee entitlements .....	666	593	673	683	693	699	709
Accrued salaries .....	45	24	14	92	110	129	-
Other .....	199	141	168	131	131	170	155
<b>Total current liabilities .....</b>	<b>946</b>	<b>793</b>	<b>888</b>	<b>947</b>	<b>977</b>	<b>1,043</b>	<b>896</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	208	251	212	217	222	225	230
Other .....	9	12	9	9	9	9	9
<b>Total non-current liabilities .....</b>	<b>217</b>	<b>263</b>	<b>221</b>	<b>226</b>	<b>231</b>	<b>234</b>	<b>239</b>
<b>TOTAL LIABILITIES .....</b>	<b>1,163</b>	<b>1,056</b>	<b>1,109</b>	<b>1,173</b>	<b>1,208</b>	<b>1,277</b>	<b>1,135</b>
<b>EQUITY</b>							
Contributed equity .....	1,125	1,059	1,259	1,572	1,706	1,843	2,159
Accumulated surplus/(deficit) .....	1,664	674	(588)	(586)	(451)	(634)	(762)
<b>Total equity .....</b>	<b>2,789</b>	<b>1,733</b>	<b>671</b>	<b>986</b>	<b>1,255</b>	<b>1,209</b>	<b>1,397</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>3,952</b>	<b>2,789</b>	<b>1,780</b>	<b>2,159</b>	<b>2,463</b>	<b>2,486</b>	<b>2,532</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 .....	8,257	9,904	9,988	10,721	10,485	9,317	9,551
Capital contribution .....	184	134	134	313	134	137	316
Holding account drawdowns .....	116	116	116	122	116	116	122
Equity contribution receipts .....	200	-	-	-	-	-	-
<b>Net cash provided by State government .....</b>	<b>8,757</b>	<b>10,154</b>	<b>10,238</b>	<b>11,156</b>	<b>10,735</b>	<b>9,570</b>	<b>9,989</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(3,206)	(3,925)	(4,200)	(3,909)	(4,065)	(3,969)	(4,253)
Superannuation .....	(297)	(372)	(372)	(366)	(381)	(367)	(397)
Grants and subsidies .....	(2,504)	(2,967)	(2,922)	(2,970)	(3,019)	(3,069)	(3,120)
Supplies and services .....	(2,385)	(2,713)	(4,299)	(2,989)	(2,452)	(1,628)	(1,368)
Accommodation .....	(556)	(574)	(574)	(587)	(579)	(571)	(638)
Capital user charge <sup>(a)</sup> .....	(226)	(160)	(160)	-	-	-	-
State taxes .....	(146)	(200)	(216)	(204)	(212)	(206)	(214)
Goods and services tax .....	(627)	(645)	(645)	(645)	(645)	(645)	(645)
Other .....	(28)	(13)	(26)	(26)	(27)	(27)	(26)
<b>Receipts</b>							
User charges and fees .....	169	180	175	175	175	175	175
Grants and subsidies .....	131	60	135	115	115	115	60
Interest received .....	106	80	100	80	60	30	30
Goods and services tax .....	622	645	645	645	645	645	645
Other receipts .....	160	100	100	100	100	100	100
<b>Net cash from operating activities .....</b>	<b>(8,787)</b>	<b>(10,504)</b>	<b>(12,259)</b>	<b>(10,581)</b>	<b>(10,285)</b>	<b>(9,417)</b>	<b>(9,651)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(154)	(250)	(646)	(435)	(250)	(253)	(438)
Proceeds from sale of non-current assets .....	8	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(146)</b>	<b>(250)</b>	<b>(646)</b>	<b>(435)</b>	<b>(250)</b>	<b>(253)</b>	<b>(438)</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>(176)</b>	<b>(600)</b>	<b>(2,667)</b>	<b>140</b>	<b>200</b>	<b>(100)</b>	<b>(100)</b>
Cash assets at the beginning of the reporting period .....	3,103	1,864	2,927	260	400	600	500
<b>Cash assets at the end of the reporting period .....</b>	<b>2,927</b>	<b>1,264</b>	<b>260</b>	<b>400</b>	<b>600</b>	<b>500</b>	<b>400</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.....	9,494	11,130	12,878	11,320	10,931	10,053	10,175
Less Capital User Charge.....	226	160	160	-	-	-	-
Adjusted Total Cost of Services .....	9,268	10,970	12,718	11,320	10,931	10,053	10,175
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	8,388	10,035	10,119	10,852	10,616	9,448	9,682
Less Capital User Charge.....	226	160	160	-	-	-	-
Adjusted net amount appropriated to deliver services.....	8,162	9,875	9,959	10,852	10,616	9,448	9,682

**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
Small Business Centres - Operational Grants ..	2,483	2,877	2,877	2,925	2,974	3,024	3,075
Innovation to Market .....	13	60	30	30	30	30	30
Business Migrant Incentive Program .....	7	30	15	15	15	15	15
<b>TOTAL</b>	<b>2,503</b>	<b>2,967</b>	<b>2,922</b>	<b>2,970</b>	<b>3,019</b>	<b>3,069</b>	<b>3,120</b>

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## Part 15

### Minister for the Environment; Climate Change; Peel

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
1093	Environment and Conservation			
	– Delivery of Services .....	180,782	179,747	<b>196,554</b>
	– Capital Contribution .....	11,960	16,540	<b>20,212</b>
	Total .....	192,742	196,287	<b>216,766</b>
1122	Botanic Gardens and Parks Authority			
	– Delivery of Services .....	11,463	11,595	<b>12,444</b>
	– Capital Contribution .....	500	500	<b>1,985</b>
	Total .....	11,963	12,095	<b>14,429</b>
1136	Swan River Trust			
	– Delivery of Services .....	9,747	10,814	<b>11,953</b>
	– Capital Contribution .....	1,008	8	<b>119</b>
	Total .....	10,755	10,822	<b>12,072</b>
1148	Zoological Parks Authority			
	– Delivery of Services .....	8,477	8,653	<b>8,731</b>
	– Capital Contribution .....	730	530	<b>2,796</b>
	Total .....	9,207	9,183	<b>11,527</b>
1160	Peel Development Commission			
	– Delivery of Services .....	1,501	2,252	<b>2,817</b>
	Total .....	1,501	2,252	<b>2,817</b>
	GRAND TOTAL			
	– Delivery of Services .....	211,970	213,061	<b>232,499</b>
	– Capital Contribution .....	14,198	17,578	<b>25,112</b>
	Total .....	226,168	230,639	<b>257,611</b>

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## ENVIRONMENT AND CONSERVATION

### PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL

#### DIVISION 63

#### 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 110 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	148,128	167,366	166,280	<b>182,922</b>	176,597	176,298	178,525
<b>Item 111 Services Provided to Environmental Protection Authority .....</b>	8,588	13,010	13,010	<b>13,166</b>	13,320	13,500	13,500
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	349	406	457	<b>466</b>	480	495	509
Total appropriations provided to deliver services .....	157,065	180,782	179,747	<b>196,554</b>	190,397	190,293	192,534
<b>CAPITAL</b>							
<b>Item 181 Capital Contribution .....</b>	11,341	11,960	16,540	<b>20,212</b>	15,267	550	789
<b>GRAND TOTAL .....</b>	168,406	192,742	196,287	<b>216,766</b>	205,664	190,843	193,323

- (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

*Working with the community, we will ensure that Western Australia's environment is valued, protected and conserved, for its intrinsic value, and for the appreciation and benefit of present and future generations.*

#### SIGNIFICANT ISSUES AND TRENDS

- Increasing community awareness and expectations for action to reduce predicted impacts of climate change on the environment and biodiversity of Western Australia.
- Significant policy development at international, national and state levels in relation to adaptation to climate change and mitigation of greenhouse gases.
- Strong economic growth and major resource development projects placing pressure on the natural environment and on the Department's environmental impact assessment and regulatory functions.
- Growing threats to the State's biodiversity from pest animals and weeds, dieback, salinity, altered fire regimes, habitat loss and climate change.
- The need to establish a comprehensive, adequate and representative conservation reserve system, both terrestrial and marine, to conserve biodiversity and provide for nature-based recreation and tourism.
- Increasing interaction with private industry, individuals and other government agencies to conserve biodiversity on private and public lands that are not part of the formal conservation reserve system.



- Continued growth in visitation to parks.
- Continued expectation from recreational and community groups, including people with disabilities, to maintain and upgrade facilities, park infrastructure and services.
- Continued emphasis on developing partnerships with the non-government sector in providing tourism and recreation services and facilities.
- Working with Indigenous communities for joint management and employment in conservation and land management.
- Increase in complexity in the management of State forests for timber production and biodiversity conservation as a result of changes flowing from implementation of the Forest Management Plan 2004-2013.
- Increasing focus on management of fire for biodiversity and protection of public and private assets and the community from fire risks on Departmental land.
- Continued focus on Government and community efforts to stop cane toads expanding their range from the Northern Territory into Western Australia.
- Responsibility for pest animal and weed control and wildfire preparedness on unallocated Crown Land and unmanaged reserves outside the metropolitan area and townsites.
- Increasing expectation that the Department will be a good neighbour to pastoralists, farmers and others.
- Staff recruitment and retention challenges in a buoyant economy.
- Impact of rising costs of both materials and labour on the capacity to deliver projects and services, especially in remote locations.
- Continuing demand for the Perth Observatory's services and facilities by international astronomical institutions due to its isolated location as well as continued public demand for astronomical education and information services.
- Continuing strong community and industry interest in air quality management and health protection in the Perth metropolitan area and key regional centres including Wagerup, Port Hedland, Kwinana, Esperance, Collie and Kalgoorlie.
- Increasingly complex management of industry regulation accompanied by demands for improved community engagement.
- Increasing public focus on remediation of contaminated sites following proclamation of the *Contaminated Site Act 2003* and the availability of a public database of sites.
- Reduction in reliance on landfill through waste avoidance, recycling and better management of hazardous wastes.
- Increasing support for the concept of extended producer responsibility in waste management.
- Focus on working with the community and industry to shift the way we live to a more sustainable basis.
- State of the Environment reporting as a plan for action influencing policy and resource allocation to programs.
- Continued implementation of the reform recommendations from the Keating Review of government approval processes for enhanced timelines.
- Environmental impact assessment of major resource and other projects, such as the assessment of the Yannarie Solar Salt Project.
- Streamlining of procedures to reduce processing delays for clearing permit applications while still maintaining the protection of native vegetation.

**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
Household Sustainability Audit and Education Program .....	750	750	-	-
Implementation of the Government's Marine Policy Commitments .....	1,392	1,390	790	790
Low Emission Energy Development Fund .....	200	8,650	8,650	9,500
National Emissions Trading Team .....	300	300	320	320
Office of Climate Change.....	700	700	700	700
Optical Telescope Loaned from Lowell Observatory .....	70	70	70	70
Proposed Gorgon Gas Development, Environmental Mitigation and Offset Measures.....	780	930	430	430
Public Awareness and Education Campaign (Act Now for Tomorrow) .....	650	600	100	100
Reducing Impacts of Climate Change on Western Australia .....	1,975	1,925	2,175	1,725
Residential Land Shortages .....	1,148	1,148	-	-

**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>							
Nature Conservation .....	81,208	83,255	89,334	88,261			
<i>Service 2:</i>							
Sustainable Forest Management .....	35,798	36,325	36,563	36,680			
<i>Service 3:</i>							
Performance of Statutory Functions by the Conservation Commission of Western Australia .....	807	817	825	837			
<i>Service 4:</i>							
Parks and Visitor Services .....	58,778	57,129	56,490	59,085			
<i>Service 5:</i>							
Astronomical Services .....	1,013	1,078	1,009	1,094			
<i>Service 6:</i>							
Air Quality Management Plans and Air Quality Monitoring .....	5,778	7,039	7,143	7,258			
<i>Service 7:</i>							
Regulation of Discharges to the Environment .	16,677	16,202	13,968	16,712			
<i>Service 8:</i>							
Regulation of Contaminated Sites .....	3,230	6,294	2,860	12,554			
<i>Service 9:</i>							
Administration of the Waste Management Recycling Fund .....	1,540	984	984	995			
<i>Service 10:</i>							
Policies and Strategies to Reduce and Recycle Waste .....	9,083	5,800	9,358	23,650			
<i>Service 11:</i>							
Environmental Impact Assessments of Development Proposals and Planning Schemes.....	6,007	6,129	6,699	6,883			
<i>Service 12:</i>							
Environmental Policies and Reports on the State of the Environment .....	6,272	6,881	8,968	12,297			
<b>Total Cost of Services <sup>(a)</sup></b> .....	226,191	227,933	234,201	266,306	261,447	262,614	263,778
<i>Less Income</i> .....	71,465	54,270	62,070	70,470	74,176	76,259	76,381
<b>Net Cost of Services <sup>(a)</sup></b> .....	154,726	173,663	172,131	195,836	187,271	186,355	187,397
Adjustments <sup>(b)</sup> .....	2,339	7,119	7,616	718	3,126	3,938	5,137
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	157,065	180,782	179,747	196,554	190,397	190,293	192,534

	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>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup> .....</b>	11,341	11,960	16,540	20,212	15,267	550	789
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....</b>	168,406	192,742	196,287	216,766	205,664	190,843	193,323

- (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
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Conservation of biodiversity (the variety of life forms: the different plants, animals and micro-organisms, the genes they contain, and the ecosystems they form).	1. Nature Conservation 2. Sustainable Forest Management 3. Performance of Statutory Functions by the Conservation Commission of Western Australia
	Community understanding, enjoyment and appreciation of parks, wildlife and the natural environment and involvement in their management.	4. Parks and Visitor Services 5. Astronomical Services
	Emissions and discharges meet approved environmental criteria.	6. Air Quality Management Plans and Air Quality Monitoring 7. Regulation of Discharges to the Environment 8. Regulation of Contaminated Sites
	Waste management practices meet approved performance targets.	9. Administration of the Waste Management Recycling Fund 10. Policies and Strategies to Reduce and Recycle Waste
	Environmental policy and environmental impact assessment that protects, conserves and enhances the environment in accordance with accepted long term plans.	11. Environmental Impact Assessments of Development Proposals and Planning Schemes 12. Environmental Policies and Reports on the State of the Environment

**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: Conservation of biodiversity (the variety of life forms: the different plants, animals and micro-organisms, the genes they contain, and the ecosystems they form).</b>					
Threatened Species Management <sup>(b)</sup> - the number of flora and fauna that are:					
- threatened.....	571	580	582	596	
- presumed extinct.....	32	32	32	32	
- otherwise specially protected .....	11	11	11	11	
- priority listed .....	2,443	2,500	2,427	2,440	
Wildlife Utilisation <sup>(c)</sup> - proportion of the most recent estimate of kangaroo populations commercially harvested:					
- red kangaroo .....	12.2%	16.1%	9.2%	14.2%	Seasonal conditions reduced potential harvest in 2006.
- western grey kangaroo.....	11.0%	13.2%	11.5%	12.4%	
Compliance with forest management standards .....	96%	95%	96%	95%	
<b>Outcome: Community understanding, enjoyment and appreciation of parks, wildlife and the natural environment and involvement in their management.</b>					
Average level of visitor satisfaction with their visit.....	87%	85%	85%	85%	
<b>Outcome: Emissions and discharges meet approved environmental criteria.</b>					
Number of exceedances of approved environment criteria by regulated activities .....	86	100	100	110	
<b>Outcome: Waste management practices meet approved performance targets.</b>					
Percentage of waste in the metropolitan area diverted from landfill and recycled .....	25.2%	25.0%	24.8%	24.8%	
<b>Outcome: Environmental policy and environmental impact assessment that protects, conserves and enhances the environment in accordance with accepted long term plans.</b>					
Number of approved projects with impacts significantly exceeding those assessed .....	0	0	2	0	Assessed and approved proposals did not meet undertakings given.

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

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

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

### Service 1: Nature Conservation

The development and implementation of programs for the conservation of biodiversity, including threatened species and ecological communities, and for sustainable use of commercially exploited species; the acquisition, conservation and protection of representative ecosystems; and encouraging public awareness, understanding and support for nature conservation.

	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> .....	81,208	83,255	89,334	88,261	
Less Income .....	20,342	13,705	16,205	15,787	
Net Cost of Service <sup>(a)</sup> .....	60,866	69,550	73,129	72,474	
Adjustments <sup>(b)</sup> .....	1,286	(297)	(227)	(297)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>62,152</b>	<b>69,253</b>	<b>72,902</b>	<b>72,177</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
Wildlife habitat management - cost per hectare managed .....	\$3.08	\$3.15	\$3.32	\$3.22	
<b>Full Time Equivalents (FTEs)</b>	<b>672</b>	<b>679</b>	<b>725</b>	<b>734</b>	

### Major Achievements For 2006-07

- A draft State Biodiversity Conservation Strategy was released on 7 December 2006 for public comment until 30 March 2007. The draft strategy broke new ground by identifying a 100 year timeframe to restore biodiversity with specific goals to reduce rates of biodiversity decline and recover threatened species ahead of the Bicentenary of the Swan River Colony in 2029.
- Drafting of the proposed Biodiversity Conservation Bill continued.
- The two year \$15 million Saving Our Species biodiversity conservation initiative was launched in December 2006 to address dieback control (particularly in the Fitzgerald River National Park), eradication and control of pest animals and weeds, expansion of biological survey and implementation of recovery plans for threatened species (such as Gilbert's Potoroo) and ecological communities.
- The State Cane Toad Initiative continued to focus on keeping toads out of Western Australia through field and awareness programs with community involvement.
- The Good Neighbour Policy was finalised, following extended public consultation requested by stakeholders.
- Achieved significant progress towards the development of five year regional fire management plans that focus on the maintenance and protection of biodiversity on departmental lands.

**Major Initiatives For 2007-08**

- The draft Biodiversity Conservation Bill will be released.
- A final Biodiversity Conservation Strategy for Western Australia will be released. It is intended that the Strategy will provide a whole-of-government framework as well as providing State-wide guidance for the broader community, regional natural resource management groups, business and community groups.
- A new agreement for a cooperative program of natural resource management funding replacing the National Action Plan for Salinity and Water Quality and also the second phase of the Natural Heritage Trust will be negotiated with the Commonwealth Government.
- The Saving Our Species biodiversity conservation initiative will be continued.
- Expansion of the conservation reserve system, including in the rangelands and through the creation of marine parks at the Walpole-Nornalup Inlets, Dampier Archipelago and in the Cape Naturaliste/Cape Leeuwin area.
- Contribute to the development of an enhanced cooperative national system of biosecurity covering risks to the environment and agriculture as well as industry and the broader community.

**Service 2: Sustainable Forest Management**

The sustainable management of State forest and timber reserves while maintaining or enhancing nature conservation, water, recreation, landscape and other values in the long term and encouraging public awareness, understanding and support for sustainable forest management, services and policies.

	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> .....	35,798	36,325	36,563	36,680	
Less Income .....	15,387	7,059	7,059	7,060	
Net Cost of Service <sup>(a)</sup> .....	20,411	29,266	29,504	29,620	
Adjustments <sup>(b)</sup> .....	7,163	1,454	1,501	1,571	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>27,574</b>	<b>30,720</b>	<b>31,005</b>	<b>31,191</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 hectare of managing State forest and timber reserves .....	\$27.58	\$27.99	\$28.17	\$28.26	
<b>Full Time Equivalents (FTEs)</b>	<b>259</b>	<b>270</b>	<b>270</b>	<b>272</b>	

**Major Achievements For 2006-07**

- Completed the subsidiary guidelines for the selection of fauna habitat zones and published guidance documents on the use of work improvement notices and management letters and management of access in informal reserves.
- Progressed with the Forest Products Commission design of an integrated process for planning, approving and monitoring timber harvesting activities on State forest and timber reserves.
- Facilitated implementation of the Wungong Catchment Environment and Water Management Project for the Water Corporation.
- Worked with the Forest Products Commission to produce the Timber Harvest Plan for 2008 and the three year rolling Timber Harvest Plan 2007-09.
- Implemented the soil management requirements for timber harvesting in the wet soil period for 2006.
- Provided data for Australia's continental State of the Forests Report.
- Maintained the use of fire for the regeneration of harvested forest, the maintenance of biodiversity and the protection of community assets.
- Maintained the spatial and measurement datasets required to sustainably manage State forest and timber reserves.
- Designed and established in the field the final locations of eight indicative fauna habitat zones associated with planned disturbance.
- Provided data and support services for the preparation of the dieback atlas for the management of disease caused by *Phytophthora cinnamomi* in native vegetation.
- Mapped the occurrence of *Phytophthora cinnamomi* and modeled the spread of the pathogen in native vegetation communities.

**Major Initiatives For 2007-08**

- Collect data and publish outcomes for key performance indicators designed to measure the implementation of the Forest Management Plan.
- Publish guidance documents on the use of basic raw materials in timber harvesting operations, salvage of logs in association with informal reserves, pre-operations checklist for disturbance operations, and rehabilitation of soil after timber harvesting.
- Undertake a five year review of the Forest Monitoring program (Forestcheck) and determine the future strategy for the program.
- Progress amendment and refinement of forest management systems to comply with the requirements of the Australian Forestry Standard, subject to Government endorsement.
- Complete working arrangements with the Forest Products Commission for native forest and plantations.
- Produce the 2008-2010 three year Timber Harvest Plan in consultation with the Forest Products Commission.
- Work with the Forest Products Commission to improve the efficiency of the coupe planning, scheduling, authorisation and monitoring processes.
- Complete the guidelines for the management of soil in timber harvesting operations.
- In the lead-up to the mid-term review of the Forest Management Plan, measure utilisation plots and refine the analysis of actual timber yields compared with predicted yields.

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

The undertaking of statutory functions by the Conservation Commission of Western Australia which include:

- having vested in it the State's national parks, conservation parks, nature reserves, State forest and timber reserves;
- policy development for the preservation and community enjoyment of the State's natural environment, and promoting the appreciation of flora, fauna and the natural environment;
- advice to the Minister for the Environment on the development of policies for the conservation and management of biodiversity throughout the State and on the ecologically sustainable management of State forest, timber reserves and forest produce; and
- audit of the Department's and the Forest Products Commission's performance against management plans.

	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> .....	807	817	825	837	
Less Income .....	-	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	807	817	825	837	
Adjustments <sup>(b)</sup> .....	(11)	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>796</b>	<b>817</b>	<b>825</b>	<b>837</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 average cost per management plan/significant policy submitted for the Conservation Commission's consideration....	\$11,055	\$10,894	\$10,868	\$11,000	
<b>Full Time Equivalents (FTEs)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	

**Major Achievements For 2006-07**

- Provided input into the Biodiversity Conservation Strategy and the Government's initiative to create a Biodiversity Commission.
- Undertook and published five performance assessments of the Department's and the Forest Products Commission's performance against management plans in accordance with policy.
- Continued to enhance the management plan development process through the review of management plans and the generation of new tools and formats for management plan development.
- Continued to implement those elements of the Forest Management Plan that are the responsibility of the Conservation Commission.
- Convened the organising committee and progressed the development of a conference on the values of national parks.
- Continued to work with the Department to develop appropriate joint management frameworks for relevant conservation reserves.
- Reviewed and provided input to the Water Corporation's South West Yarragadee Water Supply proposal and Wungong thinning trials recognising the interaction of the projects with forest and conservation lands.



### Major Initiatives For 2007-08

- Ongoing input into the Biodiversity Conservation Strategy and the drafting of a Biodiversity Conservation Bill.
- Undertake performance assessments of the Department's and the Forest Products Commission's performance against management plans in accordance with policy.
- Review old-growth forest areas in accordance with policy.
- Work towards improvements in communications by implementing actions identified in the Conservation Commission's Communications Plan.
- Continue to enhance the management plan development process through the review of management plans and trialling a number of new tools and formats for management plan development.
- Continue to implement those elements of the Forest Management Plan that are the responsibility of the Conservation Commission, including working towards the major review of implementation which is due by the end of 2008.
- Contribute to the organisation of a conference on the values of national parks scheduled for September 2007.
- Continue to work with the Department to develop appropriate joint management frameworks for relevant conservation reserves.

### Service 4: Parks and Visitor Services

- Management of lands and waters.
- Dealing with public involvement, visitation and appreciation of the natural environment on lands and waters managed by the Department, including preparing and implementing management and recreation site development plans.
- Providing, managing and maintaining appropriate access, recreation opportunities and visitor facilities.
- Protecting natural areas, visitors and facilities from wildfire.
- Training Departmental staff and volunteers, working with local tourist bureaus and commercial tour operators.
- Involving Indigenous people in park management and the provision of visitor facilities and services.
- Providing visitor information and designing and initiating educational and interpretive activity programs which enrich visitor experience and help develop greater community awareness and support for parks, natural areas, nature-based tourism and recreation services and policies.

	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> .....	58,778	57,129	56,490	59,085	
Less Income.....	17,255	17,137	17,637	17,800	
Net Cost of Service <sup>(a)</sup> .....	41,523	39,992	38,853	41,285	
Adjustments <sup>(b)</sup> .....	(1,076)	2,252	2,332	2,357	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>40,447</b>	<b>42,244</b>	<b>41,185</b>	<b>43,642</b>	

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**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 visit .....	\$4.96	\$5.05	\$4.75	\$4.92	
Ratio of total cost of services to operating revenue .....	4.04:1	3.33:1	3.20:1	3.32:1	
<b>Full Time Equivalents (FTEs)</b>	442	455	455	456	

**Major Achievements For 2006-07**

- Advanced the provision of innovative sustainable tourism services and developments through partnerships with the tourism industry including leasing and licensing initiatives such as the Landbank project.
- Conducted workshops and meetings with regional tourism industry stakeholders to obtain feedback on the Department's initiatives and establish stronger relationships with the tourism industry.
- Continued to develop the highly successful Community Involvement program by increasing the range and scope of opportunities for volunteers to actively assist the Department in projects designed to protect and manage natural and cultural values and enhance visitor experiences. In particular, additional support was provided for volunteer initiatives such as the Campground and Homestead Hosts programs.
- Finalised management plans for several areas including Lake McLarty nature reserve and Kennedy Range National Park. Released draft management plans for the Burrup Peninsula, the Walpole Wilderness Area and the Cape Range and Wellington National Parks. Released the draft Shark Bay World Heritage Property Strategic Plan.
- Released final management plans for the Rowley Shoals Marine Park and the Montebello-Barrow Island Marine Reserves.
- Commenced joint management arrangements with the Miriwung-Gajerrong Corporation under the Ord Stage Two final agreement. Established a Regional Park Council and six Sub-Councils and commenced the preparation of management plans for six new conservation parks.
- Established effective and meaningful liaison with Indigenous groups through the development of joint management agreements and the progression of employment and training opportunities for Aboriginal people through the Mentored Aboriginal Training and Employment Scheme program.
- Continued the planning and construction of the Munda Biddi bike trail into the South West forest and South Coast regions and maintained and improved the Bibbulmun Track.
- Completed visitor infrastructure and tourist road improvement projects that were commenced in the previous financial year. Maintained all facilities in a safe and workable condition with a focus on site works that provide for the protection of environmental and cultural values and/or visitor safety.
- Made information available to the public through a range of media on sites managed by the Department suitable for access and use by people with disabilities under the You're Welcome program.
- Continued to ensure the welfare and safety of visitors through the ongoing review and implementation of the Department's Visitor Risk Management system.
- Completed negotiations with the Shire of Albany for transfer of vesting of Gull Rock National Park and Mt Martin reserve.
- Improved data management and information systems in land administration to improve functionality.
- Progressed implementation of the remaining land tenure recommendations in the Forest Management Plan 2004-2013 and transfer of suitable water reserves in the Wheatbelt to the conservation estate.

- Continued to improve visitor data collection systems including the wider use of new data collection and handling technologies and approaches to increase the capacity to effectively manage nature-based recreation and tourism opportunities and assets.
- Continued to promote and expand the Department's Healthy Parks, Healthy People program throughout the network of regional parks and the greater Perth metropolitan region and afforded the community with opportunities that will enhance their physical and mental wellbeing while helping to maintain a healthy and well-managed network of protected areas.
- Commenced construction of the Canning River Eco-Education Centre to increase community awareness of nature conservation values and enhance visitor experiences.
- Continued to provide support (via initiatives such as the Department's Regional Parks Community Grants Scheme) and strengthen relations and partnerships with a diverse community who, as volunteers, provide input into regional park management and on-ground works that encourage awareness and appreciation of nature conservation at a local level.
- Maintained an emphasis on revenue collection from park entry and camping fees and, where appropriate, the sale of merchandise. This included further investigation into the use of Smart Card technology to expand the park pass system.

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

- Finalise management plans for the Burrup Peninsula, Cape Range, Dryandra Woodland, Millstream-Chichester and Shannon-D'Entrecasteaux National Parks, Shark Bay terrestrial reserves, St John Brook and Jarrahwood conservation parks, Walpole Wilderness Area and Wellington National Park. Release draft management plans for Cape Inscription, Dampier Archipelago, Lane Poole Reserve, Leeuwin-Naturaliste Ridge parks and reserves, Tuart Forest, Yanchep-Neerabup and Kalbarri National Parks. Continue to prepare management plans for Albany coastal reserves, Barrow Island nature reserve, Esperance coastal reserves, Mt Manning and Jaurdi-Mt Elvire conservation parks, Perup and Lakes Unicup/Muir and the Wheatbelt Region.
- Advance sustainable tourism initiatives in consultation with the tourism industry including improvements to concession management, the implementation of tourism accreditation initiatives and the Landbank project.
- Consolidate the Department's highly successful Community Involvement program.
- Continue to develop effective and meaningful liaison with Indigenous groups through the development of joint management agreements and the Mentored Aboriginal Training and Employment Scheme.
- Continue the planning and construction of the Munda Biddi bike trail into the South West forest and maintain the Bibbulmun Track, in conjunction with the Munda Biddi and Bibbulmun Track Foundations.
- Continue capital works projects relating to visitor infrastructure and tourist roads under the World Class Parks initiative. Complete the construction of the Pinnacles Visitor Centre.
- Finalise the implementation of the remaining land tenure recommendations in the Forest Management Plan 2004-2013 and progress transfer of suitable water reserves in the Wheatbelt to the conservation estate.
- Continue to improve visitor data collection systems including the wider use of new data collection and handling technologies and approaches to increase the capacity to effectively manage nature-based recreation and tourism opportunities and assets. In particular, complete the redevelopment of the Recreation and Tourism Inventory System.
- Investigate partnership opportunities with research institutions that will increase the Department's capacity to produce social research, including tourism, recreation, economic and cultural research relevant to protected areas.
- Complete construction of the Canning River Eco-Education Centre.
- Initiate a review of performance measurement practices with a view to strengthening performance reporting at the service and corporate level.
- Progress the nomination process for the inscription of Ningaloo Marine Park and part of North-West Cape on the World Heritage List.

**Service 5: Astronomical Services**

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

	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> .....	1,013	1,078	1,009	1,094	
Less Income .....	145	120	120	120	
Net Cost of Service <sup>(a)</sup> .....	868	958	889	974	
Adjustments <sup>(b)</sup> .....	74	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>942</b>	<b>958</b>	<b>889</b>	<b>974</b>	

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(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 providing astronomical services per head of Western Australian population .....	\$0.49	\$0.52	\$0.48	\$0.51	
<b>Full Time Equivalents (FTEs)</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	

**Major Achievements For 2006-07**

- Perth Observatory and associated Internet telescopes were utilised by local students.
- Funding was obtained for a dedicated building to house a larger telescope for research and public viewing.
- Commenced operation of an automatic focuser for the major telescope.
- Coordinated public viewing of Comet McNaught, the brightest comet in over 40 years.

**Major Initiatives For 2007-08**

- Construct a dedicated building to house a larger telescope for research and public viewing.
- Implement a second operational Internet telescope.
- Develop a Conservation Plan for the Perth Observatory site.
- Conduct an exhibition on Mapping the Sky utilising the Observatory's historical resources.

### Service 6: Air Quality Management Plans and Air Quality Monitoring

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

	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> .....	5,778	7,039	7,143	7,258	
Less Income .....	738	1,533	1,533	1,540	
Net Cost of Service <sup>(a)</sup> .....	5,040	5,506	5,610	5,718	
Adjustments <sup>(b)</sup> .....	(732)	(149)	(149)	(142)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,308</b>	<b>5,357</b>	<b>5,461</b>	<b>5,576</b>	

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(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 air monitoring station .....	\$470,000	\$414,059	\$446,438	\$403,222	The number of monitoring stations has increased from 16 to 18.
<b>Full Time Equivalents (FTEs)</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>40</b>	

### Major Achievements For 2006-07

- Implemented the Perth Air Quality Management Plan with major initiatives aimed at reducing smoke emissions, including Phase Two of the Woodheater Buy Back program.
- Implemented the Diesel National Environment Protection Measure including emissions testing of the public bus fleet, selected light and heavy diesel trucks and a technical training/education program.
- Implemented major air quality investigations at Wagerup.
- Developed air quality management plans for the key regional centres of Port Hedland, Wedgefield and the Collie basin to provide a strategic context for addressing air quality issues.
- Undertook targeted monitoring at selected regional and industrial locations.
- Implemented the Air Toxic program in Perth and regional centres.
- Implemented National Environment Protection Measure monitoring.

**Major Initiatives For 2007-08**

- Implementation of the Perth Air Quality Management Plan including development of a policy framework for haze in the Perth metropolitan region and expansion of the Woodheater Buy Back program (Phase Three) with closer industry involvement.
- Implement the Diesel National Environment Protection Measure including completion of a major bus emissions testing program, expansion of technical training/education initiative with TAFE and a vehicle exhausts emissions testing trial in the metropolitan area.
- Implementation of a comprehensive ambient air monitoring strategy at Wagerup involving advanced monitoring technologies and improved community engagement processes.
- Ongoing development of regional air quality management plans for the Kalgoorlie and Collie basins to provide a strategic context for addressing air quality issues.
- Targeted research and investigations in Port Hedland to address chronic iron ore dust management challenges including health studies, dust dispersion modeling and improved community involvement processes.
- Completion of Air Toxics investigations at Kwinana.
- Expansion of the Background Air Quality Study to Midland and regional centres.
- Implement National Environment Protection Measure monitoring.
- Development of a State Environmental Policy for Air Quality.
- Review of the Interim Odour Guidelines for industry.
- Additional strategic research initiatives focusing on major transport corridors, development of advanced remote sensing technologies, and development of health standards via the Cooperative Research Centre (CRC) for Contamination Assessment and Remediation of the Environment and the CRC for Asthma and Airways.

**Service 7: Regulation of Discharges to the Environment**

Regulate emissions and discharges to the environment and the transport of hazardous wastes.

	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> .....	16,677	16,202	13,968	16,712	
Less Income.....	9,851	7,496	7,496	10,793	
Net Cost of Service <sup>(a)</sup> .....	6,826	8,706	6,472	5,919	
Adjustments <sup>(b)</sup> .....	(1,384)	(629)	(629)	(428)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>5,442</b>	<b>8,077</b>	<b>5,843</b>	<b>5,491</b>	

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**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 industry licence.....	\$17,375	\$14,081	\$14,861	\$17,725	Increase in resourcing levels.
Average cost per controlled waste permit .....	\$20	\$20	\$21	\$29	
<b>Full Time Equivalents (FTEs)</b>	149	184	147	158	

**Major Achievements For 2006-07**

- Implemented an Industry Licensing Quality Assurance and Audit program.
- Reviewed prescribed premises categories.
- Completed an upgrade of the industry licensing database.
- Finalised the review of Schedule Two (Clearing in Existing Transport Corridors) of the Environmental Protection Act (Clearing of Native Vegetation) Regulations 2004 through a consultative working group.
- Reviewed the Environmental Protection Act (Clearing of Native Vegetation) Regulations 2004.
- Worked with the Office of Development Approvals Coordination to review processes for clearing native vegetation for resource development projects.
- Implemented an educational, compliance and monitoring program for native vegetation clearing.

**Major Initiatives For 2007-08**

- Review controlled waste regulations and commence implementation of recommendations.
- Complete the upgrade of the Controlled Waste Tracking System to better manage increased usage.
- Continue the review of the prescribed premises categories.
- Continue to review industry licences to improve enforceability, placing greater emphasis on emissions control.
- Continue the development of the Western Australian Greenhouse Gas Inventory.

**Service 8: Regulation of Contaminated Sites**

Regulate the investigation, classification and management of contaminated sites.

	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> .....	3,230	6,294	2,860	12,554	Funding associated with the remediation of contaminated sites was deferred from 2006-07 to 2007-08.
Less Income.....	161	479	479	490	
Net Cost of Service <sup>(a)</sup> .....	3,069	5,815	2,381	12,064	
Adjustments <sup>(b)</sup> .....	2,974	3,095	2,095	(1,575)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,043</b>	<b>8,910</b>	<b>4,476</b>	<b>10,489</b>	

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(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 contaminated site assessment	\$2,670	\$2,203	\$801	\$4,687	The 'period of grace' for reporting historical contaminated sites in compliance with the <i>Contaminated Sites Act 2003</i> ends on 31 May 2007. A large number of reports is expected shortly before this deadline. As sites are identified and reported under the <i>Contaminated Sites Act 2003</i> , the number of State sites undergoing investigation and remediation is expected to increase.
Average cost of remediating state sites .....	\$1,151,640	\$755,280	\$2,059,200	\$1,506,480	
<b>Full Time Equivalents (FTEs)</b>	32	31	33	35	

**Major Achievements For 2006-07**

- Proclaimed and implemented the *Contaminated Sites Act 2003*, including establishment of the Contaminated Sites Auditor Accreditation Scheme and a public database which will provide the State with the capacity to more effectively manage contaminated lands.

**Major Initiatives For 2007-08**

- Consolidate implementation of the *Contaminated Sites Act 2003*, following expiry of the six month 'period of grace' for reporting historical contaminated sites.
- Finalise and implement the State Framework for Managing Acid Sulphate Soils, in partnership with other stakeholders.

**Service 9: Administration of the Waste Management Recycling Fund**

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

	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> .....	1,540	984	984	995	
Less Income .....	54	123	123	130	
Net Cost of Service <sup>(a)</sup> .....	1,486	861	861	865	
Adjustments <sup>(b)</sup> .....	(953)	(53)	(53)	(46)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>533</b>	<b>808</b>	<b>808</b>	<b>819</b>	

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(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 administering Waste Management Recycling Fund as percentage of total fund ..	16.9%	14.4%	12.2%	11.5%	
<b>Full Time Equivalents (FTEs)</b>	16	16	16	16	

**Major Achievements For 2006-07**

- Administration of the Strategic Waste Initiatives Scheme and Community Grants Scheme.

**Major Initiatives For 2007-08**

- Administration of the Strategic Waste Initiatives Scheme and Community Grants Scheme.
- Implement the Zero Waste Plan Scheme.
- Develop and implement the Rural Recycling Cost Offset Scheme.
- Develop Zero Waste Incentive Schemes with a focus on industry.

**Service 10: Policies and Strategies to Reduce and Recycle Waste**

Develop and implement policies and strategies that promote waste avoidance and minimisation in industry, government and the community.

	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> .....	9,083	5,800	9,358	23,650	Due to additional resources in 2007-08 for the Decommissioning of Brookdale Liquid Waste Treatment Facility and additional fee revenues available to the Waste Management Recycling Fund.
Less Income.....	6,501	5,220	10,020	15,300	
Net Cost of Service <sup>(a)</sup> .....	2,582	580	(662)	8,350	
Adjustments <sup>(b)</sup> .....	(2,016)	1,354	2,654	(866)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>566</b>	<b>1,934</b>	<b>1,992</b>	<b>7,484</b>	

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(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 Waste Management Recycling Fund allocated to projects that achieve scheduled milestones .....	75%	87.2%	46.9%	85%	A number of project allocations were unavoidably delayed.
<b>Full Time Equivalents (FTEs)</b>	21	28	28	28	

**Major Achievements For 2006-07**

- Released for public comment the Waste Avoidance and Resource Recovery Bill.
- Supported the Stakeholder Advisory Group review of best practice container deposit systems for Western Australia.

**Major Initiatives For 2007-08**

- Finalise the Waste Avoidance and Resource Recovery Bill for introduction to Parliament.
- Finalise Government policy on container deposit systems.
- Implement a reinvigorated recycling awareness campaign.
- Implement a government leading by example program on government waste reduction and procurement.
- Introduction of Extended Producer Responsibility for Western Australia for priority wastes.
- Prepare and implement a Site Management Plan for the former Brookdale Liquid Waste Treatment Facility to clean up any contamination identified.

**Service 11: Environmental Impact Assessments of Development Proposals and Planning Schemes**

Manage the environmental impact assessment process for the Environmental Protection Authority to enable sound environmental advice on development proposals and planning schemes/amendments to be provided to the Government, developers and the public and to ensure the environment is protected for the community.

	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> .....	6,007	6,129	6,699	6,883	
Less Income .....	578	860	860	900	
Net Cost of Service <sup>(a)</sup> .....	5,429	5,269	5,839	5,983	
Adjustments <sup>(b)</sup> .....	(1,285)	373	373	413	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,144</b>	<b>5,642</b>	<b>6,212</b>	<b>6,396</b>	

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(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 for number of environmental assessments	\$148,667	\$130,404	\$171,769	\$152,956	
<b>Full Time Equivalents (FTEs)</b>	61	59	64	66	

**Major Achievements For 2006-07**

- Completed the assessment of the South West Yarragadee Water Source Development project.
- Completed assessment of the major duplication of the Dampier to Bunbury Natural Gas Pipeline.
- Progressed consideration of mineral resource projects within improved regional contexts, particularly in the Mid-West region.

**Major Initiatives For 2007-08**

- Complete assessments of mineral resource (iron ore) projects in the Mid West and Great Southern regions.
- Complete the strategic assessment of the Kwinana Industrial Area (IP 14).
- Progress the assessment of major Liquified Natural Gas projects, such as the Ichthys Gas-Condensate Field Development.

**Service 12: Environmental Policies and Reports on the State of the Environment**

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

	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> .....	6,272	6,881	8,968	12,297	
Less Income.....	453	538	538	550	
Net Cost of Service <sup>(a)</sup> .....	5,819	6,343	8,430	11,747	
Adjustments <sup>(b)</sup> .....	(1,701)	(281)	(281)	(269)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,118</b>	<b>6,062</b>	<b>8,149</b>	<b>11,478</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 for number of environmental policies developed .....	\$307,005	\$382,333	\$498,222	\$723,353	Additional funding has been provided to respond to climate change.
<b>Full Time Equivalents (FTEs)</b>	51	61	66	78	

**Major Achievements For 2006-07**

- Published the final State of the Environment Report.
- Released the Peel-Harvey Water Quality Improvement Plan for public comment.
- Progressed the Swan Bioplan program.
- Expanded the Indian Ocean Climate Initiative partnership with the CSIRO and the Australian Bureau of Meteorology to include climate change predictions for the north of the State and initiated a new program on adaptation to climate change.
- Continued to work collaboratively with State agencies to develop approaches for further advancing sustainability in respect of core business services and refine agency reporting on sustainability, and progress relationships with the non-government sector to foster appropriate sustainability directions and initiatives.
- Commenced the new 'Act Now for Tomorrow' public information and awareness campaign aimed at changing behaviours for sustainability with an initial focus on climate change.
- Worked with the Sustainability Roundtable to advance existing and new sustainability initiatives resulting from the 2005 review of the State Sustainability Strategy.
- Finalised the State/Local Government Sustainability Partnership Agreement, enhanced related policies and strategies, advanced existing partnerships with the Cities of Swan, Wanneroo, Gosnells and Geraldton and progressed development of prospective agreements with the local governments of Esperance, Mandurah and Kwinana.
- Participated in national greenhouse policy development through membership on the Council of Australian Governments' climate change working group and the National Emissions Trading Taskforce.
- Coordinated a whole-of-government response to climate change.
- Coordinated a whole-of-government response to implementing the Western Australian Greenhouse Strategy.
- Reviewed the work of the Greenhouse Unit and assessed how to strengthen the work the Unit undertakes.
- Supported the Greenhouse and Energy Taskforce.

**Major Initiatives For 2007-08**

- Implement outcomes arising from the Premier's Climate Change Action Statement.
- Implement Phase Three of the Indian Ocean Climate Initiative and the Government's adaptation program.
- Progress, in concert with other States/Territories (and possibly the Commonwealth Government), a National Emissions Trading Scheme and other national initiatives.
- Coordinate the review of the Western Australian Greenhouse Strategy.
- Coordinate a whole-of-government approach to pursuing the Government's sustainability agenda.

- Provide professional services to the Environmental Protection Authority to assist the Authority in the delivery of its policy products and outcomes.
- Further progress the Swan Bioplan program.
- Coordinate preparation of the Government's response to the State of the Environment Report.
- Coordinate preparation of the Government's response to the Peel-Harvey Water Quality Improvement Plan.

## CAPITAL WORKS PROGRAM

The Department's planned capital works program of \$33.1 million provides funds for buildings (\$14.5 million), tourism roads and park facilities (\$11.6 million), plant and equipment (\$4.7 million), conservation estate land purchase (\$0.2 million) and fire fighting fleet replacement (\$2.1 million).

In 2007-08, the Department will commence construction of a new Biodiversity Conservation Science Centre and Herbarium to be located at the State Operations Headquarters site in Kensington.

	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>				
Biodiversity Conservation Science Centre and Herbarium - Stage 1 .....	24,025	1,375	1,375	14,235
Ord New Parks Infrastructure .....	1,000	200	200	200
Park Improvement Program				
Gnangara Park Development .....	2,268	2,018	250	250
Telescope Building .....	350	60	60	290
<b>COMPLETED WORKS</b>				
Conservation Land Acquisition				
2003-04 Program .....	557	557	110	-
2006-07 Program .....	2,432	2,432	2,432	-
Denham Office - New Accommodation .....	950	950	935	-
Dirk Hartog Island Pastoral Lease Acquisition .....	300	300	300	-
Fire Fighting Fleet Replacement				
2006-07 Program .....	2,106	2,106	2,106	-
Fire Management Equipment .....	5,500	5,500	5,500	-
Gascoyne - Murchison Strategy				
2001-02 Program .....	2,111	2,111	681	-
2002-03 Program .....	1,000	1,000	1,000	-
Improvements to Aerial Fire Management Facilities .....	100	100	100	-
Karri/Tingle Interpretative Centre .....	1,000	1,000	743	-
Ningaloo Marine Park .....	2,834	2,834	1,064	-
Park Improvement Program				
2005-06 Program .....	8,155	8,155	3,020	-
2006-07 Program .....	8,000	8,000	8,000	-
Environmental Education Centre Canning River Regional Park .....	1,500	1,500	1,409	-
Plant and Equipment				
2006-07 Program .....	5,055	5,055	5,055	-
Tourism Road Improvement Program				
2005-06 Program .....	3,471	3,471	945	-
2006-07 Program .....	4,000	4,000	4,000	-
<b>NEW WORKS</b>				
Conservation Land Acquisition				
2007-08 Program .....	210	-	-	210
Fire Fighting Fleet Replacement				
2007-08 Program .....	2,064	-	-	2,064
Park Improvement Program				
2007-08 Program .....	7,200	-	-	7,200
Plant and Equipment				
2007-08 Program .....	4,683	-	-	4,683
Tourism Road Improvement Program				
2007-08 Program .....	4,000	-	-	4,000
	94,871	52,724	39,285	33,132

**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
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
<b>Total Cost of Capital Works Program .....</b>	23,557	24,667	39,285	33,132	28,153	20,964	19,905
	23,557	24,667	39,285	33,132	28,153	20,964	19,905
LESS							
Asset Sales .....	1,035	721	721	654	644	878	878
Drawdowns from the Holding Account .....	5,140	7,106	7,106	7,306	7,377	14,169	12,871
Internal Funds and Balances .....	6,041	4,880	14,918	4,960	4,865	5,367	5,367
<b>Capital Contribution .....</b>	11,341	11,960	16,540	20,212	15,267	550	789

## FINANCIAL STATEMENTS

INCOME STATEMENT  
(Controlled)

	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>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	106,077	116,333	119,016	124,702	125,312	127,408	129,066
Superannuation .....	10,134	10,782	11,045	11,533	11,587	11,826	12,028
Cost of goods sold.....	311	560	560	560	560	560	560
Grants and subsidies <sup>(c)</sup> .....	7,354	3,751	5,267	9,889	13,790	13,790	14,640
Consultancies expense .....	4,548	3,060	3,060	3,070	2,880	2,880	2,880
Supplies and services .....	72,583	66,847	69,374	89,916	80,236	77,220	75,497
Accommodation .....	10,532	8,552	8,552	8,528	8,314	8,350	8,350
Capital user charge <sup>(d)</sup> .....	16,785	16,473	16,256	-	-	-	-
Depreciation and amortisation .....	14,652	16,560	16,560	17,388	18,048	19,693	19,693
Loss on disposal of non-current assets .....	86	-	-	-	-	-	-
Doubtful debts.....	(186)	-	-	-	-	-	-
Costs of disposal of non-current assets.....	-	721	-	-	-	-	-
Other expenses .....	100	767	767	720	720	887	1,064
<b>TOTAL COST OF SERVICES</b> .....	<b>242,976</b>	<b>244,406</b>	<b>250,457</b>	<b>266,306</b>	<b>261,447</b>	<b>262,614</b>	<b>263,778</b>
<b>Income</b>							
User charges and fees.....	22,696	13,650	13,650	13,710	13,770	13,586	13,586
Regulatory fees and fines.....	8,607	9,466	9,466	13,080	14,754	15,237	15,237
Gain on disposal of non-current assets .....	1,425	-	-	-	-	-	-
Grants and subsidies .....	12,573	8,760	10,760	10,500	10,500	10,500	10,500
Interest revenue .....	2,134	1,707	1,707	1,702	1,698	1,708	1,708
Donations .....	-	5,000	-	-	-	-	-
Proceeds from disposal of non-current assets ..	-	721	-	-	-	-	-
Other revenue .....	24,030	14,966	26,487	31,478	33,454	35,228	35,350
<b>Total Income</b> .....	<b>71,465</b>	<b>54,270</b>	<b>62,070</b>	<b>70,470</b>	<b>74,176</b>	<b>76,259</b>	<b>76,381</b>
<b>NET COST OF SERVICES</b> <sup>(d)</sup> .....	<b>171,511</b>	<b>190,136</b>	<b>188,387</b>	<b>195,836</b>	<b>187,271</b>	<b>186,355</b>	<b>187,397</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(d)</sup> .....	173,850	197,255	196,003	196,554	190,397	190,293	192,534
Resources received free of charge .....	2,103	1,079	1,079	1,078	1,078	1,078	1,078
Liabilities assumed by the Treasurer .....	1,245	476	476	476	478	478	478
Change in equity arising from transfer of assets/liabilities .....	5	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>177,203</b>	<b>198,810</b>	<b>197,558</b>	<b>198,108</b>	<b>191,953</b>	<b>191,849</b>	<b>194,090</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>5,692</b>	<b>8,674</b>	<b>9,171</b>	<b>2,272</b>	<b>4,682</b>	<b>5,494</b>	<b>6,693</b>

(a) The Department of Environment and Conservation was created on 1 July 2006 when the former Department of Environment and the Department of Conservation and Land Management merged. To enable comparisons between reporting periods, 2005-06 Actual data have been amalgamated for the former agencies.

(b) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 1,758; 1,860 and 1,900 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> \$'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 .....	48,807	33,968	41,408	38,778	38,677	38,825	40,193
Restricted cash .....	8,047	2,823	8,057	8,017	8,017	8,017	8,017
Receivables .....	12,209	9,395	12,159	12,159	12,157	12,157	12,157
Inventories .....	351	500	351	351	351	351	351
Amounts receivable for services .....	7,106	7,306	7,306	7,377	14,169	12,871	-
Prepayments .....	1,188	1,008	1,188	1,188	1,188	1,188	1,188
Non current assets held for sale .....	6	-	6	6	6	6	6
<b>Total current assets .....</b>	<b>77,714</b>	<b>55,000</b>	<b>70,475</b>	<b>67,876</b>	<b>74,565</b>	<b>73,415</b>	<b>61,912</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	41,011	50,604	50,604	60,954	65,172	72,333	92,365
Land and buildings .....	2,581,185	2,272,855	2,585,183	2,582,538	2,605,003	2,601,218	2,597,433
Plant and equipment .....	86,930	99,109	104,113	107,635	111,641	114,421	117,540
Inventories .....	1,404	1,919	1,404	1,404	1,404	1,404	1,404
Intangibles .....	389	-	389	389	389	389	389
Restricted cash .....	428	460	658	888	1,118	1,348	1,578
Other .....	10,517	11,148	11,625	25,838	8,828	10,226	10,226
<b>Total non-current assets .....</b>	<b>2,721,864</b>	<b>2,436,095</b>	<b>2,753,976</b>	<b>2,779,646</b>	<b>2,793,555</b>	<b>2,801,339</b>	<b>2,820,935</b>
<b>TOTAL ASSETS .....</b>	<b>2,799,578</b>	<b>2,491,095</b>	<b>2,824,451</b>	<b>2,847,522</b>	<b>2,868,120</b>	<b>2,874,754</b>	<b>2,882,847</b>
<b>CURRENT LIABILITIES</b>							
Superannuation .....	19	152	39	60	81	102	144
Payables <sup>(b)</sup> .....	8,342	8,422	8,125	8,125	8,125	8,125	8,125
Provision for employee entitlements .....	19,324	17,912	18,927	19,107	19,345	19,525	19,705
Accrued salaries .....	1,828	769	623	910	1,201	1,431	1,661
Other .....	2,849	984	2,689	2,629	2,569	2,569	2,569
<b>Total current liabilities .....</b>	<b>32,362</b>	<b>28,239</b>	<b>30,403</b>	<b>30,831</b>	<b>31,321</b>	<b>31,752</b>	<b>32,204</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	8,360	8,545	9,096	9,255	9,414	9,573	9,732
Other .....	-	200	100	100	100	100	100
<b>Total non-current liabilities .....</b>	<b>8,360</b>	<b>8,745</b>	<b>9,196</b>	<b>9,355</b>	<b>9,514</b>	<b>9,673</b>	<b>9,832</b>
<b>TOTAL LIABILITIES .....</b>	<b>40,722</b>	<b>36,984</b>	<b>39,599</b>	<b>40,186</b>	<b>40,835</b>	<b>41,425</b>	<b>42,036</b>
<b>EQUITY</b>							
Contributed equity .....	12,494	(174,465)	29,319	49,531	64,798	65,348	66,137
Accumulated surplus/(deficit) .....	444,633	435,791	453,804	456,076	460,758	466,252	472,945
Transfer negative contributed equity to accumulated surplus .....	(199,223)	-	(199,223)	(199,223)	(199,223)	(199,223)	(199,223)
Reserves .....	2,500,952	2,192,785	2,500,952	2,500,952	2,500,952	2,500,952	2,500,952
<b>Total equity .....</b>	<b>2,758,856</b>	<b>2,454,111</b>	<b>2,784,852</b>	<b>2,807,336</b>	<b>2,827,285</b>	<b>2,833,329</b>	<b>2,853,202</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>2,799,578</b>	<b>2,491,095</b>	<b>2,824,451</b>	<b>2,847,522</b>	<b>2,868,120</b>	<b>2,874,754</b>	<b>2,882,847</b>

(a) The Department of Environment and Conservation was created on 1 July 2006 when the former Department of Environment and the Department of Conservation and Land Management merged. To enable comparisons between reporting periods, 2005-06 Actual data have been amalgamated for the former agencies.

(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 \$'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 .....	157,481	180,356	179,104	178,827	172,010	170,261	172,502
Capital contribution .....	11,341	11,960	16,540	20,212	15,267	550	789
Holding account drawdowns .....	5,140	7,106	7,106	7,306	7,377	14,169	12,871
<b>Net cash provided by State government .....</b>	<b>173,962</b>	<b>199,422</b>	<b>202,750</b>	<b>206,345</b>	<b>194,654</b>	<b>184,980</b>	<b>186,162</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(102,715)	(115,761)	(119,838)	(124,076)	(124,622)	(126,839)	(128,497)
Superannuation .....	(9,073)	(10,286)	(10,593)	(11,036)	(11,088)	(11,327)	(11,508)
Grants and subsidies .....	(9,104)	(3,751)	(5,267)	(9,889)	(13,790)	(13,790)	(14,640)
Consultancies payments .....	(4,372)	(2,984)	(2,984)	(2,994)	(2,804)	(2,804)	(2,880)
Supplies and services .....	(73,668)	(69,634)	(72,161)	(92,704)	(83,024)	(80,008)	(78,279)
Accommodation .....	(4,926)	(5,382)	(5,382)	(5,358)	(5,144)	(5,180)	(5,110)
Capital user charge <sup>(b)</sup> .....	(17,762)	(16,473)	(16,473)	-	-	-	-
Goods and services tax .....	(9,822)	(8,200)	(8,200)	(8,200)	(8,200)	(8,200)	(8,200)
Other .....	(100)	(767)	(767)	(720)	(720)	(827)	(1,004)
<b>Receipts</b>							
User charges and fees .....	22,943	13,250	13,250	13,307	13,357	13,173	13,586
Regulatory fees and fines .....	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
Donations receipts .....	-	5,000	-	-	-	-	-
Goods and services tax .....	9,717	8,200	8,200	8,200	8,200	8,200	8,200
Other receipts .....	17,002	15,416	26,937	31,881	33,867	35,641	35,350
<b>Net cash from operating activities .....</b>	<b>(153,594)</b>	<b>(171,439)</b>	<b>(171,345)</b>	<b>(176,307)</b>	<b>(167,016)</b>	<b>(164,516)</b>	<b>(165,537)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(21,081)	(24,667)	(39,285)	(33,132)	(28,153)	(20,964)	(19,905)
Proceeds from sale of non-current assets .....	1,670	721	721	654	644	878	878
<b>Net cash from investing activities .....</b>	<b>(19,411)</b>	<b>(23,946)</b>	<b>(38,564)</b>	<b>(32,478)</b>	<b>(27,509)</b>	<b>(20,086)</b>	<b>(19,027)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Other payments for financing activities .....	(430)	-	-	-	-	-	-
<b>Net cash from financing activities .....</b>	<b>(430)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>527</b>	<b>4,037</b>	<b>(7,159)</b>	<b>(2,440)</b>	<b>129</b>	<b>378</b>	<b>1,598</b>
Cash assets at the beginning of the reporting period .....	56,755	33,214	57,282	50,123	47,683	47,812	48,190
<b>Cash assets at the end of the reporting period .....</b>	<b>57,282</b>	<b>37,251</b>	<b>50,123</b>	<b>47,683</b>	<b>47,812</b>	<b>48,190</b>	<b>49,788</b>

(a) The Department of Environment and Conservation was created on 1 July 2006 when the former Department of Environment and the Department of Conservation and Land Management merged. To enable comparisons between reporting periods, 2005-06 Actual data have been amalgamated for the former agencies.

(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.

## 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.....	242,976	244,406	250,457	266,306	261,447	262,614	263,778
<i>Less Capital User Charge</i> .....	16,785	16,473	16,256	-	-	-	-
Adjusted Total Cost of Services .....	226,191	227,933	234,201	266,306	261,447	262,614	263,778
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	173,850	197,255	196,003	196,554	190,397	190,293	192,534
<i>Less Capital User Charge</i> .....	16,785	16,473	16,256	-	-	-	-
Adjusted net amount appropriated to deliver services .....	157,065	180,782	179,747	196,554	190,397	190,293	192,534

## 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.....	119	145	120	125	130	135	135
<b>TOTAL ADMINISTERED EXPENSES .....</b>	<b>119</b>	<b>145</b>	<b>120</b>	<b>125</b>	<b>130</b>	<b>135</b>	<b>135</b>
<b>INCOME</b>							
<b>ROYALTIES</b>							
Fauna royalties .....	99	125	100	100	100	100	100
<b>FINES</b>							
Receipts from regulatory fees and fines .....	11	20	20	25	30	35	35
<b>TOTAL ADMINISTERED INCOME .....</b>	<b>110</b>	<b>145</b>	<b>120</b>	<b>125</b>	<b>130</b>	<b>135</b>	<b>135</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>							
Receipts paid into consolidated account.....	(119)	(145)	(120)	(125)	(130)	(135)	(135)
<b>TOTAL ADMINISTERED CASH OUTFLOWS .....</b>	<b>(119)</b>	<b>(145)</b>	<b>(120)</b>	<b>(125)</b>	<b>(130)</b>	<b>(135)</b>	<b>(135)</b>
<b>CASH INFLOWS FROM ADMINISTERED TRANSACTIONS</b>							
<b>Operating Activities</b>							
Regulatory fees and fines.....	110	145	120	125	130	135	135
<b>TOTAL ADMINISTERED CASH INFLOWS.....</b>	<b>110</b>	<b>145</b>	<b>120</b>	<b>125</b>	<b>130</b>	<b>135</b>	<b>135</b>
<b>NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>-</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
Air Quality Management Grants .....	-	-	300	600	400	400	400
Bibbulmun Track Foundation.....	50	-	50	50	-	-	-
Bushland Benefits Grants .....	352	-	341	-	-	-	-
Conservation Council - Biodiversity Conservation Officer.....	90	90	90	90	90	90	90
Contaminated Sites Management Fund.....	-	-	1,200	6,600	2,400	2,400	2,400
Healthy Wetlands Habitat Grant.....	-	-	150	99	-	-	-
Low Emission Energy Development Fund .....	-	-	-	-	8,450	8,450	9,300
Minister for the Environment's Community Conservation Grants.....	180	200	200	200	200	200	200
National Trust of Australia .....	25	-	-	-	-	-	-
Regional Parks Community Grants .....	50	50	51	50	50	50	50
Stop the Toad Foundation.....	500	-	-	-	-	-	-
Tuart Conservation Grants.....	100	-	-	-	-	-	-
Waste Management Recycling Fund Grants ....	6,007	3,321	2,885	2,200	2,200	2,200	2,200
Greenhouse Initiatives .....	-	90	-	-	-	-	-
<b>TOTAL</b>	<b>7,354</b>	<b>3,751</b>	<b>5,267</b>	<b>9,889</b>	<b>13,790</b>	<b>13,790</b>	<b>14,640</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
Receipts from Sale of Goods and Services.....	22,943	13,250	13,250	13,307
Regulatory Fees .....	14,282	9,466	9,466	13,080
Grants and Subsidies.....	11,940	8,760	10,760	10,500
Interest Received.....	2,064	1,707	1,707	1,702
GST Input Credits.....	5,874	5,200	5,200	5,200
GST Receipts on Sales.....	3,843	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
Other Receipts.....	17,002	20,416	26,937	31,881
<b>TOTAL .....</b>	<b>79,618</b>	<b>62,520</b>	<b>71,041</b>	<b>79,324</b>

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

# BOTANIC GARDENS AND PARKS AUTHORITY

## PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL

### DIVISION 64

#### 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 112 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	10,908	11,463	11,441	<b>12,286</b>	12,417	12,726	12,800
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	149	-	154	<b>158</b>	163	168	173
Total appropriations provided to deliver services .....	11,057	11,463	11,595	<b>12,444</b>	12,580	12,894	12,973
<b>CAPITAL</b>							
<b>Item 182 Capital Contribution .....</b>	593	500	500	<b>1,985</b>	2,850	1,985	2,932
<b>GRAND TOTAL .....</b>	11,650	11,963	12,095	<b>14,429</b>	15,430	14,879	15,905

- (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 conserve and enhance Kings Park and Botanic Garden and Bold Park with the community and to conserve biological diversity generally.*

#### SIGNIFICANT ISSUES AND TRENDS

- Ongoing improvements to water management systems in Kings Park and Botanic Garden have resulted in significant water use efficiencies, particularly in the high profile and high visitation lawn areas, where irrigation generally replaces 60 per cent of evapotranspiration, which is at the lower end of the industry benchmark of 60-65 per cent replacement. The use of specialised equipment to monitor water movement through soil, measure soil moisture and record any nutrient loss in the soil allows for adaptive management of water application rates to improve water use efficiencies. Since recording started two years ago there has been no leaching of nutrients into the groundwater.
- Biodiversity conservation in Kings Park and Bold Park bushland continues to be enhanced through ecological restoration and research programs and weed control activities, with no native species lost from either park. Ongoing funding through the capital works program has enabled woody weed removal from approximately 90 per cent of the bushland in both parks as well as a substantial Veld grass control program that has reduced the introduced Veld grass cover to less than 20 per cent in 65 per cent of Kings Park bushland. In addition to enhanced conservation value, this also contributes to improved fire preparedness as a fuel reduction strategy.

- Pedestrian access on and along the Mt Eliza Escarpment has been revised to improve public safety in this area, consistent with the outcomes of geotechnical risk assessments regarding slope stability. Access to Kings Park and Botanic Garden along the Kokoda Track from Mounts Bay Road has been reopened following the implementation of additional risk management treatments over the past two years. Geotechnical reviews and risk assessments will continue over time to monitor slope stability and ensure public safety in this area.
- Aspects of Kings Park (the Botanic Gardens and Parks Authority's retail outlet) continues to perform above expectations and attracts very positive reactions from visitors. Other visitor facilities such as the Lotterywest Federation Walkway, Synergy Parkland and the upgraded Lotterywest Family Area continue to attract large numbers of visitors. These and other high quality facilities need to be maintained to meet the demands of visitor numbers and expectations.
- The Authority's world class research program continues to attract significant national and international profile with the proportion of research funding from external sponsors rising to over \$1.0 million for the year for significant biodiversity conservation research initiatives, with a growing focus on the impact of global climate change.

**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>							
Customer Service and Cultural Heritage .....	9,629	8,141	9,532	10,212			
<i>Service 2:</i>							
Biodiversity Conservation and Scientific Research .....	6,047	6,170	4,891	5,260			
<b>Total Cost of Services <sup>(a)</sup></b> .....	15,676	14,311	14,423	15,472	15,717	16,128	16,330
<i>Less Income</i> .....	4,785	2,853	2,853	3,036	3,147	3,237	3,330
<b>Net Cost of Services <sup>(a)</sup></b> .....	10,891	11,458	11,570	12,436	12,570	12,891	13,000
Adjustments <sup>(b)</sup> .....	166	5	25	8	10	3	(27)
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	11,057	11,463	11,595	12,444	12,580	12,894	12,973
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	593	500	500	1,985	2,850	1,985	2,932
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	11,650	11,963	12,095	14,429	15,430	14,879	15,905

- (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 Outcomes	Services
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Awareness and appreciation of recreation and tourist resources, and cultural heritage for visitors' enjoyment.	1. Customer Service and Cultural Heritage
	Conservation and enhancement of Western Australia's bushland and other flora.	2. Biodiversity Conservation and Scientific Research

### 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: Awareness and appreciation of recreation and tourist resources, and cultural heritage for visitors' enjoyment.</b>					
The level of visitor satisfaction with Kings Park and Botanic Garden facilities and the Western Australian Botanic Garden .....	100%	99%	99%	100%	Upgrades to walking tracks to be completed between surveys in each year, increasing visitor satisfaction levels.
The level of visitor satisfaction with Bold Park and facilities .....	86%	93%	88%	95%	
The percentage change in the number of cultural events held at Kings Park and Botanic Garden compared to previous years .....	-6.2%	1%	-7%	1%	
The percentage change in the number attending customer awareness and education forums held at Kings Park and Botanic Garden compared to previous years .....	-13.2%	1%	16%	1%	
<b>Outcome: Conservation and enhancement of Western Australia's bushland and other flora.</b>					
Percentage of Declared Rare Flora (DRF) species in living collections in Kings Park and Botanic Garden, compared to the known number of DRF species in Western Australia ..	61%	65%	59%	62%	
Percentage of accessions in living collections in Kings Park and Botanic Garden. ....	40%	45%	40%	42%	
Percentage of accessions lost in living collections in Kings Park and Botanic Garden.	5%	3%	6%	5%	
The presence of 15 nominated perennially evident native plant species, which are the most vulnerable taxa within each of Kings Park and Bold Park bushland .....	100%	100%	100%	100%	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Number of common native plant species in Bold Park in areas with high levels of management compared to areas with low levels of management.....	1.32	1.32	1.42	1.50	
Weed cover in high intensity management areas compared to low intensity management areas in Bold Park.....	0.62	0.62	0.67	0.65	
Number of representative native plant taxa in Kings Park bushland.....	324	324	324	324	
Number of representative native plant taxa in Bold Park bushland.....	310	310	310	310	

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

### Service 1: Customer Service and Cultural Heritage

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

	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> .....	9,629	8,141	9,532	10,212	
Less Income.....	3,324	2,217	1,883	2,247	
Net Cost of Service <sup>(a)</sup> .....	6,305	5,924	7,649	7,965	
Adjustments <sup>(b)</sup> .....	123	3	18	6	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,428</b>	<b>5,927</b>	<b>7,667</b>	<b>7,971</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 visitor to Kings Park and Botanic Garden .....	\$2.26	\$2.00	\$1.96	\$2.00	
Average cost per attendee at cultural events held in Kings Park and Botanic Garden .....	\$986.49	\$750.00	\$921.75	\$817.00	
Average cost per attendee at education forums held at Kings Park and Botanic Garden.....	\$0.43	\$0.40	\$0.32	\$0.34	
Response times for public information requests.....	76% within 28 days	90%	90%	90%	
Percentage change in number of visitors to Reabold Hill compared to previous years.....	n/a	4%	0%	2%	New Indicator introduced during the 2005-2006 financial year.
<b>Full Time Equivalents (FTEs)</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	



**Major Achievements For 2006-07**

- Stage Two of the deep sewerage program in Kings Park and Botanic Garden was completed in October 2006, connecting facilities at Synergy Parkland and at Saw Avenue Picnic area. Connection to deep sewerage reduces the environmental risks associated with a septic system, provides environmental benefits by having a more sustainable waste management system and also reduces operating costs. Design and documentation of Stage Three works to be implemented in 2007-08 was also completed.
- Documentation and implementation of works to upgrade the irrigation system in Kings Park and Botanic Garden commenced, including installation of a new bore, evaluation of system capacity, upgrading filtration systems and upgrading the electrical switchboard. This upgrade will allow the Authority to better manage the complex irrigation needs of the Park according to best practice and allow certainty of water delivery to maintain high quality turf in the developed areas.
- A major upgrade to the main walking trails in Bold Park is nearing completion to improve the safety and quality of experience for visitors and significantly reduce erosion issues associated with the steep terrain.
- Significant progress was made on the installation of risk treatment measures on the Mount Eliza Escarpment to improve public safety in the vicinity, including the completion of rock-catch fencing commencing at the Kokoda Track and continuing towards the city, upgrading pathways, installation of risk warning signs and barrier gates.
- The Mount Eliza Escarpment Stage Two Risk Management project has delivered significant improvements in public safety along the base of the escarpment. Extensions to the rock catch fence along sections of Mounts Bay Road were completed in February 2006, providing improved protection from potential rockfalls and landslips. Works on the installation of high capacity rock catch fencing to areas behind buildings adjoining the base of the escarpment commenced in 2006-2007. However, complex site conditions relating to the high capacity fencing have caused significant delays to its installation. Design has been completed and significant progress has been made on its implementation, with completion anticipated by August 2007.

**Major Initiatives For 2007-08**

- A major public safety and visitor infrastructure project will commence in the Fraser Avenue, State War Memorial and restaurant precinct in Kings Park and Botanic Garden. Vehicle traffic will be diverted from the southern end of Fraser Avenue via an upgraded access road to the rear of the restaurant precinct, with improved set-down and parking for coaches and charter vehicles and the main carpark will be reconfigured to improve pedestrian safety and access for all. Changes to the southern section of Fraser Avenue from the State War Memorial to the Lord Forrest roundabout and the implementation of the Fraser Avenue Ceremonial Walk will provide an appropriate and dignified ceremonial connection between the State War Memorial and the restaurant precinct and enhance pedestrian access and safety within this area generally.
- Significant works to improve the irrigation system in Kings Park and Botanic Garden will continue including upgrades to the filtration system, water capacity and electrical controls, along with the interconnection of internal irrigation systems. These works will improve the reliability of irrigation water supply and systems and assist with the continuous improvement in water use efficiencies.
- Stage Three of the Deep Sewerage infill program will be completed to connect all facilities in and around the Western Australian Botanic Garden. In addition to the environmental benefits from a more sustainable waste management system, this project will enhance the facilities for all visitors to the Botanic Garden, particularly at peak times associated with major events conducted in this location.
- A review of pedestrian circulation in the Botanic Garden to provide greater connection between key visitation areas and improve access through the diverse botanical displays will be implemented.
- The carparks off Perry Lakes Drive in Bold Park will be upgraded, incorporating revised layouts and bitumen sealing, to enhance visitor access and safety and protect the remnant trees within the current carpark areas.

**Service 2: Biodiversity Conservation and Scientific Research**

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

	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> .....	6,047	6,170	4,891	5,260	
Less Income .....	1,461	636	970	789	
Net Cost of Service <sup>(a)</sup> .....	4,586	5,534	3,921	4,471	
Adjustments <sup>(b)</sup> .....	43	2	7	2	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>4,629</b>	<b>5,536</b>	<b>3,928</b>	<b>4,473</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 representative native plant taxa in Kings Park bushland .....	\$6,305	\$5,500	\$4,755	\$5,100	Greater cost and demand pressures have resulted in increased recruitment costs.
Average cost of the number of representative native plant species in Bold Park .....	\$2,238	\$2,200	\$1,900	\$2,000	
Average cost per research grant project .....	\$6,236	\$6,200	\$7,131	\$7,400	
Number of refereed scientific publications published per CF position compared to previous years .....	34	35	33	35	
<b>Full Time Equivalents (FTEs)</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	

**Major Achievements For 2006-07**

- Biodiversity conservation was enhanced in Bold Park and Kings Park bushland with all 310 native plant species in Bold Park and 324 native species in Kings Park bushland conserved through effective ecological restoration and weed control programs on the designated lands.
- Significant progress was made in the development of opportunities and systems for the cultivation and display of Western Australian flora to raise the profile of the local flora and inspire its wider use in the community. Specific developments included:
  - improvements in the horticultural management and maintenance standards enhancing the garden displays in the Botanic Garden entry;
  - the establishment of a new garden to display Western Australian flora adjacent to Aspects of Kings Park to advance appreciation of the local flora. Colourful displays in this high profile area also indirectly promote tourism in Western Australia, providing a sample of what visitors to regional areas can encounter and inspiring people to venture out to experience the unique flora in the wild; and
  - ongoing selection of horticulturally suitable plant varieties from wild populations for use in garden displays and home gardens and the use of grafting techniques to improve plant performance in a range of environments.

- Extensive seed collection programs were undertaken in the Kimberley and the Pilbara regions as part of the partnership with the Millennium Seedbank project run by the Royal Botanic Gardens Kew, United Kingdom. These collections will be lodged in both the Millennium Seedbank and the Western Australian Seed Technology Centre to assist the future conservation of the flora of these regions.
- The Millennium Seed Bank program, part of a major international collaborative research partnership between Royal Botanic Gardens, Kew, United Kingdom; the Department of Environment and Conservation; and the Authority, has entered its third year. After a review early in 2007, the leader of the Millennium Seed Bank project was impressed with the research undertaken in Western Australia with wild seeds in restoration and sustainable use and was aware of no other state or country meeting Target 8 (60 per cent of the state's declared rare flora in storage) of the Global Strategy for Plant Conservation.
- Funding from industry bodies, Rocla Quarry Products and Alcoa World Alumina, and matching funding from the Western Australia Government, has allowed two research scientists to be employed at the Authority. This arrangement gives the opportunity for further research into seed science and restoration ecophysiology.
- Planning for two international conferences of scientific research importance, the 11th International Mediterranean Ecosystems Conference (MEDECOS XI) and the 2nd International Society for Seed Science Meeting (Seed Ecology II), is well underway with BGPA staff playing critical roles within the Organising Committees. Both conferences are scheduled for September 2007. The MEDECOS conference, hosted every three to four years, is pivotal to increasing our understanding and protection of these ecosystem-types which are amongst the most threatened in the world. The Seed Ecology II Conference will provide an avenue for understanding issues associated with the ecology and dynamics of native soil seed banks, which is a fundamental issue for land restoration industries.
- The Authority has successfully bid to host the annual Society for Ecological Restoration International Conference (SERI) in 2009. This marks an important occasion for ecological restoration research in Western Australia with the Society recognising the ecological restoration research capability of Western Australia. The conference is expected to attract a global gathering of 400-600 biologists, ecologists and practitioners to Western Australia and is only the third time this conference has been held outside the United States of America in its 20 year history.
- Research continues into butenolide, the chemical scientists at the Authority, the University of Western Australia and Murdoch University discovered as the key agent in smoke that promotes germination of a broad range of wild plants, crop species and weeds. The project is refining the interactions of butenolide with plant hormones and a number of analogues of the butenolide molecule have been successfully synthesized, providing greater understanding of its mode of action. Field trials have successfully demonstrated the potential of butenolide in broad-acre land restoration and weed control.
- A three and a half year research project, partly funded by Cockburn Cement Limited and the Department of Industry and Resources into the seagrass *Posidonia australis* and its restoration in Cockburn Sound, has commenced.
- The success of previous research undertaken with Mt Gibson Mining has allowed an expansion of the scope and terms of a research project for the conservation and management of two declared rare flora species, *Lepidosperma* sp. and *Darwinia masonii*, for a further three years and the appointment of two research scientists.
- Research into the role of pollinators and mycorrhiza in controlling distribution and speciation in *Drakaea*, an orchid designated as a declared rare flora, has commenced. Research has highlighted the interdependence of the one wasp species, the *Drakaea* it pollinates and one grub species critical for the wasp life-cycle. This research project is scheduled for 3.5 years.
- A five year research program on a molecular ecophysiological assessment of the importance of local provenance seed for ecological restoration commenced in 2007, with funding from the Australian Research Council. Two research scientists, one from the USA and one from the UK, have been recruited for this project.
- A three year research program on the rare *Tetratheca paynterae* and related species, with funding from Portman Iron Ore, will reach completion in late 2007. This program integrates an assessment of genetic variation, mating, dispersal, seed biology, and conservation biotechnology to underpin sustainable management of a highly restricted species impacted by mining.

- A five year research grant from the Australian Research Council enabled the continuation of previously Australian Research Council funded research on key processes affecting genetic variation, where we are using the most powerful molecular techniques to quantify dispersal of seed and pollen and assessing its consequences in plant species with varying life histories.
- Genetic research continued on a Perth provenance atlas for improved ecological restoration outcomes, with funding from the Australian Research Council. This project includes some of the most detailed assessments ever conducted on the biological significance of using local provenance seed in bushland restoration through extensive field trials.
- Training of the next generation of conservation and restoration science researchers continued through postgraduate supervision, the teaching of a third year course on conservation biology and restoration ecology through the University of Western Australia to 25 undergraduate students and the supervision of five student summer scholarships.
- A major research project through the Australian Centre for Minerals Extension and Research (ACMER) has commenced, with completion due in 2007. Collaborative research with the University of Queensland is progressing, characterising seed longevity, storage and germination requirements for species important to restoration of mined lands in Western Australia and Queensland.
- A major research project into enhancing the establishment of native perennial grasses for use in land restoration/pasture systems has commenced with completion due in 2008. Research involves investigation into the optimum collection, storage and germination of native grass species and application of biotechnology for seed enhancement. This project, supported by RIRDC, is in collaboration with the University of Western Australia, Native Seeds Pty Ltd, and the Victorian Department of Primary Industries.
- A project, being undertaken by the Authority and the University of Western Australia, investigating the mechanism of action of butenolide in seed germination stimulation, has identified model species that will allow research into the molecular mode of action of butenolide. Genomic and proteomic techniques are being developed to locate the gene(s) responsible for dormancy/germination stimulation in native and agricultural species.
- A five year research grant from the Australian Research Council enables the continuation of research on key processes affecting genetic variation, where we are using the most powerful molecular techniques to quantify dispersal of seed and pollen and assessing its consequences in plant species with varying life histories.
- A three year research program on the rare *Tetralochea paynterae* and related species, with funding from industry, will reach completion in 2007. This program integrates an assessment of genetic variation, mating, dispersal, seed biology, and conservation biotechnology to underpin sustainable management of a highly restricted species impacted by mining.
- Ecological, propagation and translocation research projects are continuing on rare and priority species in collaboration with Westralia Airports Corporation and the Public Transport Authority industry partners. Ground-breaking findings, including the breaking of seed dormancy, and the successful propagation and translocation of plants to conservation sites, are enabling the sustainable conservation, restoration and management of these species.
- The Authority released a book entitled 'Australian Seeds' in June 2006. The book provides a comprehensive guide to native seed identification, collection and biology. The book, published by CSIRO, has been very popular and spent several months on CSIRO's best seller list.
- A study, in collaboration with the Fire and Emergency Services Authority of Western Australia, has demonstrated that tested fire suppression agents/chemicals, employed to assist fire fighting activities, may have the potential to harm the seed germination and seedling establishment phases to varying degrees.
- Research on a weed suppression chemical that is selective for *Ehrharta calycina*, a pernicious weed within *Banksia* woodland, and commonly used in urban bushland management, has demonstrated the potential to harm seed germination and seedling establishment phases. This work is now being investigated further through the addition of other herbicides into the research program. The findings may have implications for the way weed management programs are undertaken in urban bushlands and elsewhere.

- The Authority has commenced a three year project funded by the Australian Research Council (ARC) in 2006 in collaboration with industry partners Murdoch University, Worsley Alumina Pty Ltd and Seed Solutions Pty Ltd. The project is researching *in vitro* propagation (through somatic embryogenesis) of rush and sedge species important for land rehabilitation. ARC contribution is \$220,000 per three years, with additional cash and in-kind contributions by the Authority and Industry Partners.

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

- Expansion of the Conservation Garden in Kings Park and Botanic Garden will facilitate display of the state's DRF, with a focus on interpretation of their status in the wild and the need for their conservation as a public education strategy. Improvements to horticultural displays within the Botanic Garden and the establishment of sustainable, longer-term display gardens to replace the more temporary displays previously constructed for the Kings Park Wildflower Festival, will help promote the use of Western Australian flora and the conservation benefits of growing local plants.
- Ecological restoration and weed control activities based on scientific research outcomes in Bold Park and Kings Park bushland to enhance biodiversity conservation on the designated lands will continue. This includes preliminary investigations for the restoration of wetlands near the Kennedy Fountain in Kings Park and Camel Lake in Bold Park.
- A three year research and development strategy has been accepted by Newcrest Operations at Telfer, Western Australia. Of the three-part program, research has recently begun on weed ecology and control, and the development of restoration principles. The third part of the program, on improving seedbanking and dormancy breaking treatments, is due to commence in 2007-08.
- A three year research project, funded by the Australia Research Council will commence in 2007 to investigate seed enhancement technologies for mine-site restoration. The project includes collaboration with industry partners Worsley Alumina and Alcoa of Australia, and The University of Queensland.
- A national research grant has been awarded by Meat and Livestock Australia, the Sustainable Grazing of Saline Lands a subproject of Land and Water Australia, the Australian Wool Innovation and the Cooperative Research Centre for Plant-Based Management of Dryland Salinity (Salinity CRC) to investigate reliable establishment techniques of non-traditional perennial pasture species. Partner investigators include Department of Agriculture and Food Western Australia, Department of Primary Industry Victoria, Salinity CRC, Charles Sturt University and the University of Western Australia. Currently, there is an unacceptably high failure rate for the establishment from seed of non-traditional species, notably halophytic shrubs (particularly saltbushes), native pastures and exotic, warm season perennials. The output from the Authority's sub-project will be a fundamental understanding of the seed and germination biology of the suite of species of interest, along with some new technologies (seed treatments, priming, coatings etc.) to enhance their establishment success. The project commenced in July 2006 and the final report is due in March 2010.

### **CAPITAL WORKS PROGRAM**

The Authority's planned capital works expenditure for 2007-08 totals \$5.0 million

Major projects include:

- ongoing bushland management and ecological restoration in Kings Park and Bold Park bushland;
- continuation of the deep sewerage program, which commenced in 2004-05;
- ongoing replacement of ageing and obsolete plant and equipment, building refurbishment and an upgrade to the irrigation system in Kings Park;
- enhancement of the Botanic Garden including upgrades to pedestrian circulation and garden displays;
- the commencement of a major upgrade to visitor infrastructure and vehicle and pedestrian circulation in the Fraser Avenue, main carpark and State War Memorial precincts; and
- minor refurbishment of Heritage listed buildings within the park.

	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 Program				
Asset Replacement Program .....	4,537	964	964	1,354
Biodiversity Conservation				
Bold Park Bushland Management .....	10,455	850	850	825
Kings Park Bushland Management .....	6,237	350	350	537
Public Safety and Infrastructure				
Deep Sewerage Program .....	2,142	500	500	942
<b>COMPLETED WORKS</b>				
Bold Park				
Bushland Management .....	2,848	2,848	126	-
Reabold Hill Precinct .....	2,383	2,383	105	-
Kings Park and Botanic Garden				
Kings Park Path Network – Repair .....	10	10	10	-
Mount Eliza Scarp .....	5,216	5,216	100	-
Mount Eliza Scarp Risk Monitoring .....	95	95	50	-
Mount Eliza Public Safety Stage 2 .....	1,690	1,690	884	-
<b>NEW WORKS</b>				
Biodiversity Conservation				
Botanic Garden Enhancement .....	3,332	-	-	332
Public Safety and Infrastructure				
Heritage Buildings .....	620	-	-	30
Main Car Parks and Visitor Facilities .....	3,230	-	-	1,013
	42,795	14,906	3,939	5,033

**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>	1,379	2,664	3,939	5,033	5,634	4,365	5,217
	1,379	2,664	3,939	5,033	5,634	4,365	5,217
<b>LESS</b>							
Drawdowns from the Holding Account .....	42	964	964	1,354	959	675	585
Funding Included in Service Appropriations <sup>(a)</sup> .....	744	1,200	1,200	1,694	1,825	1,705	1,700
Internal Funds and Balances .....	-	-	1,275	-	-	-	-
<b>Capital Contribution .....</b>	593	500	500	1,985	2,850	1,985	2,932

(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> .....	5,829	6,176	6,243	6,481	6,648	6,855	7,064
Superannuation .....	525	527	534	555	575	595	607
Cost of goods sold .....	709	593	593	652	672	692	735
Grants and subsidies <sup>(b)</sup> .....	-	-	38	-	-	-	-
Supplies and services .....	6,401	3,994	3,994	4,554	4,657	4,683	4,520
Accommodation .....	318	1,093	1,093	1,138	995	1,037	1,070
Capital user charge <sup>(c)</sup> .....	3,052	3,178	3,178	-	-	-	-
Depreciation and amortisation .....	953	1,140	1,120	1,210	1,270	1,250	1,752
State taxes .....	-	6	6	6	6	6	6
Doubtful debts .....	253	-	-	-	-	-	-
Other expenses .....	688	782	802	876	894	1,010	576
<b>TOTAL COST OF SERVICES</b> .....	18,728	17,489	17,601	15,472	15,717	16,128	16,330
<b>Income</b>							
User charges and fees .....	1,252	1,778	1,778	1,906	1,963	2,022	2,085
Regulatory fees and fines .....	705	40	40	40	40	40	40
Grants and subsidies .....	1,201	475	475	490	504	519	534
Interest revenue .....	90	20	20	20	20	20	20
Rent .....	442	350	350	385	420	430	440
Donations .....	16	20	20	20	20	20	20
Other revenue .....	1,079	170	170	175	180	186	191
<b>Total Income</b> .....	4,785	2,853	2,853	3,036	3,147	3,237	3,330
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	13,943	14,636	14,748	12,436	12,570	12,891	13,000
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	14,109	14,641	14,773	12,444	12,580	12,894	12,973
Resources received free of charge .....	44	40	40	42	44	45	47
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	14,153	14,681	14,813	12,486	12,624	12,939	13,020
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	210	45	65	50	54	48	20

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 112, 112 and 112 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 .....	1,713	237	775	338	338	400	380
Restricted cash .....	1,037	700	1,037	1,037	1,037	1,037	1,037
Receivables .....	530	647	497	497	497	497	497
Inventories .....	658	630	727	747	765	777	777
Amounts receivable for services .....	964	1,354	1,354	959	675	585	675
Prepayments .....	19	32	19	19	19	19	19
<b>Total current assets .....</b>	<b>4,921</b>	<b>3,600</b>	<b>4,409</b>	<b>3,597</b>	<b>3,331</b>	<b>3,315</b>	<b>3,385</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	3,081	3,645	2,847	3,098	3,693	4,358	5,435
Land and buildings .....	23,690	21,490	23,410	24,898	26,294	32,312	33,096
Plant and equipment .....	3,185	2,581	3,191	2,739	2,365	1,999	1,009
Infrastructure .....	-	-	-	-	-	-	858
Intangibles .....	16	36	16	16	16	16	16
Other .....	7,064	8,801	7,438	8,685	10,298	6,092	7,288
<b>Total non-current assets .....</b>	<b>37,036</b>	<b>36,553</b>	<b>36,902</b>	<b>39,436</b>	<b>42,666</b>	<b>44,777</b>	<b>47,702</b>
<b>TOTAL ASSETS .....</b>	<b>41,957</b>	<b>40,153</b>	<b>41,311</b>	<b>43,033</b>	<b>45,997</b>	<b>48,092</b>	<b>51,087</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	1,016	560	1,047	1,077	1,075	1,075	1,075
Provision for employee entitlements .....	998	1,095	1,008	1,038	1,073	1,108	1,141
Accrued salaries .....	83	22	74	96	118	140	145
Other .....	2,964	1,116	1,749	1,349	1,349	1,349	1,349
<b>Total current liabilities .....</b>	<b>5,061</b>	<b>2,793</b>	<b>3,878</b>	<b>3,560</b>	<b>3,615</b>	<b>3,672</b>	<b>3,710</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	316	170	288	293	298	303	308
<b>Total non-current liabilities .....</b>	<b>316</b>	<b>170</b>	<b>288</b>	<b>293</b>	<b>298</b>	<b>303</b>	<b>308</b>
<b>TOTAL LIABILITIES .....</b>	<b>5,377</b>	<b>2,963</b>	<b>4,166</b>	<b>3,853</b>	<b>3,913</b>	<b>3,975</b>	<b>4,018</b>
<b>EQUITY</b>							
Contributed equity .....	16,997	17,497	17,497	19,482	22,332	24,317	27,249
Accumulated surplus/(deficit) .....	8,197	8,196	8,262	8,312	8,366	8,414	8,434
Reserves .....	11,386	11,497	11,386	11,386	11,386	11,386	11,386
<b>Total equity .....</b>	<b>36,580</b>	<b>37,190</b>	<b>37,145</b>	<b>39,180</b>	<b>42,084</b>	<b>44,117</b>	<b>47,069</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>41,957</b>	<b>40,153</b>	<b>41,311</b>	<b>43,033</b>	<b>45,997</b>	<b>48,092</b>	<b>51,087</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 .....	12,860	13,521	13,653	11,234	11,310	11,644	11,221
Capital contribution .....	593	500	500	1,985	2,850	1,985	2,932
Holding account drawdowns .....	42	964	964	1,354	959	675	585
<b>Net cash provided by State government .....</b>	<b>13,495</b>	<b>14,985</b>	<b>15,117</b>	<b>14,573</b>	<b>15,119</b>	<b>14,304</b>	<b>14,738</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(5,715)	(6,183)	(6,270)	(6,424)	(6,586)	(6,793)	(7,021)
Superannuation .....	(493)	(527)	(534)	(555)	(575)	(595)	(637)
Grants and subsidies .....	-	-	(38)	-	-	-	-
Supplies and services .....	(4,554)	(5,061)	(5,936)	(6,124)	(5,534)	(5,629)	(5,301)
Accommodation .....	(747)	(856)	(856)	(938)	(995)	(1,037)	(1,070)
Capital user charge <sup>(a)</sup> .....	(3,052)	(3,178)	(3,178)	-	-	-	-
State taxes .....	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Goods and services tax .....	(716)	(505)	(505)	(505)	(505)	(505)	(505)
Other .....	(353)	(611)	(611)	(680)	(693)	(674)	(633)
<b>Receipts</b>							
User charges and fees .....	1,999	1,778	1,778	1,906	1,963	2,022	2,085
Regulatory fees and fines .....	38	40	40	40	40	40	40
Grants and subsidies .....	1,201	475	475	490	504	519	540
Interest received .....	90	20	20	20	20	20	20
Rent receipts .....	442	350	350	385	420	430	430
Donations receipts .....	21	20	20	20	20	20	20
Goods and services tax .....	735	505	505	505	505	505	505
Other receipts .....	653	135	135	175	92	81	272
<b>Net cash from operating activities .....</b>	<b>(10,457)</b>	<b>(13,604)</b>	<b>(14,611)</b>	<b>(11,691)</b>	<b>(11,330)</b>	<b>(11,602)</b>	<b>(11,261)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(1,209)	(1,464)	(1,464)	(3,339)	(3,809)	(2,660)	(3,517)
Proceeds from sale of non-current assets .....	-	20	20	20	20	20	20
<b>Net cash from investing activities .....</b>	<b>(1,209)</b>	<b>(1,444)</b>	<b>(1,444)</b>	<b>(3,319)</b>	<b>(3,789)</b>	<b>(2,640)</b>	<b>(3,497)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>1,829</b>	<b>(63)</b>	<b>(938)</b>	<b>(437)</b>	<b>-</b>	<b>62</b>	<b>(20)</b>
Cash assets at the beginning of the reporting period .....	921	1,000	2,750	1,812	1,375	1,375	1,437
<b>Cash assets at the end of the reporting period .....</b>	<b>2,750</b>	<b>937</b>	<b>1,812</b>	<b>1,375</b>	<b>1,375</b>	<b>1,437</b>	<b>1,417</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.....	18,728	17,489	17,601	15,472	15,717	16,128	16,330
Less Capital User Charge.....	3,052	3,178	3,178	-	-	-	-
Adjusted Total Cost of Services .....	15,676	14,311	14,423	15,472	15,717	16,128	16,330
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	14,109	14,641	14,773	12,444	12,580	12,894	12,973
Less Capital User Charge.....	3,052	3,178	3,178	-	-	-	-
Adjusted net amount appropriated to deliver services.....	11,057	11,463	11,595	12,444	12,580	12,894	12,973

**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 to the Deckchair Theatre Company .....	-	-	38	-	-	-	-
<b>TOTAL</b>	-	-	38	-	-	-	-

## SWAN RIVER TRUST

### PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL

#### DIVISION 65

#### 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 113 Net amount appropriated to deliver services <sup>(a)</sup></b> .....	8,742	9,747	10,814	<b>11,953</b>	7,305	7,254	7,432
Total appropriations provided to deliver services .....	8,742	9,747	10,814	<b>11,953</b>	7,305	7,254	7,432
<b>CAPITAL</b>							
<b>Item 183 Capital Contribution</b> .....	8	1,008	8	<b>119</b>	-	-	-
<b>GRAND TOTAL</b> .....	8,750	10,755	10,822	<b>12,072</b>	7,305	7,254	7,432

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

#### SIGNIFICANT ISSUES AND TRENDS

- The environmental condition of the Swan-Canning river system varies from the Darling Scarp to the coast, and changes throughout the year. Seasonal changes in river flow, temperature and exchange with the ocean alter the way the river processes nutrient inputs from the catchment.
- High levels of nutrients are a priority environmental issue throughout the river system. Problems due to nutrient enrichment are exacerbated by erosion and sedimentation, altered river flow and loss of fringing vegetation.
- The effects of climate change (reduced rainfall) and population increase will further increase the vulnerability of the river system to nutrient enrichment. As groundwater levels decrease, climate change may increase the risk of acidification and heavy metal contamination that can result from disturbance of acid sulphate soils.
- Demand for residential land in the metropolitan area continues to be high. Land that has been difficult or uneconomic to use for urban purposes in the past because of drainage issues is now being developed. Careful management of stormwater and groundwater needs to be undertaken to avoid increasing nutrient loading in the river system.
- Population growth accelerated by the economic climate will also result in increased recreational pressure on the rivers by activities such as fishing and boating and on-river tourist-based development. The Trust has been under increasing pressure to approve marina expansions which may conflict with other community values for the river. These demands generate the need to take a more strategic approach to assessing proposals for the various forms of development and activities around the rivers.
- The community continues to place a high value on the Swan and Canning rivers and demand for information about the rivers and opportunities for community involvement in their protection remains high.

- There are no simple, quick-fix solutions to these issues. Long-term action on many fronts to reduce nutrient inputs is essential if the rivers are not to deteriorate. Careful planning is required to ensure development around the rivers does not compromise the very attributes the community is seeking to enjoy.
- Management responses must be coordinated to ensure maximum effect. To this end, key guiding initiatives include commencement of the *Swan and Canning Rivers Management Act 2006* during 2007, creation of the Swan-Canning Riverpark, development of targets and the River Protection Strategy and finalisation of the Healthy Rivers Action Plan.
- Actions include continued work in the catchment with regional and subregional community catchment groups, nutrient intervention trials in drains and tributaries, foreshore restoration works and innovative techniques in the waterways themselves. The Trust is also working with planning authorities and local governments to ensure sound planning of riverfront development and that development in the catchment does not increase nutrient export to the rivers.

**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> Statutory Assessment of Development							
Proposals .....	712	766	899	829			
<i>Service 2:</i> Waterways Management .....	1,042	854	1,272	1,841			
<i>Service 3:</i> Development and Implementation of Environmental Management Programs .....	6,225	7,301	7,672	8,631			
<i>Service 4:</i> Communication of Environmental Information	1,152	1,167	1,298	999			
<b>Total Cost of Services <sup>(a)</sup></b> .....	9,131	10,088	11,141	12,300	7,614	7,585	7,763
<i>Less Income</i> .....	409	348	348	382	349	349	349
<b>Net Cost of Services <sup>(a)</sup></b> .....	8,722	9,740	10,793	11,918	7,265	7,236	7,414
Adjustments <sup>(b)</sup> .....	20	7	21	35	40	18	18
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	8,742	9,747	10,814	11,953	7,305	7,254	7,432
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	8	1,008	8	119	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	8,750	10,755	10,822	12,072	7,305	7,254	7,432

- (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
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	The long term community benefit of the Swan-Canning river system is protected and enhanced.	1. Statutory Assessment of Development Proposals 2. Waterways Management
	The ecological health of the Swan - Canning river system is protected and enhanced.	3. Development and Implementation of Environmental Management Programs 4. Communication of Environmental Information

### 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 long term community benefit of the Swan-Canning river system is protected and enhanced.</b>					
Percentage of development recommendations which have attracted negative responses from the community .....	3%	2%	2%	2%	
Percentage of developments audited in full compliance with approval conditions .....	n/a	100%	100%	100%	
<b>Outcome: The ecological health of the Swan-Canning river system is protected and enhanced.</b>					
The extent to which management water quality targets are achieved in the Swan-Canning catchments for phosphorous .....	73%	73%	73%	73%	
The extent to which management water quality targets are achieved in the Swan-Canning catchments for Nitrogen .....	53%	53%	53%	53%	
The extent to which management water quality targets are achieved in the Swan-Canning catchments for Chlorophyll A .....	25%	25%	25%	25%	
The extent to which management water quality targets are achieved in the Swan-Canning catchments for Dissolved Oxygen .....	25%	25%	25%	25%	
Percentage of foreshores protected and rehabilitated in relation to total area .....	17%	10.76%	85.9%	10%	Funding in 2006-07 included a foreshore assessment of a large area of the Swan and Canning rivers at low cost. In 2007-08 the focus will be on implementing works at specific priority locations.
Percentage of people attending environmental education programs who change their behaviours as a result .....	77%	80%	75%	80%	

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

**Service 1: Statutory Assessment of Development Proposals**

Assesses development proposals to ensure community benefit and the ecological health of the rivers are protected.

	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> .....	712	766	899	829	
Less Income .....	15	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	697	766	899	829	
Adjustments <sup>(b)</sup> .....	2	2	2	2	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>699</b>	<b>768</b>	<b>901</b>	<b>831</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 application assessed <sup>(a)</sup> .....	\$3,767	\$4,254	\$5,291	\$4,361	Lower number of assessments received in 2006-07.
<b>Full Time Equivalents (FTEs)</b>	<b>9</b>	<b>11</b>	<b>11</b>	<b>11</b>	

- (a) This is a new measure for 2006-07. Comparable information for 2005-06 has been provided.

**Major Achievements For 2006-07**

- Prepared a new statutory approvals process for licences, permits and development applications under the new *Swan and Canning Rivers Management Act 2006*.
- Initiated and substantially completed a review of all statutory assessment policies in preparation for inclusion in development control area management program.
- Initiated and substantially completed a review of the model development conditions used by the Trust in recommendations to the Minister for the Environment.
- Commenced project to prepare local structure plans based on identifiable precincts around the rivers.

**Major Initiatives For 2007-08**

- Complete review of statutory assessment policies.
- Implement and audit new statutory approvals process for licences, permits and development applications under the *Swan and Canning Rivers Management Act 2006* following proclamation of the Act.
- Continue project to prepare local structure plans based on identifiable precincts around the rivers.
- Continue major involvement in land use planning aspects of the Healthy Rivers Action Plan.

## Service 2: Waterways Management

Manages the river and foreshores, removes waste and hazards, inspects and audits developments, and responds to pollution incidents.

	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> .....	1,042	854	1,272	1,841	Higher allocation of funds directed towards development of Swan-Canning Riverpark.
Less Income.....	53	56	56	61	
Net Cost of Service <sup>(a)</sup> .....	989	798	1,216	1,780	
Adjustments <sup>(b)</sup> .....	2	-	2	5	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>991</b>	<b>798</b>	<b>1,218</b>	<b>1,785</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.

## 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 audit compliance <sup>(a)</sup> .....	n/a	\$3,458	\$8,344	\$9,038	Higher allocation of funds directed towards development of Swan-Canning Riverpark.
Average cost per tonne of waste removed <sup>(a)</sup> .....	\$1,515	\$1,533	\$2,219	\$3,451	
<b>Full Time Equivalents (FTEs)</b>	<b>12</b>	<b>12</b>	<b>17</b>	<b>16</b>	

(a) This is a new measure for 2006-07. Comparable information for 2005-06 has been provided.

## Major Achievements For 2006-07

- Development of a new operating structure in preparation for the *Swan and Canning Rivers Management Act 2006*.
- Developed management strategies to minimise adverse impacts from key river usage activities such as boating.

## Major Initiatives For 2007-08

- Section restructure resulting in development of Riverpark Management Plan and significant increase in the Trust presence in the Riverpark.
- Increased effort and compliance profile resultant from enactment of new legislation.
- Upgrade pollution response equipment.

### Service 3: Development and Implementation of Environmental Management Programs

Develops and guides the environmental management programs required to protect and enhance the ecological health of the rivers.

	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> .....	6,225	7,301	7,672	8,631	Extra funds allocated in 2006-07 and outyears for oxygenation trial in Swan River and drainage works in STET.
Less Income .....	319	292	292	321	
Net Cost of Service <sup>(a)</sup> .....	5,906	7,009	7,380	8,310	
Adjustments <sup>(b)</sup> .....	13	5	14	24	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>5,919</b>	<b>7,014</b>	<b>7,394</b>	<b>8,334</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 river monitoring per km of river managed (approx. 156km) <sup>(a)</sup> .....	\$211	\$239	\$525	\$783	Extra funds allocated in 2006-07 and outyears for oxygenation trial in Swan River and drainage works in Ellen Brook.
Average cost per m2 of foreshore undergoing protection and rehabilitation works <sup>(a)</sup> .....	\$1.40	\$2.29	\$2.63	\$2.12	
<b>Full Time Equivalents (FTEs)</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	

(a) This is a new measure for 2006-07. Comparable information for 2005-06 has been provided.

### Major Achievements For 2006-07

- Developed and released for public comment a draft Healthy Rivers Action Plan for the Swan and Canning rivers.
- Secured Australian Government funding to develop a Water Quality Improvement Plan.
- Trialled an oxygenation plant in the Swan River.
- Received State and National environmental awards for nutrient intervention works in the Canning Plains Catchment.
- Completed foreshore condition assessment data collection for the Trust's management area.
- The Trust approval funding for 21 new Riverbank foreshore protection and rehabilitation projects. Matching funding provided for these projects from the combined contributions of the nine participating local authorities and one State Department.



**Major Initiatives For 2007-08**

- Finalise the Healthy Rivers Action Plan for the Swan and Canning rivers.
- Continue development of Water Quality Improvement Plan in partnership with the Australian Government.
- Conclude the feasibility study of large-scale oxygenation of the Swan River.
- Implement nutrient intervention works in the Ellen Brook catchment.
- Complete the management strategy for the foreshores of the Swan and Canning rivers.
- New Riverbank funding round for foreshore protection and rehabilitation projects.
- Continue riverwall restoration but increase the spatial extent of Riverbank projects with a corresponding reduction in the cost per square metre of Riverbank projects. This will maximise the extent of foreshore restoration in the Riverpark.

**Service 4: Communication of Environmental Information**

Works to engage stakeholders and raise community awareness to achieve behaviour change throughout the river catchments.

	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> .....	1,152	1,167	1,298	999	Funding in 2007-08 reallocated within the Trust to meet priorities.
Less Income .....	22	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	1,130	1,167	1,298	999	
Adjustments <sup>(b)</sup> .....	3	-	3	4	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,133</b>	<b>1,167</b>	<b>1,301</b>	<b>1,003</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 person attending an environmental education program <sup>(a)</sup> .....	\$338	\$343	\$370	\$277	Reallocation of funds within the Trust has reduced the average cost in 2007-08 per participant.
<b>Full Time Equivalents (FTEs)</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>9</b>	

- (a) This is a new measure for 2006-07. Comparable information for 2005-06 has been provided.

**Major Achievements For 2006-07**

- Continued community behaviour change programs, including 37 Great Gardens workshops (approximately 3,500 participants), 13 Corporate Care Days, five small rural landholder field days.
- Developed and delivered an integrated urban and rural Great Gardens environmental education program in the high priority area, the Ellen Brook Catchment.
- Significant increase in environmental information produced and distributed to river stakeholders and the community.
- Greater focus on local government engagement and establishing more collaborative relationships with other State Government agencies.
- Delivery by the Trust, of Ribbons of Blue in the Swan Region.

**Major Initiatives For 2007-08**

- Develop and implement the River Guardians pilot program to actively engage the Perth community in 'hands-on' activities that protect and restore the Swan and Canning foreshores and waterways.
- Track effectiveness of environmental information distributed to river stakeholders and the community.
- Increase involvement of stakeholders in river and foreshore management.

**CAPITAL WORKS PROGRAM**

The Trust's Capital works Program provides funding for ongoing replacement of plant and 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>				
Plant and Equipment Replacement Program - 2006-07 Program .....	100	100	100	-
<b>NEW WORKS</b>				
Plant and Equipment Replacement Program - Replace Tip Truck .....	185	-	-	185
	285	100	100	185

**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	1,100	100	185	90	-	-
<b>Working Capital Requirement</b>							
Loan and Other Repayments .....	8	8	8	119	-	-	-
	108	1,108	108	304	90	-	-
<b>LESS</b>							
Asset Sales .....	-	-	-	35	-	-	-
Drawdowns from the Holding Account .....	100	100	100	150	90	-	-
Internal Funds and Balances .....	-	-	-	-	-	-	-
<b>Capital Contribution .....</b>	8	1,008	8	119	-	-	-

## 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> .....	2,613	2,349	2,607	2,704	2,585	2,668	2,741
Superannuation .....	-	10	38	41	28	29	29
Grants and subsidies <sup>(b)</sup> .....	1,872	1,000	1,900	1,900	-	-	-
Services purchased from non-government agencies .....	-	73	73	73	73	73	73
Supplies and services .....	4,333	6,366	6,233	7,291	4,677	4,536	4,536
Accommodation .....	-	8	8	9	17	18	18
Finance costs .....	9	13	13	-	-	-	-
Capital user charge <sup>(c)</sup> .....	128	126	126	-	-	-	-
Depreciation and amortisation .....	93	135	135	135	135	135	135
Loss on disposal of non-current assets .....	-	1	1	-	2	2	2
Other expenses .....	211	133	133	147	97	124	229
<b>TOTAL COST OF SERVICES</b> .....	9,259	10,214	11,267	12,300	7,614	7,585	7,763
<b>Income</b>							
Gain on disposal of non-current assets .....	54	-	-	34	-	-	-
Grants and subsidies .....	140	76	76	76	77	77	77
Other revenue .....	215	272	272	272	272	272	272
<b>Total Income</b> .....	409	348	348	382	349	349	349
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	8,850	9,866	10,919	11,918	7,265	7,236	7,414
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	8,870	9,873	10,940	11,953	7,305	7,254	7,432
Resources received free of charge .....	5	-	-	-	-	-	-
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	8,875	9,873	10,940	11,953	7,305	7,254	7,432
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	25	7	21	35	40	18	18

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 40, 48 and 50 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 .....	23	659	23	24	62	84	74
Restricted cash .....	10	10	10	10	10	10	10
Receivables .....	341	182	368	368	375	377	377
Amounts receivable for services .....	100	150	150	90	-	-	-
Prepayments .....	665	9	665	665	665	665	665
<b>Total current assets .....</b>	<b>1,139</b>	<b>1,010</b>	<b>1,216</b>	<b>1,157</b>	<b>1,112</b>	<b>1,136</b>	<b>1,126</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	240	251	251	322	483	644	809
Land and buildings .....	125	270	125	125	125	125	125
Plant and equipment .....	492	1,294	467	508	453	308	171
Other .....	5	6	(6)	(6)	(6)	(6)	(6)
<b>Total non-current assets .....</b>	<b>862</b>	<b>1,821</b>	<b>837</b>	<b>949</b>	<b>1,055</b>	<b>1,071</b>	<b>1,099</b>
<b>TOTAL ASSETS .....</b>	<b>2,001</b>	<b>2,831</b>	<b>2,053</b>	<b>2,106</b>	<b>2,167</b>	<b>2,207</b>	<b>2,225</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	119	96	140	140	140	140	140
Provision for employee entitlements .....	-	22	11	22	33	44	44
Borrowings .....	53	57	53	-	-	-	-
Accrued salaries .....	47	3	31	31	31	35	35
Other .....	32	41	32	32	35	35	35
<b>Total current liabilities .....</b>	<b>251</b>	<b>219</b>	<b>267</b>	<b>225</b>	<b>239</b>	<b>254</b>	<b>254</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	-	30	15	30	45	60	60
Borrowings .....	82	71	74	-	-	-	-
<b>Total non-current liabilities .....</b>	<b>82</b>	<b>101</b>	<b>89</b>	<b>30</b>	<b>45</b>	<b>60</b>	<b>60</b>
<b>TOTAL LIABILITIES .....</b>	<b>333</b>	<b>320</b>	<b>356</b>	<b>255</b>	<b>284</b>	<b>314</b>	<b>314</b>
<b>EQUITY</b>							
Contributed equity .....	100	1,108	108	227	219	211	211
Accumulated surplus/(deficit) .....	1,568	1,345	1,589	1,624	1,664	1,682	1,700
Reserves .....	-	58	-	-	-	-	-
<b>Total equity .....</b>	<b>1,668</b>	<b>2,511</b>	<b>1,697</b>	<b>1,851</b>	<b>1,883</b>	<b>1,893</b>	<b>1,911</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>2,001</b>	<b>2,831</b>	<b>2,053</b>	<b>2,106</b>	<b>2,167</b>	<b>2,207</b>	<b>2,225</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 .....	8,709	9,712	10,779	11,792	7,144	7,093	7,267
Capital contribution .....	8	1,008	8	119	-	-	-
Holding account drawdowns .....	100	100	100	150	90	-	-
<b>Net cash provided by State government .....</b>	<b>8,817</b>	<b>10,820</b>	<b>10,887</b>	<b>12,061</b>	<b>7,234</b>	<b>7,093</b>	<b>7,267</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(2,566)	(2,325)	(2,595)	(2,678)	(2,559)	(2,638)	(2,711)
Superannuation .....	-	(10)	(40)	(41)	(28)	(29)	(29)
Grants and subsidies .....	(2,542)	(1,000)	(1,900)	(1,900)	-	-	-
Services purchased from non-government agencies .....	-	(73)	(73)	(73)	(73)	(73)	(73)
Supplies and services .....	(4,282)	(6,375)	(6,242)	(7,295)	(4,681)	(4,540)	(4,535)
Accommodation .....	-	(8)	(8)	(9)	(17)	(18)	(18)
Finance costs .....	(9)	(13)	(13)	-	-	-	-
Capital user charge <sup>(a)</sup> .....	(128)	(126)	(126)	-	-	-	-
Goods and services tax .....	(372)	(373)	(373)	(373)	(373)	(373)	(373)
Other .....	(137)	(123)	(123)	(136)	(90)	(115)	(118)
<b>Receipts</b>							
Grants and subsidies .....	-	76	76	76	77	77	77
Goods and services tax .....	313	373	373	373	373	373	373
Other receipts .....	269	265	265	265	265	265	265
<b>Net cash from operating activities .....</b>	<b>(9,454)</b>	<b>(9,712)</b>	<b>(10,779)</b>	<b>(11,791)</b>	<b>(7,106)</b>	<b>(7,071)</b>	<b>(7,142)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(217)	(1,100)	(100)	(185)	(90)	-	-
Proceeds from sale of non-current assets .....	-	-	-	35	-	-	-
<b>Net cash from investing activities .....</b>	<b>(217)</b>	<b>(1,100)</b>	<b>(100)</b>	<b>(150)</b>	<b>(90)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings .....	(8)	(8)	(8)	(119)	-	-	-
<b>Net cash from financing activities .....</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(119)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>(862)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>38</b>	<b>22</b>	<b>125</b>
Cash assets at the beginning of the reporting period .....	895	669	33	33	34	72	94
<b>Cash assets at the end of the reporting period .....</b>	<b>33</b>	<b>669</b>	<b>33</b>	<b>34</b>	<b>72</b>	<b>94</b>	<b>84</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.....	9,259	10,214	11,267	12,300	7,614	7,585	7,763
<i>Less Capital User Charge.....</i>	128	126	126	-	-	-	-
Adjusted Total Cost of Services .....	9,131	10,088	11,141	12,300	7,614	7,585	7,763
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	8,870	9,873	10,940	11,953	7,305	7,254	7,432
<i>Less Capital User Charge.....</i>	128	126	126	-	-	-	-
Adjusted net amount appropriated to deliver services .....	8,742	9,747	10,814	11,953	7,305	7,254	7,432

**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
Healthy Rivers Action Plan .....	1,872	1,000	1,900	1,900	-	-	-
<b>TOTAL</b>	<b>1,872</b>	<b>1,000</b>	<b>1,900</b>	<b>1,900</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ZOOLOGICAL PARKS AUTHORITY

### PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL

#### DIVISION 66

#### 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 114 Net amount appropriated to deliver services <sup>(a)</sup> .....</b>	7,945	8,323	8,492	<b>8,566</b>	8,760	9,155	9,351
<b>Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(b)</sup> .....</b>	152	154	161	<b>165</b>	170	175	180
Total appropriations provided to deliver services .....	8,097	8,477	8,653	<b>8,731</b>	8,930	9,330	9,531
<b>CAPITAL</b>							
<b>Item 184 Capital Contribution .....</b>	17,602	730	530	<b>2,796</b>	735	735	735
<b>GRAND TOTAL .....</b>	25,699	9,207	9,183	<b>11,527</b>	9,665	10,065	10,266

- (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 secure long-term populations of species in natural environments while engaging the community in global conservation action.*

#### SIGNIFICANT ISSUES AND TRENDS

- Events and activities will increasingly focus on the delivery of messages that are consistent with the Authority's mission and will continue to be monitored to ensure the positive trend in admission numbers continues.
- Wildlife conservation projects continue as a priority in 2007-08, with a new wildlife conservation fundraising program to be launched in mid-2007.
- Continue to support the development of an open Sumatran orang-utan sanctuary at Bukit Tigapuluh National Park in Sumatra, Indonesia, as part of the Authority's commitment to provide assistance and support for the conservation and protection of wildlife at Bukit Tigapuluh.
- Capital works will include the completion of the Elephants of Asia exhibit redevelopment, replacement of the Authority's perimeter fence and construction of the final stage of the orang-utan exhibit redevelopment.
- Review the Authority's Master Plan 'Twenty Twenty Vision' to reflect progress to date and further developments in animal husbandry, conservation priorities, standards and collection planning.

**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>							
Visitor Services .....	5,307	5,380	5,633	5,857			
<i>Service 2:</i>							
Community Education and Awareness .....	995	1,361	1,196	1,301			
<i>Service 3:</i>							
Wildlife Collection Management .....	9,595	9,970	10,164	10,563			
<b>Total Cost of Services <sup>(a)</sup></b> .....	15,897	16,711	16,993	17,721	18,077	18,460	18,734
<i>Less Income</i> .....	10,329	8,936	9,385	9,665	9,809	9,830	9,964
<b>Net Cost of Services <sup>(a)</sup></b> .....	5,568	7,775	7,608	8,056	8,268	8,630	8,770
Adjustments <sup>(b)</sup> .....	2,529	702	1,045	675	662	700	761
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	8,097	8,477	8,653	8,731	8,930	9,330	9,531
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(c)</sup></b> .....	17,602	730	530	2,796	735	735	735
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	25,699	9,207	9,183	11,527	9,665	10,065	10,266

- (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
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Positive community attitudes towards the understanding and appreciation of wildlife and environmental conservation.	1. Visitor Services 2. Community Education and Awareness
	Conservation of wildlife.	3. Wildlife Collection Management



**Outcomes and Key Effectiveness Indicators <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: Positive community attitudes towards the understanding and appreciation of wildlife and environmental conservation.</b>					
Survey of visitors - the Authority as an educational/learning experience:					
- agree.....	91%	90%	91%	91%	
- neutral.....	5%	5%	5%	5%	
- disagree.....	2%	5%	4%	4%	
- no response.....	2%	0%	0%	0%	
Survey of visitors - the Authority encourages people to be more conscious of conservation of the environment:					
- agree.....	89%	80%	85%	87%	
- neutral.....	7%	15%	10%	9%	
- disagree.....	2%	5%	5%	4%	
- no response.....	2%	0%	0%	0%	
<b>Outcome: Conservation of wildlife.</b>					
Number of offspring produced by threatened animals for re-introduction:					
- western swamp tortoise.....	35	40	30	40	Some eggs failed to hatch in 2006-07.
- numbat.....	12	15	12	15	
- dibbler.....	43	42	42	42	
Percentage of species in the animal collection that are part of a regionally managed program where the Authority has complied with that program:					
- number of species in the animal collection that are part of a regional management program.....	37	39	33	36	
- percentage of species in the animal collection that are part of a regional management program.....	17%	18%	17%	18%	
- percentage of species where the Authority has complied with the regional management program.....	100%	100%	100%	100%	

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

**Service 1: Visitor Services**

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

	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> .....	5,307	5,380	5,633	5,857	
Less Income.....	4,661	3,535	3,909	3,926	
Net Cost of Service <sup>(a)</sup> .....	646	1,845	1,724	1,931	
Adjustments <sup>(b)</sup> .....	708	209	312	198	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,354</b>	<b>2,054</b>	<b>2,036</b>	<b>2,129</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
Total customers admitted to the Authority .....	597,027	570,000	590,000	595,000	
Average cost per customer (based on total cost of services to the Authority) <sup>(a)</sup> .....	\$28.13	\$32.35	\$31.59	\$29.78	
<b>Full Time Equivalents (FTEs)</b>	<b>41</b>	<b>43</b>	<b>48</b>	<b>48</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. The efficiency indicator for 2007-08 reflects the impact of the removal of this expense.

**Major Achievements For 2006-07**

- Continued to increase the Perth Zoo's membership, with the total number of members expected to exceed 17,000 by June 2007.
- Completed a tender process for catering services, with plans well underway for the refurbishment of the existing facilities, to be completed in the first quarter of 2007-08.
- Completed construction of a new sun bear exhibit with generous support from the Perth community.
- Introduced new concerts to complement the existing summer events program, with the aim of attracting a different demographic to the Authority's grounds.
- Completed the installation of climbing structures in the orang-utan enclosures and detailed design work for the final stage of the orang-utan exhibit redevelopment (rooftop boardwalk) in preparation for construction in 2007-08.
- Completed detailed design work for Stage Two of the Elephants of Asia exhibit redevelopment and commenced construction.
- Completed planning and design work for the replacement of the Authority's perimeter fence.

- Completed Disability Access and Inclusion Plan for the Authority.
- Completed various plans and reviews including a lighting plan, sustainable transport plan, asbestos management plan, irrigation infrastructure review and water audit.

### Major Initiatives For 2007-08

- Complete construction of the Elephants of Asia exhibit redevelopment, replace the Authority's perimeter fence and commence construction of the final stage of the orang-utan exhibit redevelopment.
- Review the service delivery model for the summer events season with the aim of minimising financial risk while continuing to deliver a range of events and activities that are appealing and in line with the Authority's mission and vision.
- Finalise re-branding and refurbishment of the café and fast food outlets as a component of arrangements under the new catering contract.
- Implement a new customer management and ticketing system to provide improved services to the Authority's visitors, including the development of e-commerce options to purchase admission tickets online and the development of management information to better support the Authority's membership program.

### Service 2: Community Education and Awareness

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

	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> .....	995	1,361	1,196	1,301	
Less Income.....	531	699	703	739	
Net Cost of Service <sup>(a)</sup> .....	464	662	493	562	
Adjustments <sup>(b)</sup> .....	177	59	72	50	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>641</b>	<b>721</b>	<b>565</b>	<b>612</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
Number of participants to formal education programs.....	61,053	62,000	63,240	64,405	
Average cost per participant <sup>(a)</sup> .....	\$17.32	\$23.90	\$20.73	\$20.21	
<b>Full Time Equivalents (FTEs)</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>11</b>	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. The efficiency indicator for 2007-08 reflects the impact of the removal of this expense.

**Major Achievements For 2006-07**

- Redeveloped and launched a new award-winning Perth Zoo website.
- Completed strategic plan for the Authority's Great Australian Marsupial Night Stalk program.
- Developed and upgraded interpretation facilities at various exhibits including the Australian Bushwalk, Australian Wetlands, numbats and the new sun bear exhibit. Opened a new Southeast Asian Rainforest interpretation hub.
- Introduced new teacher professional development and training programs including Teacher Twilights and new education programs for children including Asian Forest Web of Life for years 4-7.
- Created new educative facilities and displays including reptile friendly and frog friendly gardens. Opened a live cane toad display, in collaboration with the Western Australian Stop the Toad group and the Department of Agriculture and Food.
- Continued to provide clinical rotations at the Perth Zoo for Murdoch University final year veterinary students and to provide postgraduate diploma veterinary training at the Perth Zoo as part of Murdoch University's Conservation Medicine postgraduate courses.

**Major Initiatives For 2007-08**

- Start a new three year Masters Philosophy Research residency position for the joint Perth Zoo and Murdoch University Veterinary Trust, John Howell Zoo and Wildlife Residency Program.
- Develop a new formal education program for Biodiversity Month, linking directly to the Curriculum Framework and conservation/sustainability education.
- Develop and implement an interpretation plan for the redeveloped orang-utan exhibit.
- Continue and further develop the Authority's partnership with the Department of Education and Training.

**Service 3: Wildlife Collection Management**

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

	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> .....	9,595	9,970	10,164	10,563	
Less Income .....	5,137	4,702	4,773	5,000	
Net Cost of Service <sup>(a)</sup> .....	4,458	5,268	5,391	5,563	
Adjustments <sup>(b)</sup> .....	1,644	434	661	427	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>6,102</b>	<b>5,702</b>	<b>6,052</b>	<b>5,990</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
Number of species maintained within the animal collection .....	214	221	189	195	
Average cost of maintaining each species in the animal collection (a) .....	\$47,557	\$50,042	\$59,187	\$54,170	
<b>Full Time Equivalents (FTEs)</b>	94	92	96	96	

(a) Following the enactment of the Financial Management Act 2006, agencies are no longer required to pay the Capital User Charge. The efficiency indicator for 2007-08 reflects the impact of the removal of this expense.

**Major Achievements For 2006-07**

- Released a Perth Zoo bred Sumatran orang-utan into the protected Bukit Tigapuluh National Park in Sumatra, Indonesia, as part of the Authority's commitment to provide assistance and support for the conservation and protection of wildlife at Bukit Tigapuluh. This is the first captive-bred orang-utan to be released into the wild.
- Signed agreements with conservation groups to strengthen conservation actions for numbats, Sumatran orang-utans, African painted dogs, gilberts potoroo, Asian rhinoceros, tree kangaroos and silvery gibbons.
- Completed detailed design work and began construction of Stage Two of the Elephants of Asia exhibit redevelopment.
- Completed a new sun bear exhibit for two rescued sun bears from Cambodia. The bears will participate in a regional breeding program for this species.
- Continued the Authority's partnership with the Department of Environment and Conservation, breeding threatened native species for release into the wild and continued the Authority's frog breeding and research program.
- Gathered scientific data on the reproduction, growth and development of threatened species including sandhill dunnarts and central rock rats.
- Established non-invasive hormone monitoring facilities at the Perth Zoo to support major breeding initiatives.
- Continued work in the development of an artificial insemination program with the Authority's Asian elephants.
- Developed an agency Avian Influenza Virus Contingency Plan.

**Major Initiatives For 2007-08**

- Complete Stage Two of the Elephants of Asia exhibit redevelopment and begin construction of the final stage of the orang-utan exhibit redevelopment including rooftop boardwalk.
- Further develop relationships and continue to support the conservation of orang-utans, elephant, tiger and other fauna in Bukit Tigapuluh National park in Sumatra, Indonesia.
- Provide support for an Australia-wide captive population of Tasmanian devils to insure against the decimation of the species by Devil Facial Tumour Disease.
- Continue work on frog breeding and research with the implementation of University PhD's on captive husbandry and reproduction.
- Continue priority conservation projects with native species including amphibians, numbats, western swamp tortoise and dibblers.

**CAPITAL WORKS PROGRAM**

The Authority's capital works program supports the strategic direction of the Authority and its long-term viability. The continuous improvement of existing Authority assets and the upgrading of exhibits are outlined in the Authority's Master Plan, 'Twenty-Two Vision'. In 2007-08 the Master Plan will be reviewed to reflect progress to date and further developments in animal husbandry, conservation priorities, standards and collection planning.

The capital works program provides for the upgrade of exhibits and facilities to enhance visitor experiences and further the Authority's conservation and breeding initiatives. The 2007-08 program includes State Government funding for the completion of the Elephants of Asia exhibit redevelopment, construction for the final stage of the orang-utan exhibit redevelopment and the replacement of the Authority's perimeter fence. Internally generated funds will be directed to various projects associated with animal exhibit upgrades, visitor services initiatives and facility upgrades.

Capital funds have also been allocated to the Authority's ongoing maintenance program to ensure that the Authority provides a high level of amenity for its visitors and an adequate level of proactive maintenance of Authority assets.

	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>				
Animal Exhibit Upgrades .....	15,371	3,406	800	350
Orang-Utan Exhibit .....	2,200	330	330	1,135
Asian Elephant Exhibit .....	5,256	4,456	2,232	800
Computer Equipment .....	840	140	70	70
Maintenance 2006-07 .....	1,012	512	512	500
Minor Equipment Purchases .....	1,068	672	216	128
Perimeter Fencing and Infrastructure .....	1,861	200	200	1,661
<b>COMPLETED WORKS</b>				
Catering Facilities Feasibility Study .....	70	70	35	-
Security Upgrade Business Plan .....	70	70	60	-
Veterinary Equipment .....	50	50	34	-
<b>NEW WORKS</b>				
Amenities and Facilities .....	150	-	-	150
	27,948	9,906	4,489	4,794

**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>	1,593	4,834	4,489	4,794	1,890	1,903	2,390
<b>Working Capital Requirement</b>							
Loan and Other Repayments .....	17,602	-	-	-	-	-	-
	19,195	4,834	4,489	4,794	1,890	1,903	2,390
<b>LESS</b>							
Drawdowns from the Holding Account .....	320	2,470	1,670	870	70	70	70
Funding Included in Service Appropriations <sup>(a)</sup> .....	640	500	500	500	500	500	500
Internal Funds and Balances .....	417	1,000	1,573	500	500	500	1,000
Other .....	216	134	216	128	85	98	85
<b>Capital Contribution .....</b>	17,602	730	530	2,796	735	735	735

(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> .....	7,722	8,007	8,369	8,706	8,885	9,288	9,485
Superannuation .....	683	759	776	820	838	875	895
Cost of goods sold .....	495	464	530	594	605	640	668
Grants and subsidies <sup>(b)</sup> .....	49	20	33	20	20	20	20
Supplies and services .....	3,913	5,282	5,056	5,277	5,340	5,213	5,242
Accommodation .....	307	280	310	310	310	310	310
Finance costs .....	1,032	-	-	-	-	-	-
Capital user charge <sup>(c)</sup> .....	896	1,729	1,648	-	-	-	-
Depreciation and amortisation .....	1,653	1,863	1,863	1,948	2,033	2,068	2,068
Doubtful debts .....	2	-	-	-	-	-	-
Other expenses .....	41	36	56	46	46	46	46
<b>TOTAL COST OF SERVICES</b> .....	16,793	18,440	18,641	17,721	18,077	18,460	18,734
<b>Income</b>							
User charges and fees .....	7,950	8,049	8,225	8,767	8,888	8,996	9,130
Gain on disposal of non-current assets .....	1	-	-	-	-	-	-
Grants and subsidies .....	158	165	175	165	165	50	50
Interest revenue .....	19	17	21	21	21	21	21
Donations .....	834	633	832	712	735	763	763
Other revenue .....	1,367	72	132	-	-	-	-
<b>Total Income</b> .....	10,329	8,936	9,385	9,665	9,809	9,830	9,964
<b>NET COST OF SERVICES</b> <sup>(c)</sup> .....	6,464	9,504	9,256	8,056	8,268	8,630	8,770
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	8,993	10,206	10,301	8,731	8,930	9,330	9,531
Resources received free of charge .....	32	-	50	-	-	-	-
Liabilities assumed by the Treasurer .....	1	6	6	6	6	6	6
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	9,026	10,212	10,357	8,737	8,936	9,336	9,537
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	2,562	708	1,101	681	668	706	767

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 145, 155 and 155 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 .....	1,185	415	817	978	1,173	1,392	1,611
Restricted cash .....	170	-	-	-	-	-	-
Receivables .....	502	446	502	502	502	502	502
Inventories .....	144	137	146	149	151	153	158
Amounts receivable for services .....	2,470	70	870	70	70	70	70
Prepayments .....	50	30	30	30	30	30	30
<b>Total current assets .....</b>	<b>4,521</b>	<b>1,098</b>	<b>2,365</b>	<b>1,729</b>	<b>1,926</b>	<b>2,147</b>	<b>2,371</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	3,182	5,015	5,015	6,933	8,936	10,974	13,012
Land and buildings .....	11,485	25,480	13,198	13,085	12,902	12,699	12,996
Plant and equipment .....	1,631	1,462	1,667	1,549	1,383	1,225	1,054
Other .....	13,014	-	13,234	15,805	15,505	15,195	14,385
<b>Total non-current assets .....</b>	<b>29,312</b>	<b>31,957</b>	<b>33,114</b>	<b>37,372</b>	<b>38,726</b>	<b>40,093</b>	<b>41,447</b>
<b>TOTAL ASSETS .....</b>	<b>33,833</b>	<b>33,055</b>	<b>35,479</b>	<b>39,101</b>	<b>40,652</b>	<b>42,240</b>	<b>43,818</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	249	254	206	239	270	300	335
Provision for employee entitlements .....	1,102	964	1,158	1,183	1,208	1,233	1,240
Finance leases .....	6	-	6	6	6	6	6
Accrued salaries .....	89	20	30	60	90	120	150
Other .....	405	462	467	526	590	653	653
<b>Total current liabilities .....</b>	<b>1,851</b>	<b>1,700</b>	<b>1,867</b>	<b>2,014</b>	<b>2,164</b>	<b>2,312</b>	<b>2,384</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	390	427	396	401	406	412	423
Finance leases .....	35	-	28	21	14	7	-
Other .....	11	-	11	11	11	11	11
<b>Total non-current liabilities .....</b>	<b>436</b>	<b>427</b>	<b>435</b>	<b>433</b>	<b>431</b>	<b>430</b>	<b>434</b>
<b>TOTAL LIABILITIES .....</b>	<b>2,287</b>	<b>2,127</b>	<b>2,302</b>	<b>2,447</b>	<b>2,595</b>	<b>2,742</b>	<b>2,818</b>
<b>EQUITY</b>							
Contributed equity .....	19,739	20,469	20,269	23,065	23,800	24,535	25,270
Accumulated surplus/(deficit) .....	6,889	6,896	7,990	8,671	9,339	10,045	10,812
Reserves .....	4,918	3,563	4,918	4,918	4,918	4,918	4,918
<b>Total equity .....</b>	<b>31,546</b>	<b>30,928</b>	<b>33,177</b>	<b>36,654</b>	<b>38,057</b>	<b>39,498</b>	<b>41,000</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>33,833</b>	<b>33,055</b>	<b>35,479</b>	<b>39,101</b>	<b>40,652</b>	<b>42,240</b>	<b>43,818</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 .....	7,179	8,303	8,398	6,743	6,857	7,222	7,423
Capital contribution .....	17,602	730	530	2,796	735	735	735
Holding account drawdowns .....	320	2,470	1,670	870	70	70	70
<b>Net cash provided by State government .....</b>	<b>25,101</b>	<b>11,503</b>	<b>10,598</b>	<b>10,409</b>	<b>7,662</b>	<b>8,027</b>	<b>8,228</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(7,549)	(7,967)	(8,322)	(8,634)	(8,812)	(9,214)	(9,423)
Superannuation .....	(680)	(751)	(769)	(812)	(829)	(868)	(887)
Grants and subsidies .....	(49)	(20)	(33)	(20)	(20)	(20)	(20)
Supplies and services .....	(4,541)	(5,739)	(5,628)	(5,860)	(5,936)	(5,843)	(5,902)
Accommodation .....	(292)	(281)	(311)	(311)	(311)	(311)	(311)
Finance costs .....	(1,310)	-	-	-	-	-	-
Capital user charge <sup>(a)</sup> .....	(896)	(1,729)	(1,648)	-	-	-	-
Goods and services tax .....	(617)	(949)	(1,135)	(820)	(724)	(716)	(720)
Other .....	(35)	(36)	(50)	(40)	(40)	(40)	(40)
<b>Receipts</b>							
User charges and fees .....	7,899	8,109	8,284	8,826	8,952	9,059	9,130
Grants and subsidies .....	158	165	175	165	165	50	50
Interest received .....	19	17	21	21	21	21	21
Donations receipts .....	844	633	832	712	735	763	763
Goods and services tax .....	624	949	1,135	821	724	716	720
Other receipts .....	1,326	72	132	-	-	-	-
<b>Net cash from operating activities .....</b>	<b>(5,099)</b>	<b>(7,527)</b>	<b>(7,317)</b>	<b>(5,952)</b>	<b>(6,075)</b>	<b>(6,403)</b>	<b>(6,619)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(1,566)	(4,334)	(3,817)	(4,294)	(1,390)	(1,403)	(1,390)
Proceeds from sale of non-current assets .....	30	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(1,536)</b>	<b>(4,334)</b>	<b>(3,817)</b>	<b>(4,294)</b>	<b>(1,390)</b>	<b>(1,403)</b>	<b>(1,390)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayment of borrowings .....	(17,602)	-	-	-	-	-	-
Other payments for financing activities .....	(7)	-	(2)	(2)	(2)	(2)	-
<b>Net cash from financing activities .....</b>	<b>(17,609)</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD .....</b>	<b>857</b>	<b>(358)</b>	<b>(538)</b>	<b>161</b>	<b>195</b>	<b>219</b>	<b>219</b>
Cash assets at the beginning of the reporting period .....	498	773	1,355	817	978	1,173	1,392
<b>Cash assets at the end of the reporting period .....</b>	<b>1,355</b>	<b>415</b>	<b>817</b>	<b>978</b>	<b>1,173</b>	<b>1,392</b>	<b>1,611</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.....	16,793	18,440	18,641	17,721	18,077	18,460	18,734
<i>Less Capital User Charge</i> .....	896	1,729	1,648	-	-	-	-
Adjusted Total Cost of Services .....	15,897	16,711	16,993	17,721	18,077	18,460	18,734
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	8,993	10,206	10,301	8,731	8,930	9,330	9,531
<i>Less Capital User Charge</i> .....	896	1,729	1,648	-	-	-	-
Adjusted net amount appropriated to deliver services .....	8,097	8,477	8,653	8,731	8,930	9,330	9,531

**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
In Situ Conservation Program .....	49	20	33	20	20	20	20
<b>TOTAL</b>	<b>49</b>	<b>20</b>	<b>33</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

# PEEL DEVELOPMENT COMMISSION

## PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL

### DIVISION 67

#### 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 115 Net amount appropriated to deliver services<sup>(a)</sup></b> .....	1,510	1,501	2,252	<b>2,817</b>	2,119	1,426	1,463
Total appropriations provided to deliver services .....	1,510	1,501	2,252	<b>2,817</b>	2,119	1,426	1,463
<b>GRAND TOTAL</b> .....	1,510	1,501	2,252	<b>2,817</b>	2,119	1,426	1,463

- (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

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

#### SIGNIFICANT ISSUES AND TRENDS

- The population growth in Peel brings opportunity for new businesses, economic growth and employment for local residents as well as challenges for community and economic infrastructure and environmental protection. The Peel region continues to be the fastest growing region in Western Australia with the population increasing by 4.3 per cent totalling 96,000 residents between 2004-05 and 2005-06. This is more than double the State average growth of 2 per cent.
- From 2006, the five year annual average growth rate of the 0 to 19 age group in Peel was estimated at 2.2 per cent which was above the State figure of 0.6 per cent. The 55 years and over age group five year annual average growth rate was 4.7 per cent and above the State estimate of 3.2 per cent. There is a continuing need to plan for effective delivery of services and infrastructure to meet these high growth areas.
- Economic activity in the Peel region was valued at \$4.4 billion in 2005-06. The region was the fourth largest contributor to the Western Australian Regional economy and accounted for 3.7 per cent of the Gross State Product. As the third fastest growing regional economy in the State, the Peel region will continue to develop as a diverse and sustainable driver of Western Australia's economic growth.
- As at February 2007, \$4.5 billion of major resource projects were committed, proposed or underway in the region. These resource projects, during the construction phase, will involve over 3,000 jobs. In 2005-06 the Peel region was the source of Western Australia's total output of bauxite which was refined into 11.5 million tonnes of alumina, 9.5 per cent of the total value of the State's mineral and energy output. Major resource expansion projects such as the \$1.5 billion Wagerup refinery and \$2 billion Boddington Gold Mine are contributing to the growth of the region's mining capacity.
- In the year to June 2006 the unemployment rate in Peel was 5.5 per cent - a reduction of 1 per cent over the previous year. The region's rate of unemployment has declined along with the statewide trend but is still above the 4.1 per cent average for Western Australia. It is forecast that the total resident workforce in the Peel region will increase to over 46,000 or an additional 13,600 jobs by 2016.

- The Boddington Gold Mine expansion is generating a rapid physical and social infrastructure need for Boddington and surrounding areas in order to support a construction workforce of 1,500 and a permanent workforce of 650 when the mine achieves full production by 2008. An allocation of \$9.55 million has been made by the State Government towards social infrastructure for the Boddington and surrounding areas. Planning and administration of these funds is jointly managed by the Commission and the Department of Industry and Resources.
- Building and construction accounts for 10 per cent of the Peel regional economy and in the year to June 2006, the value of all building approvals totalled over \$511.3 million, a 35 per cent increase over the June 2005 result. At 32 per cent the Peel region continues to have the highest number of residential approvals in regional Western Australia.
- Construction continues on the Southern Suburbs Railways and is due for completion in July 2007 which will provide additional stimulus to the regional economy.
- Tourism is a significant component of the Peel economy. As of December 2006, there were 11 tourism related developments either planned or under construction with a total value of \$150 million.
- The total value of agricultural output in the Peel region declined from \$116 million to \$115 million between 2003-04 and 2004-05. However, the Peel region's contribution to the State's total agriculture production has increased from 1.9 per cent to 2.2 per cent for the same time period. The total value of crops increased by 15 per cent which has been offset by lower values for livestock product and disposals which are down 23 per cent and 3 per cent respectively between 2003-04 and 2004-05.
- The total number of registered businesses in the region was 6,171 as at June 2006, up almost 22 per cent from the previous year and by comparison 4 per cent above the State average. The provision of additional industrial land remains a high regional priority to accommodate this growth.
- In 2005-06, the total value of fishing in the Peel region was \$13.8 million, down 7.5 per cent on the previous year. The lobster species continues to dominate the region's fishing output representing over 90 per cent of the total estimated value however the combined total of fish and prawns have increased their share by 1.4 per cent to 7.1 per cent in 2005-06. In the same year, the live catch size declined by 19 per cent to total 753 tonnes however the average value per tonne increased by 14 per cent to \$18,278 per tonne.
- In 2005, there were 2,552 persons enrolled in Vocational Education and Training courses, up by 10 per cent on the previous year. The comparative figure for Western Australia for the same time period was 0.3 per cent. It is forecast that there will be continued demand for the provision of appropriate training in the Peel region.
- The health of the Peel waterways and estuary is a major priority for the community. Rapid population growth, urban development and infrastructure growth, while positive, places considerable pressure on this asset. Climate change is also a significant issue for the Peel region. From 1900 to 2005, there has been a recognisable increase of nearly 2°C in the average annual maxima in Mandurah and Dwellingup.

## 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
Aboriginal Economic Development .....	100	-	-	-
Pinjarra Brunswick Sustainability Strategy .....	1,200	700	-	-
Boddington Gold Mine expansion - social infrastructure package .....	200	200	-	-

**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 and Coordination .....	2,679	1,868	2,862	4,219			
<i>Service 2:</i>							
Advice and Information .....	325	128	250	250			
<b>Total Cost of Services <sup>(a)</sup></b> .....	3,004	1,996	3,112	4,469	2,833	1,459	1,496
<i>Less Income</i> .....	1,081	620	720	800	820	120	120
<b>Net Cost of Services <sup>(a)</sup></b> .....	1,923	1,376	2,392	3,669	2,013	1,339	1,376
Adjustments <sup>(b)</sup> .....	(413)	125	(140)	(852)	106	87	87
<b>Appropriation provided to deliver Services <sup>(a)</sup></b> .....	1,510	1,501	2,252	2,817	2,119	1,426	1,463
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	1,510	1,501	2,252	2,817	2,119	1,426	1,463

- (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
Ensuring that regional Western Australia is strong and vibrant.	Development and Promotion of the Peel Region.	1. Facilitation and Coordination 2. Advice and Information

**Outcomes and Key Effectiveness Indicators <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: Development and Promotion of the Peel Region.</b>					
Client satisfaction with contribution to the regions economic base .....	74%	90%	85%	90%	

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

**Service 1: Facilitation and Coordination**

Facilitate and coordinate regional development 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> .....	2,679	1,868	2,862	4,219	2007-08 includes one-off specific project funding
Less Income .....	1,081	620	720	800	
Net Cost of Service <sup>(a)</sup> .....	1,598	1,248	2,142	3,419	
Adjustments <sup>(b)</sup> .....	(413)	125	(140)	(852)	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>1,185</b>	<b>1,373</b>	<b>2,002</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 per unit of service hour .....	150.50	123.00	158.60	160.11	2007-08 includes one-off specific project funding
<b>Full Time Equivalents (FTEs)</b>	<b>9</b>	<b>11</b>	<b>10</b>	<b>10</b>	

**Major Achievements For 2006-07**

- Began implementation of a further \$2.64 million in State funding for Pinjarra-Brunswick Sustainability Strategy projects.
- Finalised the agreement for funding Shire of Waroona for completion of Waroona Town Centre Redevelopment and provided the first funds for Drakesbrook Place.
- Finalised agreements with Challenger TAFE, South West Development Commission, and Small Business Centre Peel to increase jobs and training.

- Finalised agreements with South West Development Commission and Small Business Centre Peel and started implementing projects to increase tourism visitation.
- Commenced implementation of project focusing on developing the agriculture industry in the Pinjarra-Brunswick area. Finalised agreements for funding the landscaping the Harvey Drain.
- Led planning for community infrastructure needed at Boddington and surrounds as a result of the Boddington Gold Mine Expansion in partnership with the Department of Industry and Resources.
- Coordinated agencies to progress the development of industrial land with completion of construction of the Pinjarra Light Industrial Area expected in 2007. Land use planning and environmental assessments for Stage 1 of the Nambeelup Industrial Area are progressing along with developments in Boddington, Byford and Waroona.
- Allocated \$583,244 to the Shire of Murray to build the Pinjarra Railway Station, part of the Peel Region Tourist Rail project. Completion of construction is expected in August 2007. As part of the same project, allocated \$264,000 to the Rail Heritage Foundation of Western Australia to assist with recovery of infrastructure damaged in bushfires.
- Funded 29 projects valued at over \$5.4 million through the 2006-07 round of the Regional Development Scheme.
- Supported the attraction of an estimated \$45 million of new business to the Peel region.
- Managed the Peel Business Capabilities Register to help promote local content in major regional projects. There are 102 businesses registered and using the service.
- Completed the Peel Workforce Development Strategy in partnership with Challenger TAFE and the Department of Education and Training and began coordinating implementation of the recommendations of this 10 year forecast for regional employment and training needs.
- Completed the Peel Region Infrastructure Report in partnership with the Peel local government authorities and Tourism Western Australia. The report informed State and local planning of community and economic infrastructure in Peel in the short, medium and long-term.
- Facilitated the start-up of the Peel Community Foundation which will provide funds for projects that demonstrate a positive contribution to the economic, social and environmental development of the Peel region. \$100,000 has been provided through State Government funding.
- Coordinated the development of the Peel Region Affordable Housing Plan with partners from government, community and industry.
- Completed the Peel Food and Wine Audit, establishing a comprehensive list of suppliers within the region and assisting to identify support required for product development.
- Supported commencement of implementation of Peel region priorities identified for 2006-07 with 32 of 52 priorities already started, and provided advice to State and Commonwealth Governments on regional priorities.
- Assist the Forest Heritage Centre to achieve the milestones identified in its new funding contract with the Department of Education and Training
- Certified 17 Regional Skilled Migration applications, assessed 195 Skilled Independent Regional Migrant applications and answered 235 enquiries regarding skilled migration.
- Completed the business case for the Peel Waterways Institute and began progress toward staged implementation with partners in local government, Community First, Murdoch University, Peel Harvey Catchment Council and Department of Environment and Conservation.
- Participated in the development of the Water Quality Improvement Plan and a potential governance model for the Peel Harvey Waterways to integrate land use and environmental planning.

- Finalised the Peel 2020 Sustainability Strategy with partners in government, community and industry, and began implementation through new partnership approaches including increasing the range of sustainable outcomes associated with the construction of the New Perth-Bunbury Highway.
- Completed the first four stages of the six stage Peel Estuary Cultural Landscape Assessment Project. The project will help establish an Aboriginal Heritage trail that will provide cultural, social and economic opportunities through tourism.
- Conducted the 2006 Southern Region Leadership forum in Katanning along with skills workshops throughout the Peel region to develop community leadership skills. This program is coordinated by the Peel, South West and Great Southern Development Commissions and the next forum is planned for Fairbridge (Shire of Murray) in August 2007.
- Supported the major regional peak bodies including Peel Community Development Group, Peel Economic Development Unit and Regional Leaders' Forum.

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

- Complete projects for the Pinjarra Brunswick Sustainability Strategy, including the first stage of Waroona Town Centre Redevelopment, commencement of an industry cluster; development of Peel tourist product; and commencement of promotion of Peel tourist packages and development of new agriculture industry opportunities.
- Provide leadership to support the provision of social infrastructure for Boddington and surrounding communities associated with the expansion of the Boddington Gold Mine with Department of Industry and Resources. This includes assisting the Shire of Boddington to access Federal funds as well as supporting planning using the State Government's \$9.6 million provision.
- Continue to provide leadership and partnership with other agencies to complete the development of light industrial land to meet the medium and long term requirements of the Peel, including finalising Stage One of Pinjarra Light Industrial Area, progressing Stage One of Nambeelup, and supporting developments in Byford, Waroona and Boddington.
- Fund the implementation of regional projects through the State's \$500,000 Regional Development Scheme funding program, and support further projects through the attraction of other Regional Investment Program funding.
- Finalise funding for the construction of Pinjarra Railway Station and implement other infrastructure priorities for Peel Region Tourist Railway including securing recovery of the fire-damaged Pinjarra to Dwellingup section.
- Coordinate the operation of the Peel Community Foundation including the growth strategy.
- Work with local business to assist them to capitalise on transport and business opportunities as a result of the commencement of the Southern Suburbs Rail.
- Develop a Tourism Audit for Peel, establishing a comprehensive list of facilities and services available within the region and assisting to identify support required to develop this industry.
- Continue to provide certifying function for skilled migration applications.
- Implement recommendations from the Peel Workforce Development Strategy in partnership with relevant government agencies and industry.
- Review and update the Peel Region Infrastructure Plan and with partners and work towards implementation of the key priority areas identified.
- Implement economic, cultural and social opportunities for Indigenous communities in Peel as identified in the Natural Resource Management Plan.
- Implement a staged approach towards the development of the Peel Waterways Institute.
- Support the implementation of the Peel Region Affordable Housing Strategy.
- Work with regional stakeholders to identify and deliver further opportunities from the Peel 2020 Sustainability Strategy.



- Manage, with South West Development Commission and Great Southern Development Commission, the Southern Region Leadership program including a major leadership forum in Pinjarra.
- Assist the development of regional partnerships to further expand and develop the region's culture and arts industries.
- Support the implementation of the Business Plan for the Jarrahdale Heritage Park.
- Continue to support the strengthening of regional peak bodies and partnerships.

## Service 2: Advice and Information

Provide advice and information on regional development activities or matters.

	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> .....	325	128	250	250	
Less Income .....	-	-	-	-	
Net Cost of Service <sup>(a)</sup> .....	325	128	250	250	
Adjustments <sup>(b)</sup> .....	-	-	-	-	
<b>Appropriation for delivery of Service <sup>(a)</sup> .....</b>	<b>325</b>	<b>128</b>	<b>250</b>	<b>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 unit of service hours .....	88.78	88.00	93.00	93.00	
<b>Full Time Equivalents (FTEs)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	

## Major Achievements For 2006-07

- Provided comprehensive information on lifestyle and business opportunities in the Peel region as part of Western Australia's Skills Expo in London and Edinburgh.
- Provided policy input and advice to the State Government through the Regional Development Council.
- Supported a training package to help the region's government agencies and industry develop effective agreements and memoranda of understanding with Peel Indigenous groups in partnership with the South West Aboriginal Land and Sea Council.
- Redesigned the Commission website to provide the latest Peel economic data and information and continued to provide data to stakeholders through the Commission's research unit.
- Provided advice to regional stakeholders on State Government funding.

**Major Initiatives For 2007-08**

- Continue to increase export readiness of Peel businesses and increase regional exports.
- Support the presentation of training on Working with Indigenous Communities to achieve economic and community outcomes.
- Provide quality information and data to regional stakeholders to assist with regional planning, including information on State Government funding.

**CAPITAL WORKS PROGRAM**

Funding will be allocated to the reconstruction of Tullis Bridge and Surrounds and the ongoing information and technology equipment replacement program will continue in 2007-08.

Funding has also been allocated to support ongoing work associated with the Railway Heritage Centre, the Pinjarra - Brunswick Sustainability Strategy and the Pinjarra to Etmylin Reconstruction.

	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>				
Pinjarra - Brunswick Sustainability Strategy .....	1,200	401	401	398
Pinjarra to Etmylin Reconstruction .....	1,000	215	-	785
Railway Heritage Centre.....	2,413	2,154	451	259
<b>COMPLETED WORKS</b>				
Information and Technology Replacement 2006-07.....	40	40	40	-
<b>NEW WORKS</b>				
Information and Technology Replacement 2007-08.....	45	-	-	45
Reconstruction of Tullis Bridge and Surrounds .....	105	-	-	105
	4,803	2,810	892	1,592

**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>	40	221	892	1,592	468	40	40
	40	221	892	1,592	468	40	40
<b>LESS</b>							
Drawdowns from the Holding Account .....	-	40	40	45	67	40	40
Funding Included in Service Appropriations <sup>(a)</sup>	40	181	582	562	401	-	-
Internal Funds and Balances.....	-	-	270	985	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

(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> .....	1,059	643	658	672	683	703	725
Superannuation .....	97	71	73	74	81	81	81
Grants and subsidies <sup>(b)</sup> .....	1,347	500	1,229	1,699	1,212	-	-
Supplies and services .....	334	611	981	1,845	664	477	492
Accommodation .....	114	110	110	113	125	130	130
Capital user charge <sup>(c)</sup> .....	30	20	20	-	-	-	-
Depreciation and amortisation .....	37	40	40	40	40	40	40
Other expenses .....	16	21	21	26	28	28	28
<b>TOTAL COST OF SERVICES</b> .....	<b>3,034</b>	<b>2,016</b>	<b>3,132</b>	<b>4,469</b>	<b>2,833</b>	<b>1,459</b>	<b>1,496</b>
<b>Income</b>							
User charges and fees .....	290	120	120	100	120	120	120
Grants and subsidies .....	791	500	600	700	700	-	-
<b>Total Income</b> .....	<b>1,081</b>	<b>620</b>	<b>720</b>	<b>800</b>	<b>820</b>	<b>120</b>	<b>120</b>
<b>NET COST OF SERVICES <sup>(c)</sup></b> .....	<b>1,953</b>	<b>1,396</b>	<b>2,412</b>	<b>3,669</b>	<b>2,013</b>	<b>1,339</b>	<b>1,376</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(c)</sup> .....	1,540	1,521	2,272	2,817	2,119	1,426	1,463
Liabilities assumed by the Treasurer .....	-	7	7	8	8	8	8
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>1,540</b>	<b>1,528</b>	<b>2,279</b>	<b>2,825</b>	<b>2,127</b>	<b>1,434</b>	<b>1,471</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(413)</b>	<b>132</b>	<b>(133)</b>	<b>(844)</b>	<b>114</b>	<b>95</b>	<b>95</b>
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>(413)</b>	<b>132</b>	<b>(133)</b>	<b>(844)</b>	<b>114</b>	<b>95</b>	<b>95</b>

(a) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 11, 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 .....	1,137	249	1,005	122	255	350	350
Receivables .....	79	142	79	81	81	81	81
Amounts receivable for services .....	-	45	45	67	40	40	40
Prepayments .....	1	18	1	1	1	1	1
<b>Total current assets .....</b>	<b>1,217</b>	<b>454</b>	<b>1,130</b>	<b>271</b>	<b>377</b>	<b>472</b>	<b>472</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	179	153	146	124	124	124	124
Plant and equipment .....	52	81	54	58	93	93	93
Intangibles .....	15	-	15	15	15	15	15
Other .....	-	2	-	1	18	18	18
<b>Total non-current assets .....</b>	<b>246</b>	<b>236</b>	<b>215</b>	<b>198</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>TOTAL ASSETS .....</b>	<b>1,463</b>	<b>690</b>	<b>1,345</b>	<b>469</b>	<b>627</b>	<b>722</b>	<b>722</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(a)</sup> .....	113	25	120	120	120	120	120
Provision for employee entitlements .....	101	109	98	87	87	87	87
Accrued salaries .....	22	1	18	21	21	21	21
Other .....	130	9	130	130	130	130	130
<b>Total current liabilities .....</b>	<b>366</b>	<b>144</b>	<b>366</b>	<b>358</b>	<b>358</b>	<b>358</b>	<b>358</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	42	64	57	73	73	73	73
<b>Total non-current liabilities .....</b>	<b>42</b>	<b>64</b>	<b>57</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>73</b>
<b>TOTAL LIABILITIES .....</b>	<b>408</b>	<b>208</b>	<b>423</b>	<b>431</b>	<b>431</b>	<b>431</b>	<b>431</b>
<b>EQUITY</b>							
Contributed equity .....	138	138	138	98	142	142	142
Accumulated surplus/(deficit) .....	917	344	784	(60)	54	149	244
Transfer negative contributed equity to Accum Surplus .....	-	-	-	-	-	-	(95)
<b>Total equity .....</b>	<b>1,055</b>	<b>482</b>	<b>922</b>	<b>38</b>	<b>196</b>	<b>291</b>	<b>291</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>1,463</b>	<b>690</b>	<b>1,345</b>	<b>469</b>	<b>627</b>	<b>722</b>	<b>722</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 .....	1,594	1,469	2,220	2,772	2,079	1,386	1,423
Holding account drawdowns .....	-	40	40	45	67	40	40
<b>Net cash provided by State government .....</b>	<b>1,594</b>	<b>1,509</b>	<b>2,260</b>	<b>2,817</b>	<b>2,146</b>	<b>1,426</b>	<b>1,463</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits .....	(1,192)	(631)	(651)	(605)	(626)	(643)	(665)
Superannuation .....	-	(63)	(65)	(66)	(66)	(66)	(66)
Grants and subsidies .....	(1,130)	(500)	(1,229)	(1,699)	(1,212)	-	-
Supplies and services .....	(330)	(612)	(982)	(1,947)	(709)	(525)	(525)
Accommodation .....	-	(110)	(110)	(113)	(125)	(130)	(130)
Capital user charge <sup>(a)</sup> .....	(30)	(20)	(20)	-	-	-	-
Goods and services tax .....	(218)	(74)	(74)	(76)	(66)	(66)	(66)
Other .....	-	(21)	(21)	(26)	(28)	(47)	(157)
<b>Receipts</b>							
User charges and fees .....	256	120	120	100	120	120	120
Grants and subsidies .....	791	500	600	700	700	-	-
Goods and services tax .....	104	80	80	77	66	66	66
<b>Net cash from operating activities .....</b>	<b>(1,749)</b>	<b>(1,331)</b>	<b>(2,352)</b>	<b>(3,655)</b>	<b>(1,946)</b>	<b>(1,291)</b>	<b>(1,423)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets .....	(32)	(40)	(40)	(45)	(67)	(40)	(40)
Proceeds from sale of non-current assets .....	3	-	-	-	-	-	-
<b>Net cash from investing activities .....</b>	<b>(29)</b>	<b>(40)</b>	<b>(40)</b>	<b>(45)</b>	<b>(67)</b>	<b>(40)</b>	<b>(40)</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>(184)</b>	<b>138</b>	<b>(132)</b>	<b>(883)</b>	<b>133</b>	<b>95</b>	<b>-</b>
Cash assets at the beginning of the reporting period .....	1,321	111	1,137	1,005	122	255	350
<b>Cash assets at the end of the reporting period .....</b>	<b>1,137</b>	<b>249</b>	<b>1,005</b>	<b>122</b>	<b>255</b>	<b>350</b>	<b>350</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.....	3,034	2,016	3,132	4,469	2,833	1,459	1,496
Less Capital User Charge.....	30	20	20	-	-	-	-
Adjusted Total Cost of Services .....	3,004	1,996	3,112	4,469	2,833	1,459	1,496
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	1,540	1,521	2,272	2,817	2,119	1,426	1,463
Less Capital User Charge.....	30	20	20	-	-	-	-
Adjusted net amount appropriated to deliver services.....	1,510	1,501	2,252	2,817	2,119	1,426	1,463

## 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
Shire of Waroona -Town Centre Revitalisation	250	-	-	-	-	-	-
Regional Development Scheme.....	500	500	500	500	500	-	-
Pinjarra-Brunswick Sustainability Strategy .....	-	-	729	1,199	712	-	-
Peel Region Infrastructure Plan.....	25	-	-	-	-	-	-
Peel Community Child Health.....	10	-	-	-	-	-	-
Sustainable Development Plan .....	23	-	-	-	-	-	-
Pinjarra Rail Heritage Centre .....	262	-	-	-	-	-	-
Pinjarra Boddington Railway .....	33	-	-	-	-	-	-
Lakes Road Industrial Area .....	29	-	-	-	-	-	-
Peel-Harvey Water Sensitive Design .....	88	-	-	-	-	-	-
Integrated Workforce Strategy .....	45	-	-	-	-	-	-
Peel Waterways Institute .....	12	-	-	-	-	-	-
Southern Region Community Strategy Plan ....	10	-	-	-	-	-	-
Regional Skilled Migration.....	10	-	-	-	-	-	-
Minor grants.....	50	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,347</b>	<b>500</b>	<b>1,229</b>	<b>1,699</b>	<b>1,212</b>	<b>-</b>	<b>-</b>

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## Part 16

### Minister for Child Protection; Communities; Women's Interests; Seniors and Volunteering

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
1175	Child Protection			
	– Delivery of Services .....	213,729	216,534	<b>242,113</b>
	– Capital Contribution .....	8,759	4,428	<b>23,276</b>
	Total .....	222,488	220,962	<b>265,389</b>
1193	Communities			
	– Delivery of Services .....	30,003	29,850	<b>30,065</b>
	Total .....	30,003	29,850	<b>30,065</b>
	GRAND TOTAL .....			
	– Delivery of Services .....	243,732	246,384	<b>272,178</b>
	– Capital Contribution .....	8,759	4,428	<b>23,276</b>
	Total .....	252,491	250,812	<b>295,454</b>



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## CHILD PROTECTION

### PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING

#### DIVISION 68

#### APPROPRIATION AND FORWARD ESTIMATES

	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>DELIVERY OF SERVICES</b>							
Item 116 Net amount appropriated to deliver services <sup>(b) (c)</sup> .....	185,233	212,929	215,689	<b>241,268</b>	249,786	258,320	265,725
Item 117 Contribution to the Western Australian Family Foundation Trust Account.....	560	560	560	<b>560</b>	560	560	560
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 <sup>(d)</sup> .....	242	240	285	<b>285</b>	285	285	294
Total appropriations provided to deliver services .....	186,035	213,729	216,534	<b>242,113</b>	250,631	259,165	266,579
<b>CAPITAL</b>							
Item 185 Capital Contribution <sup>(c)</sup> .....	7,072	8,759	4,428	<b>23,276</b>	1,777	-	1,560
GRAND TOTAL .....	193,107	222,488	220,962	<b>265,389</b>	252,408	259,165	268,139

- (a) Amounts have been adjusted for comparative purposes to reflect the transfer of functions to and from the former Department for Community Development.
- (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) Funding for the Ford Review recommendations includes a provisional allocation that is excluded from this Item as the funds are appropriated as a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.
- (d) 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 for the protection of and care for, children and young people and to support at-risk individuals and families in resolving crises.*

#### SIGNIFICANT ISSUES AND TRENDS

- The number of children in the Chief Executive Officer's (CEO) care continues to increase. There were 2,220 children in care on 30 June 2006, a six per cent increase on the previous year. Moreover, it is estimated there will be a further 20 per cent increase for 2006-07. Consequently, there is increased pressure on the Department to maintain a range of flexible, high quality placements and support for children in care, many of whom are vulnerable and at-risk due to their past experiences. There remains a need for intensive, quality services to prevent children entering care, support and treatment services whilst in care, and services to manage their transition from care.
- Departmental staff work with many client families who present with a combination of alcohol and drug usage, mental illness, and family and domestic violence problems. Such problems intensify complexity and risk in child protection cases. Increased education and training of staff, interagency collaboration and case monitoring is required to meet the demands due to these issues.

- It is estimated that new protection order applications will increase by 55 per cent compared to the previous year. The extent of this increase is placing stress on the capacity of services that support children and families.
- There has been an increase of 31 per cent in the number of people receiving accommodation assistance from 2004-05 to 2005-06, a further increase is expected in 2006-07 of 13 per cent. This increase coincides with the fall in the availability of affordable housing, which has resulted from the current strong economy. Similarly, the jointly funded Commonwealth-State Supported Accommodation Assistance Program (SAAP) services report being at full capacity, and data analysis indicates that length of stay has been increasing as people find it harder to move out, hence reducing opportunities for those in crisis to move in.
- An increasing number of Aboriginal and Torres Strait Islander children are having contact with the child protection system. An important challenge for the Department is to find improved ways of working with families, children and the community to respond to this issue.
- With the continuation of the five year phasing in period for mandatory Working with Children checks for all people in child-related work, increasing numbers of paid employees will be required to apply for Working with Children checks.

## 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
Child Protection and Children in Care Additional Staff .....	12,847	13,392	13,797	14,211
Ford Review Report Recommendations <sup>(a)</sup> .....	14,975	22,580	23,000	39,430
Halls Creek Response - Hostel Initiative.....	3,126	2,825	2,912	2,993

- (a) Includes funding totalling \$65.4 million over four years held in a Department of Treasury and Finance – Administered appropriation provision to be released subject to business cases being provided.

**SERVICE AND APPROPRIATION SUMMARY**

	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>SERVICES</b>							
<b>Service 1:</b>							
Supporting Children and Young People in the CEO's Care .....	81,118	90,319	95,314	109,156			
<b>Service 2:</b>							
Protecting Children and Young People from Abuse.....	32,289	33,804	35,225	41,070			
<b>Service 3:</b>							
Supporting Individuals/Families At-Risk or In Crisis .....	103,554	111,946	110,965	122,345			
<b>Total Cost of Services <sup>(b)</sup></b> .....	216,961	236,069	241,504	272,571	289,540	297,297	317,796
<i>Less Income</i> .....	21,364	21,640	20,230	20,796	20,167	20,584	20,602
<b>Net Cost of Services <sup>(b)</sup></b> .....	195,597	214,429	221,274	251,775	269,373	276,713	297,194
Adjustments <sup>(c)</sup> .....	(9,562)	(700)	(4,740)	(9,662)	(18,742)	(17,548)	(30,615)
<b>Appropriation provided to deliver Services <sup>(b) (d)</sup></b> .....	186,035	213,729	216,534	242,113	250,631	259,165	266,579
<b>CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS</b>							
<b>Appropriation for Capital Contribution to meet equity needs <sup>(d) (e)</sup></b> .....	7,072	8,759	4,428	23,276	1,777	-	1,560
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	193,107	222,488	220,962	265,389	252,408	259,165	268,139

- (a) Amounts have been adjusted for comparative purposes to reflect the transfer of functions to and from the former Department for Community Development.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.
- (e) 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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Children and young people in the CEO's care receive quality care.	1. Supporting Children and Young People in the CEO's Care
	Children and young people requiring protection are safe from abuse.	2. Protecting Children and Young People from Abuse
	At-risk families and individuals are able to resolve crisis and promote the safety and wellbeing of themselves and their family members.	3. Supporting Individuals/Families At-Risk or In Crisis

### 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: Children and young people in the CEO's care receive quality care.</b>					
The proportion of children in CEO's care who are safe from abuse by caregivers.....	99.8%	100%	99.7%	100%	
The average number of placements per child in the CEO's care per year <sup>(b)</sup> .....	1.5	1.5	1.5	1.4	
The proportion of placements of Indigenous children made in accordance with the Aboriginal and Torres Strait Islander (ATSI) Child Placement Principle .....	82%	85%	79%	85%	
<b>Outcome: Children and young people requiring protection are safe from abuse.</b>					
Improved safety - resubstantiation rate within 12 months after a substantiation <sup>(c)</sup> .....	92%	95%	92%	95%	
Improved safety - substantiation rate within 12 months after a decision not to substantiate <sup>(b) (d)</sup> .....	93%	95%	95%	95%	
<b>Outcome: At-risk families and individuals are able to resolve crisis and promote the safety and wellbeing of themselves and their family members.</b>					
Percentage of customers who report that they were supported to provide care and safety to their family members .....	92%	95%	93%	95%	
Percentage of customers who report confidence to manage as a result of receiving services .....	93%	95%	93%	95%	
Percentage of customers who report that their needs were met as a result of using services ....	97%	95%	97%	97%	

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

(b) This is a new indicator and for comparative purposes the 2006-07 budget figures have been estimated.

(c) This indicator is the proportion of children who were the subject of a child maltreatment substantiation during the previous financial year and who were not also the subject of a subsequent child maltreatment substantiation within 12 months. The indicator suggests the extent to which child protection interventions were successful in preventing further harm to children.

(d) This indicator is the proportion of children who were the subject of a decision not to substantiate child maltreatment during the previous financial year and who were not also the subject of a subsequent substantiation of child maltreatment within 12 months. The indicator suggests the extent to which child protection investigations were successful in identifying risks to children.

**Service 1: Supporting Children and Young People in the CEO's Care**

Services for the safety, support and wellbeing of children and young people in care of the CEO.

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	81,118	90,319	95,314	109,156	The increase in 2007-08 has resulted from additional funding to implement the recommendations of the Ford Review, including an increase to carers' subsidies and development of new placement options for children in care.
Less Income.....	974	690	176	176	
Net Cost of Service <sup>(b)</sup> .....	80,144	89,629	95,138	108,980	
Adjustments <sup>(c)</sup> .....	(4,294)	(293)	(2,038)	(4,182)	
<b>Appropriation for delivery of Service <sup>(b) (d)</sup> .....</b>	<b>75,850</b>	<b>89,336</b>	<b>93,100</b>	<b>104,798</b>	

- (a) A new Outcome Structure has been approved for the Department and for comparative purposes amounts for this new Service have been derived.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

**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 proportion of care plan reviews completed on time.....	n/a	75%	45%	75%	Additional care for children caseworkers are expected to increase the rate of completion in 2007-08.
Average cost per child per day in the CEO's care .....	\$105	\$109	\$114	\$122	
The number of placement days provided <sup>(a)</sup> .....	773,094	830,000	839,395	898,153	The increase in 2007-08 has resulted from additional funding to increase carers' subsidies and to provide new placement options for children in care.
<b>Full Time Equivalents (FTEs)</b>	<b>498</b>	<b>543</b>	<b>552</b>	<b>625</b>	

- (a) This is a new indicator and for comparative purposes the 2006-07 budget figures have been estimated.

**Major Achievements For 2006-07**

- Made significant progress in implementing recommendations from the report 'A Duty of Care to Children and Young People in Western Australia'.
- Finalised the family reunification policy, which will be implemented at the operational level.
- Enhanced the Department's Fostering Services by:
  - establishing an active foster care recruitment campaign;
  - developing a new competency-based assessment tool to assess carers;
  - implementing a comprehensive mandatory training program for general carers;
  - implementing a specialised supportive learning program for relative carers; and
  - developed a Foster Care Recruitment Website for launch in May 2007.

- In partnership with the not-for-profit sector, developed a service model for 20 new specialised placements available for high need, high risk children in the Department's care. Negotiations are underway to implement the final model.
- Implemented a new system to support assessment and planning for children in the CEO's care.
- Established a centralised process for the assessment of general foster carers.
- Expanded the Department's Duty of Care Unit to provide more centralised and effective investigations into allegations of abuse in care.
- In partnership with the Office for Children and Youth, launched the Charter of Rights for Children and Young People in Care, in November 2006. The Charter outlines the rights of children and young people while they are in care.
- Progressed the development of an operational memorandum of understanding with the Department of Education and Training for the purpose of achieving optimal education outcomes for children in the CEO's care.
- Developed the Aboriginal and Torres Strait Islander Community Consultation and Placement Model.
- Provided input to the Review of the *Adoptions Act 1994*. The Adoption Review Committee, which oversees the review process, commenced in September 2006 and is due to report to Parliament in June 2007.

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

- Establish the Department for Child Protection and implement recommendations from the Ford Review Report.
- Progress implementation of the Government initiative to establish a hostel in Halls Creek for children and young people in need of care and protection.
- Develop and implement a new assessment and treatment model for those children in the care of the CEO who are in residential care.
- Complete the current project to place 20 high need children and young people in specialised placements.
- Finalise a policy on children and young people leaving the care of the CEO and moving to independent living.
- Provide support to the CREATE Foundation FACE to FACE national forum 'Connections - Family and Community, Permanency Planning and Stability' to be held in Perth in August 2007.
- Undertake a review of a sample of cases which involve Indigenous children in care under six years old who have experienced multiple placements, and identify ways of improving the care process for such children.

**Service 2: Protecting Children and Young People from Abuse**

Services to investigate concerns about the abuse of children and young people and respond appropriately, including the provision of intensive support services and applications for court orders.

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	32,289	33,804	35,225	41,070	The increase in 2007-08 is due to additional funding received to implement the recommendations of the Ford Review and the expected commencement of all new staff provided in 2006-07, for a full year compared to a part year in 2006-07.
Less Income.....	451	224	28	28	
Net Cost of Service <sup>(b)</sup> .....	31,838	33,580	35,197	41,042	
Adjustments <sup>(c)</sup> .....	(1,706)	(109)	(754)	(1,575)	
<b>Appropriation for delivery of Service <sup>(b) (d)</sup> .....</b>	<b>30,132</b>	<b>33,471</b>	<b>34,443</b>	<b>39,467</b>	

- (a) A new Outcome Structure has been approved for the Department and for comparative purposes amounts for this new Service have been derived.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

**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 proportion of investigations with an outcome recorded within 30 days <sup>(a)</sup> .....	35%	40%	35%	40%	The increase in 2007-08 is due to the expected commencement of all new staff, provided in 2006-07, for a full year compared to a part year in 2006-07. The increase is also due to additional funding received as a result of the Ford Review.
Average cost per child involved in child protection cases .....	\$8,119	\$8,095	\$8,169	\$8,819	
The number of children involved in child protection cases <sup>(a)</sup> .....	3,977	4,176	4,312	4,657	
<b>Full Time Equivalents (FTEs)</b>	<b>337</b>	<b>371</b>	<b>375</b>	<b>408</b>	

- (a) This is a new indicator and for comparative purposes the 2006-07 budget figures have been estimated.

**Major Achievements For 2006-07**

- Trialled Interagency Child Safety Teams in Geraldton and Joondalup. An evaluation of the teams will be completed by June 2007. Preliminary findings are that better information sharing is achieved and is leading to better outcomes for children.
- Commissioned an independent evaluation of the Specialist Child Interviewing Unit. The evaluation has been completed and has provided important guidance for the development of the specialist child interviewing process.
- Established a Graduate Certificate in Child Protection and offered 19 scholarships to Departmental employees.



- Held a Child Protection Roundtable in March 2007 for an open discussion of child protection issues by people representing a broad range of community interests.
- Undertook a recruitment process for all 210 additional positions approved for the Department, of which more than half have been filled, and developed further strategies to attract people to positions in rural and remote areas.
- In conjunction with the Ministerial Advisory Council on Child Protection, arranged for Ms Gwen Murray to do a series of presentations on 'Hearing and Responding to the Voices of Children in Protection and Care' during Child Protection Week.
- Commenced two new sexual abuse treatment services, in Bunbury and Mandurah.
- Worked with stakeholders in remote communities to provide coordinated local child protection strategies.
- Commissioned an independent evaluation of the Department's funded child sexual abuse treatment services. The findings have informed the renegotiation of new three year service agreements with the service providers.
- Strengthened requirements for the reporting to the Department of children who have been harmed through abuse and neglect, by developing standards for reporting for inclusion in funding service agreements for child sexual abuse treatment services, family and domestic violence services (including refuge, advocacy and counselling services).
- Contributed to the development of the National Community Services Framework for the Community and Disability Services Ministers Conference 'Creating Safe Environments for Children – Organisations, Employees and Volunteers'. The Department's contribution was towards guidelines for information sharing across jurisdictions, and for exclusion of persons from employment/volunteering in child-related areas.

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

- Expand interagency memorandums of understanding for child protection matters with agencies, including the Western Australia Police and the Department of Health.
- Initiate the development of a model for mandatory reporting of sexual abuse.
- Enhance the work of the Specialist Child Interviewing Unit in accord with the findings from the independent evaluation of the service.
- Implement the first phase of the Department's new computer information system (Assist) which will support more flexible and effective use of client information.
- Recruit, train and deploy caseworkers to fill additional positions approved for the Department to work for the protection and care of children.

**Service 3: Supporting Individuals/Families At-Risk or In Crisis**

Services to assess concerns, support at-risk individuals and families to overcome crisis and to reduce risk.

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	103,554	111,946	110,965	122,345	The increase in 2007-08 is due to additional funding for the Responsible Parenting Initiative and for the implementation of the recommendations of the Ford Review.
Less Income .....	19,939	20,726	20,026	20,592	
Net Cost of Service <sup>(b)</sup> .....	83,615	91,220	90,939	101,753	
Adjustments <sup>(c)</sup> .....	(3,562)	(298)	(1,948)	(3,905)	
<b>Appropriation for delivery of Service <sup>(b) (d)</sup> .....</b>	<b>80,053</b>	<b>90,922</b>	<b>88,991</b>	<b>97,848</b>	

- (a) A new Outcome Structure has been approved for the Department and for comparative purposes amounts for this new Service have been derived.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

**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 client <sup>(a)</sup> .....	\$793	\$775	\$796	\$822	The increase in 2007-08 is due to the implementation costs associated with the continued roll-out of the Responsible Parenting Initiative.
Average cost per family in the responsible parenting initiative .....	\$10,776	\$7,179	\$4,457	\$5,463	
Average cost per working with children screening .....	\$426	\$79	\$81	\$64	The decrease in 2007-08 is a result of the expected increase in the number of screenings.
The number of clients <sup>(b)</sup> .....	101,175	106,000	106,465	111,800	The Responsible Parenting Initiative is expected to double its operational capacity due to the continued roll-out of the program in 2007-08.
Responsible parenting cases .....	110	450	426	800	
Working with children screening applications <sup>(c)</sup> .....	9,141	64,200	45,000	75,000	The increase in 2007-08 results from the requirement to screen new paid employees in child-related work. These people were not required to apply in 2006.
<b>Full Time Equivalents (FTEs)</b>	<b>420</b>	<b>492</b>	<b>496</b>	<b>539</b>	

- (a) The calculation of this indicator excludes expenditure of services that do not have quantifiable clients.
- (b) This is a new indicator and for comparative purposes the 2006-07 budget figures have been estimated.
- (c) The number of applications for 2006-07 and 2007-08 include the applications processed by the Departments of Education and Training and Health collocated at the Working with Children Screening Unit.

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

- Progressed the Helping Young People Engage (HYPE) program in the remote and regional areas of Western Australia, and began a recruitment process to employ a project officer for the East Kimberley to support implementation of both the HYPE and Safe People Safe Place programs in that region.
- Incorporated a strengths-based approach to working with individuals, families and communities in Departmental training forums such as 'Start-up' and child safety assessment.
- Commenced management of the Responsible Parenting Program on 1 July 2006.
- Completed the 'Indigenous Youth Consultation Project' in Port Hedland in November 2006, and progressed the recommendations from this, and a previous consultation in Cannington, in partnership with Elders, communities and local districts.
- Designed an online survey regarding cultural obligations and work responsibilities for Departmental Aboriginal and Torres Strait Islander staff, which will be sent to other appropriate public sector agencies.
- In 2006-07 provided a total of \$13.3 million in additional funds for SAAP services over four years. This included \$5.0 million to improve the viability of current SAAP services, with each service to receive a core funding increase of 10 per cent of the State Government portion of their annual funding level, and a further \$6.8 million for the Commonwealth-State SAAP V Agreement and indexation.
- Selected a service provider to establish a new refuge for women and children escaping domestic violence in the northern suburbs. An interim service is being provided until a purpose built facility is constructed.
- Through the Commonwealth-State SAAP V Multilateral Agreement, commenced operation of 10 Innovation and Investment Fund pilot projects operating from 17 locations across Western Australia.
- Completed an evaluation of non-accommodation services for young people funded under the Commonwealth State SAAP.
- Incorporated training on the *Child and Community Services Act 2004* into 'Start-up' training for all new field staff and provided ongoing support to Departmental field staff to increase their understanding of the practice requirements resulting from the legislation.
- Established an action plan to address the recommendations of the Corruption and Crime Commission workplace review of the Department.
- Continued to support the ParentSupport service in the South East metropolitan police district. Established the ParentSupport service in the East metropolitan police district: services were delivered to 190 families with children who were engaging in anti-social or offending behaviour or not attending school.
- Employed 10 District Emergency Services Officers during the year, seven based in regional areas and three in the metropolitan area. Early Response Teams have been operating since 1 December 2006. Also undertook planning for relocation of appropriate staff to the State Crisis Centre.
- Implemented the cultural diversity policy through a range of initiatives to improve the responsiveness of services to people's cultural backgrounds.
- Implemented a formalised operational planning regime in the Department. Developed and implemented a broad accountability framework for the Department.
- Facilitated the accessibility of funded services for men in their role as fathers via the 'Dads in the Early Years' project. This service will inform the Department of the views of fathers when developing policies and in establishing frameworks for father inclusive practices.
- Organised for staff from the Departments of Education and Training and Health, to work under the supervision of the Working with Children Screening Unit to conduct checks for the education and training and health sectors. Systems and process to support this across agency initiative continue to be developed.

- Completed the Aboriginal Elders Engagement Guidelines document which provides fundamental principles on how to employ Aboriginal Elders in the Department's work.
- Successfully commenced Stage Two of the Working with Children checks, with numbers of applications increasing significantly from 2005-06. During January and February 2007 the Screening Unit received more than six times the number of Working with Children check applications received during the equivalent period in the previous year.
- Continued to improve the Working with Children application process including:
  - development of a new application form;
  - an alternative process for individuals without standard identification;
  - replacement for lost and stolen cards; and
  - remote area and interstate processes.
- Undertook significant work to inform the community about, and engage relevant people in applying for, the Working with Children checks, including presentations, forums, advertising and up-to-date website content.

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

- Progressively implement the Responsible Parenting Initiative to enable more families at risk or in crisis to be assisted, and undertake an evaluation of the initiative.
- Coordinate the development of a strategic framework and State Plan for family support services for vulnerable and at-risk children and young people, their families and communities.
- In partnership with LotteryWest, increase the capacity and range of responses available to the Uniting Care West Homelink program. The program supports homeless people, and those at risk of homelessness, who have low support needs, to access private rental accommodation.
- Establish a new departmental Aboriginal and Torres Strait Islander Advisory Committee.
- Implement a media campaign to further inform the public about Working with Children checks.
- Commence Stage Three of the phasing in of Working with Children checks and plan for future phases.
- Progress amendments to the *Working with Children (Criminal Record Checking) Act 2004*.

## CAPITAL WORKS PROGRAM

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

During the 2006-07 year, significant projects include the Department's new Kwinana office, the Bamburra Hostel upgrade, the Northam Group Home refurbishment and the fit-out of the Broome office. In addition, a further 30 offices have been identified for alterations to accommodate the increase in staff identified for the Department.

Major information, communication and technology projects include the provision of infrastructure for the development and operation of the Assist program; the transfer of the Department's core business application to new hardware and software technology to ensure business continuity; the upgrade of the Department's network infrastructure to cater for new offices, provide improved response, and make Virtual Private Network facilities available to trusted partners; the introduction of application systems to support the Responsible Parenting Initiative and to improve operational efficiency.

	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>				
Accommodation				
Service Delivery Office Accommodation .....	1,582	862	119	720
Service Unit Accommodation Upgrades .....	1,136	276	257	860
ASSIST Client Application System .....	17,268	13,068	8,366	2,600
Buildings Minor Works				
Broome Office.....	750	544	488	206
Heritage Buildings .....	235	166	19	69
Manjimup Office.....	600	450	450	150
Community Centre Program				
2002-03 Program .....	2,385	1,683	700	702
Craigie Community Centre .....	890	400	400	490
Fitzroy Community Centre .....	1,534	300	300	1,234
Computer Hardware and Software				
Infrastructure Replacement (four year cycle).....	16,361	8,600	3,821	3,748
Furniture and Equipment				
Replacement Program.....	2,126	1,722	614	404
Hostels				
Refurbishment of Existing Hostel Accommodation .....	5,959	1,994	495	3,965
<b>COMPLETED WORKS</b>				
Buildings Minor Works				
Office for Senior's Interests - Accommodation Upgrade.....	545	545	66	-
Community Facility Program (includes Children's Services).....	450	450	450	-
Computer Hardware and Software				
Enterprise Architecture .....	1,822	1,822	92	-
Information Systems Redevelopment.....	1,020	1,020	438	-
Software Development .....	1,284	1,284	192	-
Software Upgrade 2003-04 .....	100	100	100	-
Upgrade of Financial Systems .....	255	255	187	-
Hostels				
Refurbishment of Existing Facilities				
Halls Creek 0-6 years .....	556	556	556	-
Halls Creek 6-15 years .....	2,576	2,576	2,576	-
<b>NEW WORKS</b>				
Accommodation				
Service Delivery Accommodation.....	6,689	-	-	6,689
Upgrade of Provider Support Accommodation.....	813	-	-	813
Computer Hardware and Software				
ASSIST - D 2007-08 and 2008-09 .....	4,427	-	-	3,306
Furniture and Equipment - Department for Child Protection Establishment .....	200	-	-	200
Hostels				
Refurbishment of Existing Facilities				
Intensive Therapeutic Unit - Ford Review .....	1,200	-	-	1,200
	72,763	38,673	20,686	27,356

**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>	9,011	17,139	20,686	27,356	9,096	8,300	6,187
	9,011	17,139	20,686	27,356	9,096	8,300	6,187
<b>LESS</b>							
Drawdowns from the Holding Account .....	2,973	-	-	1,145	3,160	4,032	-
Funding Included in Service Appropriations <sup>(a)</sup>	4,855	2,741	2,741	2,735	4,159	4,268	4,627
Funding Included in Department of Treasury and Finance – Administered Item <sup>(b)</sup>	-	-	-	200	-	-	-
Internal Funds and Balances .....	(5,889)	5,639	13,317	-	-	-	-
Other.....	-	-	200	-	-	-	-
<b>Capital Contribution .....</b>	7,072	8,759	4,428	23,276	1,777	-	1,560

(a) Capital works expensed through the Income Statement.

(b) Funding for the Ford Review recommendations includes a centrally held provisional allocation. The Department will be required to submit business cases for approval to access the funding provision.

## FINANCIAL STATEMENTS

INCOME 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>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	74,378	82,142	85,589	100,156	108,903	108,666	119,549
Superannuation .....	8,128	8,523	9,251	11,421	12,632	12,395	13,367
Grants and subsidies <sup>(c)</sup> .....	28,485	28,435	30,539	34,481	36,639	40,415	44,330
Services purchased from non-government agencies <sup>(d)</sup> .....	65,058	69,292	69,552	73,712	77,443	79,455	82,774
Supplies and services .....	27,789	31,678	32,861	37,601	35,657	35,653	33,877
Accommodation .....	8,793	10,508	10,968	12,389	15,366	17,784	20,972
Capital user charge <sup>(e)</sup> .....	5,257	5,608	5,608	-	-	-	-
Depreciation and amortisation .....	1,992	5,202	2,455	2,692	2,778	2,807	2,808
Loss on disposal of non-current assets .....	50	-	-	-	-	-	-
Doubtful debts .....	35	-	-	-	-	-	-
Other expenses .....	1,067	289	289	119	122	122	119
<b>TOTAL COST OF SERVICES</b> .....	<b>221,032</b>	<b>241,677</b>	<b>247,112</b>	<b>272,571</b>	<b>289,540</b>	<b>297,297</b>	<b>317,796</b>
<b>Income</b>							
User charges and fees .....	301	1,621	783	1,223	123	123	123
Grants and subsidies .....	17,644	19,047	18,562	18,621	19,083	19,492	19,511
Donations .....	6	-	-	-	-	-	-
Other revenue .....	3,413	972	885	952	961	969	968
<b>Total Income</b> .....	<b>21,364</b>	<b>21,640</b>	<b>20,230</b>	<b>20,796</b>	<b>20,167</b>	<b>20,584</b>	<b>20,602</b>
<b>NET COST OF SERVICES <sup>(e)</sup></b> .....	<b>199,668</b>	<b>220,037</b>	<b>226,882</b>	<b>251,775</b>	<b>269,373</b>	<b>276,713</b>	<b>297,194</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(e)</sup> .....	189,250	219,337	222,142	242,113	250,631	259,165	266,579
Service appropriations held in Department of Treasury and Finance Administered .....	-	-	-	7,550	15,300	14,200	28,300
Resources received free of charge .....	585	375	585	585	585	585	585
Liabilities assumed by the Treasurer .....	1,086	695	1,086	1,086	1,086	1,086	1,086
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>190,921</b>	<b>220,407</b>	<b>223,813</b>	<b>251,334</b>	<b>267,602</b>	<b>275,036</b>	<b>296,550</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>(8,747)</b>	<b>370</b>	<b>(3,069)</b>	<b>(441)</b>	<b>(1,771)</b>	<b>(1,677)</b>	<b>(644)</b>
Extraordinary items .....	8,748	(370)	3,068	-	-	-	-
<b>CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS</b> .....	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>(441)</b>	<b>(1,771)</b>	<b>(1,677)</b>	<b>(644)</b>

(a) Amounts have been adjusted for comparative purposes to reflect the transfer of functions to and from the former Department for Community Development. The financial statements have not been adjusted to reflect the transfer of the Responsible Parenting Initiative in 2005-06.

(b) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 1,255, 1,423 and 1,572 respectively.

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

(d) Indexation provided for State funded services and the State component of the Supported Accommodation Assistance Program (SAAP) is based on a composite wage-cost index of 3.5 per cent in 2005-06, 3.4 per cent in 2006-07, 3.3 per cent in 2007-08 and 2.9 per cent in 2008-09, 2009-10 and 2010-11.

(e) 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> \$'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>CURRENT ASSETS</b>							
Cash and cash equivalents .....	10,139	3,522	4,157	4,603	4,258	2,862	3,568
Restricted cash .....	1,914	2,641	1,914	1,914	1,914	1,847	-
Receivables .....	1,460	1,402	1,431	1,402	1,402	1,402	1,402
Amounts receivable for services .....	-	1,145	1,145	3,160	4,032	-	-
Prepayments .....	5,856	4,681	353	353	353	353	353
<b>Total current assets .....</b>	<b>19,369</b>	<b>13,391</b>	<b>9,000</b>	<b>11,432</b>	<b>11,959</b>	<b>6,464</b>	<b>5,323</b>
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	7,854	12,061	8,283	8,366	7,663	10,808	13,965
Land and buildings .....	34,537	29,141	34,208	33,879	32,868	32,593	32,318
Plant and equipment .....	1,631	10,456	2,814	4,517	4,356	4,194	3,096
Restricted cash .....	310	-	554	554	865	1,185	1,682
Other .....	6,677	13,000	16,638	37,193	40,524	42,187	42,312
<b>Total non-current assets .....</b>	<b>51,009</b>	<b>64,658</b>	<b>62,497</b>	<b>84,509</b>	<b>86,276</b>	<b>90,967</b>	<b>93,373</b>
<b>TOTAL ASSETS .....</b>	<b>70,378</b>	<b>78,049</b>	<b>71,497</b>	<b>95,941</b>	<b>98,235</b>	<b>97,431</b>	<b>98,696</b>
<b>CURRENT LIABILITIES</b>							
Payables <sup>(b)</sup> .....	1,164	1,192	1,170	1,169	1,169	1,169	1,169
Provision for employee entitlements .....	14,863	15,821	15,662	16,411	17,160	17,457	17,806
Accrued salaries .....	1,381	117	973	973	2,245	2,669	2,669
Other .....	1,256	574	1,257	1,650	1,650	1,651	1,651
<b>Total current liabilities .....</b>	<b>18,664</b>	<b>17,704</b>	<b>19,062</b>	<b>20,203</b>	<b>22,224</b>	<b>22,946</b>	<b>23,295</b>
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	4,030	4,057	4,314	4,581	4,848	4,999	4,999
Other .....	58	51	58	58	58	58	58
<b>Total non-current liabilities .....</b>	<b>4,088</b>	<b>4,108</b>	<b>4,372</b>	<b>4,639</b>	<b>4,906</b>	<b>5,057</b>	<b>5,057</b>
<b>TOTAL LIABILITIES .....</b>	<b>22,752</b>	<b>21,812</b>	<b>23,434</b>	<b>24,842</b>	<b>27,130</b>	<b>28,003</b>	<b>28,352</b>
<b>EQUITY</b>							
Contributed equity .....	16,926	25,520	22,139	37,746	39,523	39,523	41,083
Accumulated surplus/(deficit) .....	(5,473)	(3,344)	(10,249)	(2,820)	(4,591)	(6,268)	(6,912)
Reserves .....	36,173	34,061	36,173	36,173	36,173	36,173	36,173
<b>Total equity .....</b>	<b>47,626</b>	<b>56,237</b>	<b>48,063</b>	<b>71,099</b>	<b>71,105</b>	<b>69,428</b>	<b>70,344</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>70,378</b>	<b>78,049</b>	<b>71,497</b>	<b>95,941</b>	<b>98,235</b>	<b>97,431</b>	<b>98,696</b>

(a) Amounts have been adjusted for comparative purposes to reflect the transfer of functions to and from the former Department for Community Development. The financial statements have not been adjusted to reflect the transfer of the Responsible Parenting Initiative in 2005-06.

(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 .....	185,495	213,985	219,537	238,870	247,302	256,020	263,422
Service appropriations held in Department of Treasury and Finance - Administered.....	-	-	-	7,550	15,300	14,200	28,300
Capital contribution .....	7,072	8,759	4,428	23,276	1,777	-	1,560
Holding account drawdowns .....	2,973	-	-	1,145	3,160	4,032	-
<b>Net cash provided by State government .....</b>	<b>195,540</b>	<b>222,744</b>	<b>223,965</b>	<b>270,841</b>	<b>267,539</b>	<b>274,252</b>	<b>293,282</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(72,052)	(81,126)	(84,868)	(99,140)	(106,615)	(107,794)	(119,200)
Superannuation .....	(7,009)	(7,827)	(8,210)	(10,334)	(11,546)	(11,309)	(12,281)
Grants and subsidies .....	(28,512)	(28,435)	(30,539)	(34,481)	(36,639)	(40,415)	(44,330)
Services purchased from non-government agencies .....	(64,528)	(68,792)	(64,052)	(73,321)	(77,443)	(79,455)	(82,774)
Supplies and services .....	(28,206)	(31,474)	(32,520)	(37,015)	(35,072)	(35,068)	(33,292)
Accommodation .....	(8,960)	(10,508)	(10,968)	(12,389)	(15,366)	(17,784)	(20,972)
Capital user charge <sup>(b)</sup> .....	(5,257)	(5,608)	(5,608)	-	-	-	-
Goods and services tax .....	(10,925)	(9,552)	(11,720)	(12,372)	(12,910)	(13,383)	(13,825)
Other.....	(1,016)	(117)	(117)	(119)	(122)	(122)	(119)
<b>Receipts</b>							
User charges and fees.....	299	1,621	783	1,223	123	123	123
Grants and subsidies .....	17,644	19,047	18,562	18,621	19,083	19,492	19,511
Donations receipts.....	6	-	-	-	-	-	-
Goods and services tax .....	11,028	9,581	11,749	12,401	12,910	13,383	13,825
Other receipts .....	3,339	972	885	952	961	969	968
<b>Net cash from operating activities.....</b>	<b>(194,149)</b>	<b>(212,218)</b>	<b>(216,623)</b>	<b>(245,974)</b>	<b>(262,636)</b>	<b>(271,363)</b>	<b>(292,366)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(5,059)	(14,198)	(13,921)	(24,621)	(4,937)	(4,032)	(1,560)
Equity contribution receipts.....	-	-	-	200	-	-	-
<b>Net cash from investing activities.....</b>	<b>(5,059)</b>	<b>(14,198)</b>	<b>(13,921)</b>	<b>(24,421)</b>	<b>(4,937)</b>	<b>(4,032)</b>	<b>(1,560)</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>(3,668)</b>	<b>(3,672)</b>	<b>(6,579)</b>	<b>446</b>	<b>(34)</b>	<b>(1,143)</b>	<b>(644)</b>
Cash assets at the beginning of the reporting period .....	16,031	9,835	12,363	6,625	7,071	7,037	5,894
Net cash transferred to/from other agencies.....	-	-	841	-	-	-	-
<b>Cash assets at the end of the reporting period.....</b>	<b>12,363</b>	<b>6,163</b>	<b>6,625</b>	<b>7,071</b>	<b>7,037</b>	<b>5,894</b>	<b>5,250</b>

(a) Amounts have been adjusted for comparative purposes to reflect the transfer of functions to and from the former Department for Community Development. The financial statements have not been adjusted to reflect the transfer of the Responsible Parenting Initiative in 2005-06.

(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.

# 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.....	221,032	241,677	247,112	272,571	289,540	297,297	317,796
<i>Less Capital User Charge.....</i>	5,257	5,608	5,608	-	-	-	-
<i>Plus Transfer from Department of the Premier and Cabinet.....</i>	1,186	-	-	-	-	-	-
Adjusted Total Cost of Services .....	216,961	236,069	241,504	272,571	289,540	297,297	317,796
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services....	189,250	219,337	222,142	242,113	250,631	259,165	266,579
<i>Less Capital User Charge.....</i>	5,257	5,608	5,608	-	-	-	-
<i>Plus Transfer from Department of the Premier and Cabinet.....</i>	2,042	-	-	-	-	-	-
Adjusted net amount appropriated to deliver services.....	186,035	213,729	216,534	242,113	250,631	259,165	266,579

(a) Amounts have been adjusted due to the transfer of the Responsible Parenting Initiative in 2005-06 from the Department for the Premier and Cabinet to the Department for Child Protection (formerly the Department for Community Development).

**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
Children In Care.....	26,171	25,451	24,764	31,771	34,627	38,403	42,318
Family Crisis Program.....	1,783	1,984	1,984	1,984	1,984	1,984	1,984
Capital Grants.....	209	1,000	3,791	698	-	-	-
Disaster Relief.....	43	-	-	-	-	-	-
Other.....	279	-	-	28	28	28	28
<b>TOTAL</b>	<b>28,485</b>	<b>28,435</b>	<b>30,539</b>	<b>34,481</b>	<b>36,639</b>	<b>40,415</b>	<b>44,330</b>

**AGENCY SPECIAL PURPOSE ACCOUNT DETAILS****Western Australian Family Foundation Special Purpose Account**

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

	2005-06 Actual \$'000	2006-07 Budget \$'000	2006-07 Estimated Actual \$'000	2007-08 Budget Estimate \$'000
Opening Balance.....	327	44	85	84
Receipts:				
Appropriations.....	560	560	560	560
Other.....	-	-	-	-
	887	604	645	644
Payments.....	802	604	561	644
<b>CLOSING BALANCE</b> .....	<b>85</b>	<b>-</b>	<b>84</b>	<b>-</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
Christmas/Cocos Island.....	223	310	392	408
Departmental Services.....	3,645	3,993	1,668	2,175
GST Input Credits.....	215	19	19	19
GST Receipts on Sales.....	10,813	9,562	11,730	12,382
Supported Accommodation Assistance Program.....	17,416	17,330	18,168	18,211
Unattached Refugee Children.....	4	7	2	2
<b>TOTAL</b> .....	<b>32,316</b>	<b>31,221</b>	<b>31,979</b>	<b>33,197</b>

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

## COMMUNITIES

### PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING

#### DIVISION 69

#### APPROPRIATION AND FORWARD ESTIMATES

	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>DELIVERY OF SERVICES</b>							
<b>Item 118 Net amount appropriated to deliver services <sup>(b) (c)</sup></b>	30,693	30,003	29,850	<b>30,065</b>	29,267	29,673	30,029
Total appropriations provided to deliver services	30,693	30,003	29,850	<b>30,065</b>	29,267	29,673	30,029
<b>GRAND TOTAL</b>	30,693	30,003	29,850	<b>30,065</b>	29,267	29,673	30,029

- (a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.
- (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) Funding for the Ford Review recommendations includes a provisional allocation that is excluded from this Item as the funds are appropriated as a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

#### MISSION

*To support and strengthen communities to enhance the quality of life for Western Australians through the promotion of across Government collaboration in social policy, service delivery and industry support.*

#### SIGNIFICANT ISSUES AND TRENDS

- The Government announced the creation of the new Department for Communities in March 2007.
- Output structures have been compiled on the basis of existing functions and services which have been transferred from the Department of the Premier and Cabinet, and the former Department for Community Development. These and other functions will be reviewed, with possible transfers made during 2007-08 to reflect the strategic plan that will be developed for the new Department for Communities.
- The strategic direction of the Department for Communities will be enhanced through broad consultation with key stakeholders during 2007.
- Childhood is a critical time for developing attitudes and behavioural patterns that influence the rest of life.
- In 2005, 35 per cent of the population was aged 25 years or under. The issues and experiences relevant to this cohort will inform Western Australia's future.
- There was a threefold increase in the prevalence of overweight seven to 15 year olds between 1985 and 2003.
- The rate of suicide among young people is concerning.
- The proportion of young Western Australians (31 per cent) with some form of debt is increasing.

- In 2005, 16 per cent of the population were aged 60 years or over. By 2041, nearly one in three Western Australians will be a senior. The continued development of age-specific strategies focussed on improving the physical, social and emotional wellbeing of older people and on improving community attitudes towards ageing is required.
- Skills shortages in Western Australia have emerged due to the resources boom and the increase in the number of 'baby boomer' retirements. This skills shortage could potentially provide more opportunities for participation of women in the workforce.
- The shift to caring for older people and people with a disability in the community will be influenced by the availability of informal carers. While rewarding, strategies to minimise the potential impact of social isolation, physical and emotional strain and reduced potential for education and employment on carers are important.
- High employment levels, delayed retirement, the perceived cost of volunteering and changing volunteer interests all influence the rate and kind of volunteering.
- Changing demographics and working patterns in regional and mining communities necessitate increased support to facilitate recruitment and retention of volunteers in regions.
- Interpersonal, family and domestic violence, and other threats to the safety of women remain issues of public concern. A review of the *Acts Amendment (Family and Domestic Violence) Act 2004* is expected to identify further improvements to legislation and agency practice.
- The immediate and long-term impact of federal welfare and industrial relations changes on Western Australian women will continue to require complex social and economic policy analysis.
- Child care remains an important issue for families.
- The continuing emergence of Aboriginal women in leadership roles within Aboriginal communities is an important social development.
- High numbers of migrants, especially skilled migrants and humanitarian entrants, continue to increase demand for State services.
- With Western Australia's increasing cultural diversity, it is important that an across-government focus on multicultural issues is maintained.

## 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
Child Care Licensing and Standards Unit Additional Staff .....	1,101	1,108	1,144	1,178
Ford Review Recommendations - Establish Department for Communities <sup>(a)</sup> .....	1,150	570	590	610

- (a) Funding is held in a Department of Treasury and Finance - Administered appropriation provision to be released subject to business cases being provided.

**SERVICE AND APPROPRIATION SUMMARY**

	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>SERVICES</b>							
<i>Service 1:</i>							
Community and Family Support .....	5,101	4,800	4,940	5,238			
<i>Service 2:</i>							
Child Care Services .....	5,392	5,771	6,484	6,625			
<i>Service 3:</i>							
Strategic Policy and Coordination .....	16,575	16,246	16,157	15,410			
<i>Service 4:</i>							
Promotion and Support of Multiculturalism in Western Australia .....	3,178	4,050	3,733	3,836			
<b>Total Cost of Services <sup>(b)</sup></b> .....	30,246	30,867	31,314	31,109	29,883	30,325	31,186
<i>Less Income</i> .....	984	726	757	621	593	621	593
<b>Net Cost of Services <sup>(b)</sup></b> .....	29,262	30,141	30,557	30,488	29,290	29,704	30,593
Adjustments <sup>(c)</sup> .....	1,431	(138)	(707)	(423)	(23)	(31)	(564)
<b>Appropriation provided to deliver Services <sup>(b) (d)</sup></b> .....	30,693	30,003	29,850	30,065	29,267	29,673	30,029
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b> .....	30,693	30,003	29,850	30,065	29,267	29,673	30,029

- (a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

**RESOURCE AGREEMENT**

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

The relationship of the Ministers to the services is shown below.

Responsible Minister	Service
Minister for Child Protection; Communities; Women's Interests; Seniors and Volunteering	1. Community and Family Support 2. Child Care Services 3. Strategic Policy and Coordination (except Youth)
Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth	3. Strategic Policy and Coordination (Youth) 4. Promotion and Support of Multiculturalism in Western Australia

## 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
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Communities are strengthened so that individuals and families are able to better meet their needs.	1. Community and Family Support 2. Child Care Services 3. Strategic Policy and Coordination
	A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.	4. Promotion and Support of Multiculturalism in Western Australia

### 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: Communities are strengthened so that individuals and families are able to better meet their needs.</b>					
Customer satisfaction with services .....	n/a	n/a	n/a	95%	
The number of substantiated breaches of regulations arising from allegations made to the Child Care Licensing and Standards Unit per licensed service .....	0.02	0.02	0.04	0.03	
Stakeholder satisfaction with policy and coordination projects.....	89%	90%	85%	90%	
<b>Outcome: A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.</b>					
Extent to which the principles of multiculturalism are accepted and practiced in Western Australia .....	61%	65%	60%	65%	
Extent to which policies and practices of public sector agencies reflect the principles of multiculturalism .....	83%	75%	75%	75%	

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

**Service 1: Community and Family Support**

Services and programs to support and enhance families and communities.

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	5,101	4,800	4,940	5,238	
Less Income.....	21	20	20	20	
Net Cost of Service <sup>(b)</sup> .....	5,080	4,780	4,920	5,218	
Adjustments <sup>(c)</sup> .....	128	(19)	(13)	(80)	
<b>Appropriation for delivery of Service <sup>(b) (d)</sup> .....</b>	<b>5,208</b>	<b>4,761</b>	<b>4,907</b>	<b>5,138</b>	

- (a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

**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 service .....	\$83,623	\$76,193	\$78,416	\$83,143	The increase in 2007-08 is due to additional funding for overhead costs due to the establishment of the Department.
Number of services .....	61	63	63	63	
<b>Full Time Equivalents (FTEs)</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>16</b>	

**Major Achievements For 2006-07**

- Progressed six Community Development roundtables/seminars, with over 350 people participating throughout the State.
- Updated and published the 'Concessions Guide 2007'.
- Developed the policy guide 'Building Solid Relationships: A Capacity Building Approach with Communities to Safeguard and Promote the Wellbeing of Children and Young People'.
- Commenced a review of family centres as part of the purchasing quality services process.
- Continued to fund Early Years Activities at the local level throughout the State to support the development of children.

**Major Initiatives For 2007-08**

- Develop an evidence-based and community focused Early Years Strategy.
- Contribute to the development and implementation of the Council of Australian Governments' reform agenda in relation to early childhood and child care.



## Service 2: Child Care Services

Child care services and services to promote quality and safe child care, including licensing.

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	5,392	5,771	6,484	6,625	
Less Income.....	446	491	360	360	
Net Cost of Service <sup>(b)</sup> .....	4,946	5,280	6,124	6,265	
Adjustments <sup>(c)</sup> .....	125	(21)	(17)	(96)	
<b>Appropriation for delivery of Service <sup>(b) (d)</sup> .....</b>	<b>5,071</b>	<b>5,259</b>	<b>6,107</b>	<b>6,169</b>	

- (a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

### 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 licensed service.....	\$3,545	\$3,632	\$4,438	\$4,417	
Number of licensed services.....	1,521	1,589	1,461	1,500	
<b>Full Time Equivalents (FTEs)</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>63</b>	

### Major Achievements For 2006-07

- Developed a compliance strategy for child care regulations which encourages and promotes compliance, and sets out an appropriate enforcement regime.
- In consultation with the child care sector, progressed two new models for child care services for small rural services and single staffed centres.
- Amended child care regulations under the *Children and Community Services Act 2004* to simplify licensing processes, provide greater flexibility in caring for small groups of children in centre-based care and address a number of specific issues raised by the child care sector.
- Amended child care regulations to require unlicensed crèche services to prominently display their licensing status.
- Revised and published the Setting up a Crèche booklet.
- Relocated the Child Care Licensing and Standards Unit to East Perth.

**Major Initiatives For 2007-08**

- As recommended in the Ford Review, review child care regulations to clarify their purpose and principles.
- Finalise the models for child care services for small rural service and single staff centres.
- Undertake annual regulatory visits to all child care centres.

**Service 3: Strategic Policy and Coordination**

The provision of policy coordination, programs, policy advice, analysis and information to support and strengthen the Western Australian community.

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	16,575	16,246	16,157	15,410	The decrease in expenditure relates to a reduction in funding for the introduction of the Office of Shared Services.
Less Income .....	365	204	364	228	
Net Cost of Service <sup>(b)</sup> .....	16,210	16,042	15,793	15,182	
Adjustments <sup>(c)</sup> .....	410	(62)	(42)	(232)	
<b>Appropriation for delivery of Service <sup>(b) (d)</sup> .....</b>	<b>16,620</b>	<b>15,980</b>	<b>15,751</b>	<b>14,950</b>	

- (a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department will be required to submit business cases for approval to access the funding provision.

**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 strategic policy/coordination project for children and young people .....	\$237,848	\$233,509	\$236,773	\$308,961	The increase in the cost per project in 2007-08 is mainly due to a reduction in the number of projects in 2007-08.
Average cost per strategic policy/coordination project for seniors .....	\$69,699	\$74,727	\$74,357	\$62,855	See note (a).
Average cost of a Seniors Card .....	\$3.53	\$1.68	\$2.19	\$2.99	See note (b).
Average cost per strategic policy/coordination project for volunteers .....	\$75,575	\$98,239	\$100,971	\$85,521	See note (a).
Average cost per strategic policy/coordination project for women .....	\$65,591	\$65,903	\$62,902	\$63,694	
Average cost per strategic policy/coordination project for family and domestic violence .....	\$275,759	\$246,364	\$238,814	\$215,455	See note (a).
Strategic policy and coordination projects for children and young people .....	29	29	28	22	The Office for Children and Youth has committed to undertaking larger and longer term projects beginning in 2007-08.
Strategic policy and coordination projects for seniors .....	49	49	49	49	

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Target	Reason for Significant Variation between 2006-07 Estimated and 2007-08 Target
Seniors Cards managed.....	234,714	241,200	249,987	269,987	See note (c).
Strategic policy and coordination projects for volunteers .....	13	11	11	11	The target for 2007-08 reflects the grouping of a number of projects which were previously reported separately.
Strategic policy and coordination projects for women .....	30	32	33	29	
Strategic policy and coordination projects for family and domestic violence .....	9	9	9	9	
<b>Full Time Equivalents (FTEs)</b>	<b>77</b>	<b>77</b>	<b>73</b>	<b>76</b>	

- (a) The decrease in expenditure in 2007-08 is due to a reduction in funding for the introduction of the Office of Shared Services.
- (b) The increase in 2007-08 is a result of expenditure relating to the production of the biennial Seniors Card Discount Directory. The target cost per card is less than 2005-06 because of the reduction in funding for Shared Services and the rapid growth in the number of new Seniors Cards.
- (c) The number of Seniors Cards managed have been re-stated due to a change in the method of calculation. The number of Seniors Cards managed are now calculated as at 30 June each year compared to an average over the year previously.

### Major Achievements For 2006-07

#### Seniors and Volunteering

- Completed major research into the benefits and costs associated with the ageing of the Western Australian population.
- Worked with the Carers Advisory Council to present its first report on compliance with the Carers Charter to the Minister for Seniors and Volunteering.
- Expanded the range of topic sheets to cover 'State of Ageing', 'Active Ageing', 'Population Characteristics', 'Seniors and Crime', and 'Staying Mentally Healthy'.
- Produce targeted information and publicised Elder Abuse Awareness Day.
- Amended and proclaimed the *Volunteer and Food and Other Donors (Protection from Liability) Act 2002*.
- Develop the Depression Information Card in partnership with Beyondblue.
- Transferred Volunteer Resource Centres from grants to three year recurrent funding.
- Funded the Western Australian Council of Social Service to develop and deliver the Western Australian Volunteering Initiative.
- Initiated a State-wide 'Know Your Neighbour' awareness program with a focus on seniors who live alone.
- Completed 12,000 free/reduced cost volunteer checks through the National Police Checks for Volunteers Program.
- Introduced and funded the effective 'Vista of Vs' volunteer recognition activity in communities across the state.

#### Children and Youth

- Conducted a regional postcard consultation on issues in which 1,370 children from 28 schools in six regional areas participated.
- Held workshops for parents and professionals on building resilience in children and youth, attended by approximately 200 adults.
- Developed two booklets for parents and service providers, in partnership with leading resilience expert Maggie Dent.

- Launched a 'Parenting Information Pack' which brought together the best resources available under an umbrella brand targeting parents of babies, toddlers and pre-schoolers.
- Worked with key stakeholders to develop the following publications:
  - a booklet for parents about young people and alcohol, in partnership with the Drug and Alcohol Office;
  - an 'Information and support pack for those concerned about someone who is distressed or suicidal', in partnership with the Ministerial Council for Suicide Prevention;
  - in partnership with the Youth Legal Service of Western Australia Incorporated supported and funded the publication of 'Leavers and the Law' distributed to year 12 students; and
  - a guide titled 'Active Participation of Children in your Organisation: A guide to setting up a Children's Advisory Group and other participative mechanisms'.
- Conducted a comprehensive review of services funded under the Community Service Grant program and developed 14 new service agreements to the value of approximately \$1.2 million.
- Expanded the Youth Grants Western Australia program to incorporate two new categories of sponsorships and special project grants, and revised the application form and guidelines to streamline the process.
- Conducted education and information sessions on topical issues such as suicide prevention and youth debt, in both regional and metropolitan Western Australia.
- Administered the Cadets Western Australia program and provided support to 198 cadet units attracting the participation of approximately 6,000 young people and 700 adult volunteers.
- Conducted consultations and developed the draft 'Charter of Rights for Children and Young People in Care' on behalf of the Department for Community Development.
- Launched the new website [www.childrenandyouth.wa.gov.au](http://www.childrenandyouth.wa.gov.au).
- Conducted the ninth annual WA Youth Awards.
- Conducted celebrations for National Youth Week and provided funding for over 60 projects.
- Conducted the ninth annual Positive Image Awards.
- Produced a series of information sheets about children and children's issues.
- Produced a poster titled '100 Ways to Nurture Your Child's Communication'.
- In partnership with Meerilinga Young Children's Foundation Incorporated facilitated events and activities to celebrate Children's Week and provided funding for the 'Children's Week Awards of Reconciliation'.

### **Family and Domestic Violence**

- Funded the Women's Council for Domestic and Family Violence Services to pilot a peer education program.
- Funded the Pilbara Regional Domestic Violence Committee to foster dialogue between communities and mining organisations on the impact of family and domestic violence on the mining sector.
- Established Family and Domestic Violence Outreach Projects in three regions to provide services to both the victims and perpetrators of abuse.
- Progressed the Western Australian Family and Domestic Violence State Strategic Plan 2004-08 through development of a progress report on the 2005-06 Action Plan and implementation of the 2006-07 Action Plan.
- Finalised the review of the Freedom From Fear Campaign. Recommendations from the review will be considered by the newly established Advisory Group on Family and Domestic Violence Prevention and Early Intervention.
- Completed the 'Men's Report', a response to the need to engage men in the reduction of family and domestic violence.

- Continued to implement new regional coordination models to improve service responses to people affected by family and domestic violence.
- Established Strong Survivors Against Violence Everywhere.
- Continued to support the work of the Aboriginal Reference Group, and the Culturally and Linguistically Diverse Advisory Group, in relation to family and domestic violence.
- Developed benchmarks to measure changes in the incidence of family and domestic violence over time.
- Progressed a 'Homicide' research project to identify practice improvements in the Department for Community Development, the Department of Corrective Services and the Western Australia Police.
- Received the 2006 StateWest Achievement Award for Marketing Excellence with the 'No more violence - We're breaking the silence' youth resources and website.

### **Women**

- Developed a framework to enhance community engagement on women's issues, which includes a new ministerial advisory structure and the WA Women's Advisory Network.
- Undertook a review of gender balance on government boards and committees.
- Finalised a report on women and leadership in the West Australian public sector and established a mechanism to progress its recommendations.
- Profiled women's leadership through the Grace Vaughn lecture, the Clare Burton lecture and the 85th Anniversary of Edith Cowan's Inaugural Speech.
- Provided \$150,000 in Women's Community Grants to benefit 27 community groups.
- Commenced a national research project into the under-utilisation of migrant and refugee women's skills in the aged and health care sectors.
- Completed the across-government consultative stages of research to develop Australian models of gender analysis.
- Produced the Women's Report Card and Indigenous Women's Report Card.

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

#### **Seniors and Volunteering**

- Update the whole-of-government Active Ageing Strategy 'Generations Together'.
- Oversee the implementation of a legal and counselling service for older people who are experiencing or are at risk of elder abuse.
- Support the Carers Advisory Council in the development and implementation of a new compliance measurement framework.
- Work with the World Health Organisation to develop the Age Friendly Cities Indicators.
- Conduct research to establish a set of Volunteering benchmark indicators for Western Australia to underpin effective planning and coordination.
- Contribute to the development and funding of a Volunteer Resource Centre in the Pilbara.

**Children and Youth**

- Develop practical projects and tools to encourage children and young people to participate in healthy lifestyles, active decision making and participation including:
  - implementation of the 10th annual Positive Image Award and WA Youth Awards;
  - restructure and facilitation of the Children's Advisory Group;
  - implementation of a nutrition program for children aged three to 12 years; and
  - development of a resource for young people containing contacts and information across key areas.
- Work with key stakeholders to provide a range of development opportunities for children and young people, including:
  - a resource to assist organisations to involve children and young people in staff selection and recruitment processes;
  - support to local government to involve young people in planning and decision making;
  - administration of the Cadets Western Australia program;
  - development of a directory of Western Australian companies owned or operated by young people under the age of 30 years; and
  - development of a resource to assist organisations in the implementation and management of events.

**Family and Domestic Violence**

- Implement the Family and Domestic Violence State Strategic Plan and Action Plan 2007-08.
- Consider and implement the endorsed recommendations from the review of the Freedom From Fear campaign.
- Implement the Culturally and Linguistically Diverse Strategy developed by the Family and Domestic Violence Unit.
- Evaluate the 'Is someone you know being abused in a relationship', 'Violence in the family', and 'No more violence - We're breaking the silence' youth resource and the Family and Domestic Violence Early Intervention Outreach Project.
- Develop a training package for service providers on the co-occurrence of disability and domestic violence.

**Women**

- Produce a series of policy papers related to women and economic independence.
- Hold a Summit of key Western Australian women's organisations.
- Implement strategies aimed at increasing the numbers of women in senior positions in the Western Australian public sector.
- Continue to support women's leadership in the community sector through grants programs.
- Hold the Indigenous Women's Congress: a consultative conference providing direct input into women's policy.
- Implement a collaborative project encouraging increased participation of women in local government.

#### Service 4: Promotion and Support of Multiculturalism in Western Australia

Assists in delivering Government's commitments set out in the Western Australian Charter of Multiculturalism by:

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

	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	Reason for Significant Variation
Total Cost of Service <sup>(b)</sup> .....	3,178	4,050	3,733	3,836	
Less Income .....	152	11	13	13	
Net Cost of Service <sup>(b)</sup> .....	3,026	4,039	3,720	3,823	
Adjustments <sup>(c)</sup> .....	768	(36)	(635)	(15)	
<b>Appropriation for delivery of Service <sup>(b)</sup> .....</b>	<b>3,794</b>	<b>4,003</b>	<b>3,085</b>	<b>3,808</b>	

- (a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.
- (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.

#### 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 client assisted to support public sector agency implementation of State Citizenship Strategy policies, strategies and principles .....	\$22,634	\$16,194	n/a	n/a	See note (a).
Average cost per initiative undertaken to achieve substantive equality for culturally and linguistically diverse communities .....	\$40,555	\$54,432	\$60,961	\$78,670	
Average cost per initiative undertaken to support public sector agency implementation of policies and practices reflecting the principles of multiculturalism .....	\$19,498	\$27,516	\$37,638	\$44,540	
Average cost per unit of major policy and/or research .....	\$22,219	\$41,942	\$29,460	\$34,786	
Clients assisted to support public sector agency implementation of State Citizenship Strategy policies, strategies and principles....	27	30	n/a	n/a	See note (a).
Initiatives to achieve equality .....	25	24	24	24	
Initiatives to support public sector agencies....	22	22	20	18	
Major policy/research projects .....	24	22	18	18	
Grants excluded .....	\$590,961	\$730,000	\$710,000	\$522,000	
<b>Full Time Equivalents (FTEs)</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>25</b>	

- (a) The Office of Citizens and Civics ceased on 31 December 2006. Costs were incurred up to 31 December 2006, however no quantifiable data was available to prepare key efficiency indicators for the 2006-07 estimate.

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

- In partnership with the Department of Education and Training and the Department of Health established the Intensive Service Centre project to pilot the innovative delivery of key services to humanitarian entrants at the Intensive English Language Centre locations.
- Developed an employment initiative with Group Training Australia (Western Australia) to break down structural barriers confronting people from Culturally and Linguistically Diverse (CALD) backgrounds in obtaining traineeships/apprenticeships.
- Developed and implemented a grants program for community based and non-government organisations to build community capacity and to promote integration and active participation across the community.
- Developed and implemented a grants program to provide funding to not-for-profit community organisations to employ a Community Relations Integration Officer to raise awareness of, and facilitate access to, services and programs for members of new and emerging communities.

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

- Develop an implementation plan for the revised Language Services Policy and Guidelines and commence its implementation.
- Develop an Intercultural Arts Project to raise the profile of artists and cultural groups from CALD backgrounds.
- In partnership with the Chamber of Commerce and Industry undertake a project to address attitudinal barriers that prevent or discourage employers recruiting people from CALD backgrounds.
- In partnership with the Career Development Centre undertake a project to increase access by people from CALD backgrounds (in particular youth from new and emerging communities) to employment and career development services.
- In partnership with the Department of Sport and Recreation, develop a project to increase CALD participation in sport, recreation and leisure within the south metropolitan area.
- Implement and evaluate the Integrated Service Centre pilot project.
- As part of a media strategy: develop kits for people working in the media when dealing with multicultural issues and the community. Present a program of workshops to highlight the benefits of the publication of the two kits.
- Transfer the Office of Multicultural Interest and Citizenship to the new Department for Communities.



## CAPITAL WORKS PROGRAM

The Department's capital works program provides for the replacement, maintenance and expansion of assets that support the delivery of the Department's services. These include Child Care and Family Centres.

In 2006-07, though no major projects were completed planning is continuing in consultation with the Department for Housing and Works, to provide a new Child Care Centre in the town of Fitzroy Crossing

	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>				
Furniture and Equipment				
Department for Communities - Establishment.....	200	-	-	200
	200	-	-	200

## 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>	-	-	-	200	-	-	-
	-	-	-	200	-	-	-
<b>LESS</b>							
Funding Included in Department of Treasury and Finance – Administered Item <sup>(a)</sup>	-	-	-	200	-	-	-
<b>Capital Contribution .....</b>	-	-	-	-	-	-	-

(a) Funding for the Ford Review recommendations includes a centrally held provisional allocation. The Department will be required to submit business cases for approval to access the funding provision.

**FINANCIAL STATEMENTS****INCOME 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>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expenses <sup>(b)</sup> .....	10,144	10,253	10,612	10,270	10,533	10,814	11,105
Superannuation .....	1,017	1,033	1,065	965	1,044	1,099	1,129
Grants and subsidies <sup>(c)</sup> .....	6,126	6,280	6,260	5,152	5,002	5,002	5,002
Services purchased from non-government agencies <sup>(d)</sup> .....	4,880	5,041	5,041	5,450	5,450	5,451	5,618
Supplies and services .....	4,993	5,515	5,329	6,263	4,948	5,004	5,372
Accommodation .....	1,085	773	1,073	1,096	1,103	1,111	1,117
Capital user charge <sup>(e)</sup> .....	44	33	31	-	-	-	-
Depreciation and amortisation .....	1,923	1,972	1,934	1,913	1,803	1,844	1,843
Other expenses .....	78	-	-	-	-	-	-
<b>TOTAL COST OF SERVICES</b> .....	<b>30,290</b>	<b>30,900</b>	<b>31,345</b>	<b>31,109</b>	<b>29,883</b>	<b>30,325</b>	<b>31,186</b>
<b>Income</b>							
User charges and fees .....	168	31	33	48	20	48	20
Grants and subsidies .....	385	512	382	382	382	382	382
Other revenue .....	431	183	342	191	191	191	191
<b>Total Income</b> .....	<b>984</b>	<b>726</b>	<b>757</b>	<b>621</b>	<b>593</b>	<b>621</b>	<b>593</b>
<b>NET COST OF SERVICES</b> <sup>(e)</sup> .....	<b>29,306</b>	<b>30,174</b>	<b>30,588</b>	<b>30,488</b>	<b>29,290</b>	<b>29,704</b>	<b>30,593</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriations <sup>(e)</sup> .....	30,737	30,036	29,881	30,065	29,267	29,673	30,029
Service appropriations held in Department of Treasury and Finance Administered .....	-	-	-	1,150	570	590	610
Resources received free of charge .....	27	15	-	-	-	-	-
Liabilities assumed by the Treasurer .....	5	12	15	15	15	15	15
<b>TOTAL INCOME FROM STATE GOVERNMENT</b> .....	<b>30,769</b>	<b>30,063</b>	<b>29,896</b>	<b>31,230</b>	<b>29,852</b>	<b>30,278</b>	<b>30,654</b>
<b>SURPLUS/(DEFICIENCY) FOR THE PERIOD</b> .....	<b>1,463</b>	<b>(111)</b>	<b>(692)</b>	<b>742</b>	<b>562</b>	<b>574</b>	<b>61</b>

(a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.

(b) The Full Time Equivalents (FTEs) for 2005-06 Actual, 2006-07 Estimated Actual and 2007-08 Estimate are 167, 163 and 180 respectively.

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

(d) Indexation provided for State funded services is based on a composite wage-cost index of, 3.5 per cent in 2005-06, 3.4 per cent in 2006-07, 3.3 per cent in 2007-08 and 2.9 per cent in 2008-09, 2009-10 and 2010-11.

(e) 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> \$'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>CURRENT ASSETS</b>							
Cash and cash equivalents .....	1,857	903	903	1,650	2,389	3,015	3,078
Prepayments .....	480	480	480	480	480	480	480
Total current assets .....	2,337	1,383	1,383	2,130	2,869	3,495	3,558
<b>NON-CURRENT ASSETS</b>							
Amounts receivable for services .....	2,068	3,825	4,066	5,988	7,806	9,680	11,554
Land and buildings .....	18,987	18,250	18,250	17,513	17,458	16,667	15,876
Plant and equipment .....	98	39	39	161	140	132	125
Other .....	6,595	5,791	5,681	4,582	2,855	1,809	764
Total non-current assets .....	27,748	27,905	28,036	28,244	28,259	28,288	28,319
<b>TOTAL ASSETS</b> .....	30,085	29,288	29,419	30,374	31,128	31,783	31,877
<b>CURRENT LIABILITIES</b>							
Payables <sup>(b)</sup> .....	22	-	-	-	-	-	-
Provision for employee entitlements .....	1,592	1,708	1,611	1,651	1,661	1,681	1,701
Accrued salaries .....	172	136	152	158	333	382	382
Other .....	829	824	830	813	813	812	812
Total current liabilities .....	2,615	2,668	2,593	2,622	2,807	2,875	2,895
<b>NON-CURRENT LIABILITIES</b>							
Provision for employee entitlements .....	576	640	621	618	625	638	651
Other .....	15	20	19	7	7	7	7
Total non-current liabilities .....	591	660	640	625	632	645	658
<b>TOTAL LIABILITIES</b> .....	3,206	3,328	3,233	3,247	3,439	3,520	3,553
<b>EQUITY</b>							
Contributed equity <sup>(c)</sup> .....	5,306	5,264	5,306	13,545	13,545	13,545	13,545
Accumulated surplus/(deficit) <sup>(c)</sup> .....	8,733	7,856	8,040	742	1,304	1,878	1,939
Reserves .....	12,840	12,840	12,840	12,840	12,840	12,840	12,840
<b>Total equity</b> .....	26,879	25,960	26,186	27,127	27,689	28,363	28,324
<b>TOTAL LIABILITIES AND EQUITY</b> .....	30,085	29,288	29,419	30,374	31,128	31,783	31,877

(a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.

(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.

(c) The Accumulated surplus/(deficit) 2006-07 estimated actual of \$8.040 million is recognised as Contributed equity from 2007-08 and onwards to acknowledge the transfer of functions to the new Department for Communities.

**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 .....	28,669	28,023	27,883	28,143	27,449	27,799	28,155
Service appropriations held in Department of Treasury and Finance - Administered.....	-	-	-	1,150	570	590	610
<b>Net cash provided by State government .....</b>	<b>28,669</b>	<b>28,023</b>	<b>27,883</b>	<b>29,293</b>	<b>28,019</b>	<b>28,389</b>	<b>28,765</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits.....	(9,982)	(10,211)	(10,563)	(10,255)	(10,341)	(10,732)	(11,072)
Superannuation .....	(1,010)	(1,021)	(1,052)	(950)	(1,029)	(1,084)	(1,114)
Grants and subsidies .....	(6,145)	(6,280)	(6,280)	(5,152)	(5,002)	(5,002)	(5,002)
Services purchased from non-government agencies .....	(4,880)	(5,041)	(5,041)	(5,450)	(5,450)	(5,451)	(5,618)
Supplies and services .....	(4,208)	(5,487)	(5,330)	(6,264)	(4,948)	(5,004)	(5,372)
Accommodation.....	(1,081)	(773)	(1,073)	(1,096)	(1,103)	(1,111)	(1,117)
Capital user charge <sup>(b)</sup> .....	(44)	(33)	(31)	-	-	-	-
Goods and services tax .....	(1,325)	(1,335)	(1,335)	(1,335)	(1,335)	(1,335)	(1,335)
Other.....	(78)	-	-	-	-	-	-
<b>Receipts</b>							
User charges and fees.....	168	31	33	48	20	48	20
Grants and subsidies .....	385	512	382	382	382	382	382
Goods and services tax .....	1,325	1,335	1,335	1,335	1,335	1,335	1,335
Other receipts .....	431	183	342	191	191	191	191
<b>Net cash from operating activities.....</b>	<b>(26,444)</b>	<b>(28,120)</b>	<b>(28,613)</b>	<b>(28,546)</b>	<b>(27,280)</b>	<b>(27,763)</b>	<b>(28,702)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of non-current assets.....	(687)	(200)	(176)	(200)	-	-	-
Equity contribution receipts.....	-	-	-	200	-	-	-
<b>Net cash from investing activities.....</b>	<b>(687)</b>	<b>(200)</b>	<b>(176)</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>1,476</b>	<b>(297)</b>	<b>(954)</b>	<b>747</b>	<b>739</b>	<b>626</b>	<b>63</b>
Cash assets at the beginning of the reporting period .....	381	1,200	1,857	903	1,650	2,389	3,015
<b>Cash assets at the end of the reporting period.....</b>	<b>1,857</b>	<b>903</b>	<b>903</b>	<b>1,650</b>	<b>2,389</b>	<b>3,015</b>	<b>3,078</b>

(a) The Department was established on 1 May 2007 and amounts have been derived for comparative purposes to reflect the transfer of functions from the former Department for Community Development and the Department of the Premier and Cabinet.

(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.

## 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.....	30,290	30,900	31,345	31,109	29,883	30,325	31,186
<i>Less Capital User Charge</i> .....	44	33	31	-	-	-	-
Adjusted Total Cost of Services .....	30,246	30,867	31,314	31,109	29,883	30,325	31,186
<b>APPROPRIATIONS</b>							
Net amount appropriated to deliver services ....	30,737	30,036	29,881	30,065	29,267	29,673	30,029
<i>Less Capital User Charge</i> .....	44	33	31	-	-	-	-
Adjusted net amount appropriated to deliver services .....	30,693	30,003	29,850	30,065	29,267	29,673	30,029

## 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
Capital Grants .....	34	-	-	-	-	-	-
Volunteering .....	406	502	513	50	50	50	50
Positive Ageing Initiatives.....	191	350	350	250	100	100	100
Youth grants and disbursements .....	4,231	4,061	4,061	3,700	3,700	3,700	3,700
Multicultural Interests.....	591	730	710	522	522	522	522
Other.....	673	637	626	630	630	630	630
<b>TOTAL</b>	<b>6,126</b>	<b>6,280</b>	<b>6,260</b>	<b>5,152</b>	<b>5,002</b>	<b>5,002</b>	<b>5,002</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
Aboriginal Child Care Training.....	-	55	-	-
Children's Services.....	355	435	359	359
Departmental Services .....	452	203	362	226
GST Input Credits.....	8	10	10	10
GST Receipts on Sales.....	1,317	1,325	1,325	1,325
National Youth Week .....	25	22	23	23
Other Revenue - Multicultural Interests .....	152	11	13	13
<b>TOTAL</b> .....	<b>2,309</b>	<b>2,061</b>	<b>2,092</b>	<b>1,956</b>

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